

Company Registration No. 00228785

DD&Co Limited

Report and Financial Statements

31 March 2014



DD&Co Limited

Report and financial statements

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DD&Co Limited

Report and financial statements

Officers and professional advisers

Directors

M A Spencer
S A Cox
L P Oliver
D Gelber
C G Clothier
D Potter (Appointed 6th March 2014)

Secretaries

N Morse (Appointed 1st October 2013)
A Burley (Appointed 2nd January 2014)

Registered Office

8-10 Grosvenor Gardens
London
SW1W 0DH

Bankers

National Westminster Bank Plc
Piccadilly and New Bond Street
63-65 Piccadilly
London
W1J 0AJ

Solicitors

Norton Rose
Kempson House
Camomile Street
London
EC3A 7AN

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

DD&Co Limited

Directors' report

The directors present their annual report and the audited financial statements of DD&Co Limited ("the Company" or "DD&Co") for the year ended 31 March 2014.

Principal activities

The principal activity of the Company is to intermediate for physical commodity and asset based transactions.

The Company is an Associate Trade Member of the London Metal Exchange and an Affiliate member of the London Platinum and Palladium Market.

Results and dividends

The results for the year are set out on page 8.

Dividend

Dividends of £2,280,000 (2013: £3,500,000) were paid in the year.

Directors

The directors shown below who have served during the year and up to the date of signing are as follows:

M A Spencer
S A Cox
L P Oliver
D Gelber
C G Clothier
D Potter (Appointed 6th March 2014)

Directors' indemnities

During the year the Company made qualifying third party indemnity provisions for the benefit of its directors. These remain in force at the date of this report.

Going concern basis

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on Page 4.

The Company has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite some ongoing uncertainty in the economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DD&Co Limited

Directors' report

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Lawrence Oliver
Director

27th June 2014

DD&Co Limited

Strategic report

Review of the business and future developments

It is expected that the Company will continue to trade profitably with its current activities.

Business review

DD&Co Limited is a wholly owned subsidiary of DDCAP Limited ("the group" or "DDCAP"). The Company was able to trade profitably and the directors consider it had a positive year, given the environment in which the group's clients operate.

The DDCAP group manages its operations through operating subsidiaries. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development or position of the business. The performances of the subsidiaries of DDCAP, which include this Company, are discussed in the group's Strategic Report which does not form part of this report.

As a business focused on the provision of transactional intermediary and trade execution services, the Company's revenue is determined principally by the volume of business transacted by its customers, which are predominantly banks and financial institutions. Although some of the markets in which its customers operate continue to be challenging, the directors consider that the Company is well placed for opportunities available to it.

Risks and uncertainties


There are a number of potential risks and uncertainties, principally related to the business environments in which its clients operate, which could have a material impact on the Company's long-term performance and could cause actual results to differ materially from expected and historical results. The Company's risk management policies and procedures are discussed in Note 2 of the Notes to the accounts.

Financial risk management objectives

The Company regards the monitoring and controlling of risk as a fundamental part of its management process and therefore constantly monitors this risk, within strictly defined guidelines. The evaluation of risks, and the setting of policies, is carried out and approved by the relevant risk management committee under authority delegated by the Board.

The principal risks and uncertainties facing the Company and the strategy for managing these risks are discussed in Note 2 of the Notes to the accounts.

Approved by the Board of Directors
and signed on behalf of the Board



Lawrence Oliver
Director

27th June 2014

DD&Co Limited

Director's responsibilities statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of DD&Co Limited

We have audited the financial statements of DD&Co Limited for the year ended 31 March 2014 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Cash flow statement, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of DD&Co Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Polson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

27th June 2014

DD&Co Limited

Statement of comprehensive income Year ended 31 March 2014

	Notes	2014 £	2013 £
Revenue	3	9,193,855	9,815,475
Cost of sales		(2,590,097)	(3,376,850)
Gross profit		6,603,758	6,438,625
Administrative expenses		(3,891,486)	(3,871,382)
Operating profit	4	2,712,272	2,567,243
Investment income	5	1,689	3,467
Gains/(losses) from foreign exchange revaluations		(5,997)	68,139
Profit and total comprehensive income before tax		2,707,964	2,638,849
Tax	7	(622,832)	(633,316)
Profit and total comprehensive income on ordinary activities after tax	13	2,085,132	2,005,533

All results derive from continuing operations.

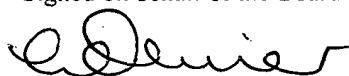
DD&Co Limited

Balance sheet 31 March 2014

	Notes	2014 £	2013 £
Assets			
Current assets			
Trade debtors and other receivables	9	1,477,641	2,435,508
Fair value of foreign exchange forward contracts		-	6,782
Cash and cash equivalents		2,194,192	2,044,461
		<u>3,671,833</u>	<u>4,486,751</u>
Total assets		<u><u>3,671,833</u></u>	<u><u>4,486,751</u></u>
Equity and liabilities			
Current liabilities			
Trade creditors and other payables	10	428,082	1,046,641
Corporation tax payable		277,900	279,344
Bank overdraft		-	47
Total current liabilities		<u>705,982</u>	<u>1,326,032</u>
Equity attributable to equity holders of the Company			
Share capital	11	2,000,000	2,000,000
Other reserve	12	400,000	400,000
Retained earnings	13	565,851	760,719
Total equity		<u>2,965,851</u>	<u>3,160,719</u>
Total equity and liabilities		<u><u>3,671,833</u></u>	<u><u>4,486,751</u></u>

The financial statements of DD&Co Limited registered number 00228785 were approved and authorised for issue by the Board of Directors on 27th June 2014.

Signed on behalf of the Board of Directors



L Oliver
Director



C Clothier
Director

DD&Co Limited

Statement of changes in equity Year ended 31 March 2014

	Share capital £	Other reserve £	Retained earnings £	Total equity £
Balance at 31 March 2012	<u>2,000,000</u>	<u>400,000</u>	<u>2,255,186</u>	<u>4,655,186</u>
Total comprehensive income for the period	-	-	2,005,533	2,005,533
Equity dividends paid	-	-	(3,500,000)	(3,500,000)
Balance at 31 March 2013	<u>2,000,000</u>	<u>400,000</u>	<u>760,719</u>	<u>3,160,719</u>
Total comprehensive income for the period	-	-	2,085,132	2,085,132
Equity dividends paid	-	-	(2,280,000)	(2,280,000)
Balance at 31 March 2014	<u>2,000,000</u>	<u>400,000</u>	<u>565,851</u>	<u>2,965,851</u>

DD&Co Limited

Cash flow statement Year ended 31 March 2014

	Notes	2014 £	2013 £
Net cash from operating activities	14	<u>2,428,089</u>	<u>3,172,257</u>
Investing activities			
Investment income		<u>1,689</u>	<u>3,467</u>
Net cash from investing activities		<u>1,689</u>	<u>3,467</u>
Financing activities			
Dividends paid		<u>(2,280,000)</u>	<u>(3,500,000)</u>
Net cash used in financing activities		<u>(2,280,000)</u>	<u>(3,500,000)</u>
Net increase/(decrease) in cash and cash equivalents		149,778	(324,276)
Cash and cash equivalents at the beginning of the year	15	<u>2,044,414</u>	<u>2,368,690</u>
Cash and cash equivalents at the end of the year	15	<u><u>2,194,192</u></u>	<u><u>2,044,414</u></u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

1. Accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union and with United Kingdom law. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters
IFRS 7 (amended)	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets
IAS 19 (revised)	Employee Benefits
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures

The directors anticipate that the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the group.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on Page 4.

The Company has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite some ongoing uncertainty in the economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The current year amounts are for the year ended 31 March 2014. The comparatives are for the year to 31 March 2013. The accounting policies have been applied consistently in the current and previous year.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the invoiced value, net of Value Added Tax where applicable, of commissions received from the provision and arranging of facilitation services for commodity transactions, trade and asset finance, and is recognised on an accrual basis.

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

1. Accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using sterling, the currency of the primary economic environment in which the entity operates ("the functional currency").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions denominated in foreign currencies are recorded using the average rates of exchange for the month. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken to the income statement.

Financial assets

Financial assets are classified in the following category, as determined at initial recognition:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately. The foreign exchange forward contracts fall within Level 2 of the fair value hierarchy below.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets,
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

Netting of financial instruments

Financial assets and liabilities with the same counterparty are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Trade receivables and trade payables

Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

Cash and cash equivalents

These comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as more likely than not they will be recovered. Deferred tax is measured on a non-discounted basis.

Interest income and expense

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts and payments over the expected life of the financial asset and financial liability to that asset's and liability's net carrying amount.

2. Financial instruments and risk management

Capital risk management

The Company's primary objective in managing capital is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The Company's capital is made up of the following:

Share Capital (Note 11)

Other reserve (Note 12)

Retained Earnings (Note 13)

Externally imposed capital requirement

The Company is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the accounts.

Financial risk management objectives

The Company regards the monitoring and controlling of risk as a fundamental part of its management process and therefore constantly monitors this risk, within strictly defined guidelines. The evaluation of risks, and the setting of policies, is carried out and approved by the relevant risk management committee under authority delegated by the Board.

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

2. Financial instruments and risk management (continued)

Market risk management

Market risk is the vulnerability of the Company to movements in the current market value of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk.

The Company does not hold or trade in any financial instruments that are price sensitive or marked to market.

The Company engages in the purchase and sale of physical commodities. However, the Company is not involved in Exchange traded commodity dealings, and it does not engage in commodity market speculation, futures or options trading.

The company has established an internal risk management committee, chaired by a member of the Board or an alternate, senior executive and including other, relevant senior personnel, which meets regularly and ensures ongoing monitoring and control of market risk.

Foreign currency risk management

The Company has a sterling denominated balance sheet and cost base, but a significant percentage of its revenues are derived in US dollars. The Company enters into forward foreign exchange arrangements with prime international banks to ensure that its sterling obligations are fully covered. The Company does not trade in financial derivatives for commercial purposes, but utilises hedging strategies to afford maximum protection against actual currency exposures. The Financial Controller establishes a budget for each financial year with a target rate of exchange that is approved by the Board of Directors. Hedging policies to mitigate currency risk on an ongoing basis are agreed at the beginning of every financial year and reviewed and adjusted, where relevant, at quarterly Board Meetings.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Foreign currency sensitivity analysis

The Company is mainly exposed to the US dollar currency.

	2014		2013	
	Assets £	Liabilities £	Assets £	Liabilities £
US dollar	<u>978,321</u>	<u>(188,799)</u>	<u>1,358,631</u>	<u>(575,332)</u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

2. Financial instruments and risk management (continued)

Foreign currency risk management (continued)

The following table details the Company's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates an increase in profit where sterling strengthens 10% against the relevant currency. For a 10% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

	US dollar currency impact	
	2014 £	2013 £
Loss impact	150,595	71,209

Reasons for foreign currency impacts shown above:

The Company's sensitivity to foreign currency has been managed during the current period as it has maintained a policy of selling the majority of its dollar based cash flows, retaining amounts required for contractual hedging and third party payment commitments.

Interest rate risk management

Interest rate risk represents the sensitivity of the Company to changes in interest rates.

The Company does not have long-term borrowings or loans and therefore is not overly exposed to interest rate risk.

Credit risk management

Credit risk is the risk of financial loss to the Company in the event that a client or counterparty fails to settle its contractual obligations to the Company.

As an intermediary in much of its business, the Company does not expect to assume significant credit risk but, where appropriate, the Company assesses the creditworthiness of each counterparty prior to entering into a new relationship. The Company's exposure and the credit standing of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed regularly. The Company has established an internal risk management committee, chaired by a member of the Board or an alternate, senior executive and including other, relevant senior personnel, which meets regularly to ensure ongoing monitoring and control of counterparty relationships.

The group usually has surplus cash balances that are placed with bank counterparties of appropriate rating, as approved by the Board. For such purpose the group has a core bank group of prime UK and international banks with a minimum rating of A from a recognised international rating agency such as Standard & Poor's or Moody's Investors Services.

The Company has no significant concentration of customer credit risk. None of the financial assets of the Company were past due or impaired during the current and the previous year.

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

2. Financial instruments and risk management (continued)

Credit risk management (continued)

Maximum exposure to credit risk

The table below represents the Company's "on balance sheet" credit risk exposure as at 31 March 2014 and 2013.

Credit risk relating to on-balance sheet exposures

	2014 £	2013 £
Cash and cash equivalents	2,194,192	2,044,461
Trade debtors and other receivables	1,047,374	1,192,211
Amounts due from related parties	209,854	1,242,360
	<u>3,451,420</u>	<u>4,479,032</u>

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every businesses operation and covers a wide spectrum of potential issues. The Company manages this risk by operating a control-based environment in which processes are documented, authorisation is independent and transactions are recorded and monitored.

The Company also has an operational risk management committee that is chaired by its Chief Operating Officer or an alternate senior executive.

Liquidity risk

Liquidity risk refers to the risk that the Company is unable to meet the obligations associated with financial liabilities as they fall due owing to insufficient financial resources.

The Company manages liquidity risk by maintaining adequate reserves and cash and by continuously monitoring forecast and actual cash flows. Its position is overseen by the group Chief Operating Officer and the Financial Controller.

Liquidity risk table

The Company has the following contracted cash flows under forward exchange contracts, which are disclosed at the undiscounted fair value:

	2014 £	2013 £
Due within one month	-	979
Due within one to six months	-	5,803
	<u>-</u>	<u>6,782</u>

The Company has no other classes of financial instrument.

Equity risk

Equity risk exposure is deemed to be immaterial.

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

3. Revenue

	2014 £	2013 £
Commodity facilitation and trade intermediation	<u>9,193,855</u>	<u>9,815,475</u>

Revenue is derived principally from the Middle East. The directors consider commodity facilitation and trade intermediation to be a single trading activity.

4. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Management fees payable to DDGI Limited	3,867,819	3,829,936
Fees payable to the Company's auditors for the audit of the annual accounts	<u>13,250</u>	<u>12,875</u>

5. Investment income

	2014 £	2013 £
Income received from third party banks	<u>1,689</u>	<u>3,467</u>

6. Information regarding directors and employees

The Company did not have any employees in the current or prior periods.

The directors did not receive emoluments for their services to the Company during the current or prior year as they were paid by other group companies.

7. Tax

Analysis of tax charge on ordinary activities

	2014 £	2013 £
UK corporation tax at 23% (2013: 24%)	<u>(622,832)</u>	<u>(633,316)</u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

7. Tax (continued)

Tax charge on profit on ordinary activities

Factors affecting current tax charge for the current year

	2014 £	2013 £
Profit on ordinary activities before tax	2,707,964	2,638,849
Tax at 23% (2013: 24%) thereon	(622,832)	(633,324)
Effects of:		
Capital allowances in excess of depreciation	-	8
	<u>(622,832)</u>	<u>(633,316)</u>

Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £ - (2013: £nil).

8. Dividends

	2014 £	2013 £
Dividends paid on ordinary shares - 114p per share (2013: 175p per share)	<u>2,280,000</u>	<u>3,500,000</u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

9. Trade debtors and other receivables

	2014 £	2013 £
Trade debtors and other receivables	1,047,374	1,192,210
Amounts due from related parties	429,312	1,242,360
Prepayments and accrued income	955	938
	<u>1,477,641</u>	<u>2,435,508</u>

At the balance sheet date there were amounts receivable from fellow group companies of £209,854 (2013: £1,242,360). The carrying amount of these assets approximates their fair value. There are no past due or impaired receivable balances (2013: £ nil).

10. Trade creditors and other payables

	2014 £	2013 £
Trade payables	184,802	549,161
Other payables	10,947	7,748
Amounts owed to related parties	219,458	476,357
Accruals and deferred income	12,875	13,375
	<u>428,082</u>	<u>1,046,641</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for payment of fees associated to commodity and trades purchases is 26 days (2013: 59 days).

The carrying amount of trade payables approximates their fair value.

11. Called up share capital

	2014 £	2013 £
Called up, allotted and fully paid		
2,000,000 (2013: 2,000,000) ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

12. Other reserve

	2014 £	2013 £
Balance at 1 April 2013	400,000	400,000
Balance at 31 March 2014	<u>400,000</u>	<u>400,000</u>

The reserve is a merger reserve in respect of historical activities of the Company.

13. Retained earnings

	2014 £	2013 £
Balance at 1 April 2013	760,719	2,255,186
Dividends paid	(2,280,000)	(3,500,000)
Total comprehensive income for the year	<u>2,085,132</u>	<u>2,005,533</u>
Balance at 31 March 2014	<u>565,851</u>	<u>760,719</u>

14. Notes to the cash flow statement

	2014 £	2013 £
Profit for the year	2,085,132	2,005,533
Adjustments for:		
Investment income	(1,689)	(3,467)
Income tax expense	<u>622,832</u>	<u>633,316</u>
Operating cash flows before movement in working capital	2,706,275	2,635,382
Decrease in receivables	964,649	3,945,327
Decrease in payables	<u>(618,559)</u>	<u>(2,623,626)</u>
Cash generated by operations	3,052,365	3,957,083
Income taxes paid	<u>(624,276)</u>	<u>(784,826)</u>
Net cash from operating activities	<u>2,408,089</u>	<u>3,172,257</u>

DD&Co Limited

Notes to the accounts Year ended 31 March 2014

15. Cash and cash equivalents,

	1 April 2013 £	Cash flow £	31 March 2014 £
Bank balance	2,044,461	149,731	2,194,192
Overdraft	(47)	47	-
	<u>2,044,414</u>	<u>149,778</u>	<u>2,194,192</u>

16. Related party transactions

During the year, the Company entered in to the following transactions with related parties:

£3,867,819 (2013: £3,829,936) of administrative expenses relate to management fees charged by DDGI Limited.

The following amounts were outstanding as at the balance sheet date:

	Amount owed by/(to) related parties			
	2014 £	2013 £	2014 £	2013 £
DDGI Limited	-	-	(219,458)	(476,357)
DDCAP Limited	<u>429,312</u>	<u>1,242,360</u>	<u>-</u>	<u>-</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

17. Ultimate parent Company and controlling Company

The immediate parent Company is DDCAP Limited, a Company incorporated in Great Britain and registered in England and Wales. Group consolidated financial statements of DDCAP Limited, which is the parent of the smallest group for which group accounts are prepared, can be obtained from the Company Secretary, DDCAP Limited, 8-10 Grosvenor Gardens, London SW1W 0DH. IPGL Limited is the ultimate parent Company incorporated in Great Britain and registered in England and Wales. Group consolidated financial statements of IPGL Limited, which is the parent of the largest group for which group accounts are prepared, can be obtained from the Company Secretary, IPGL Limited, Park House 16 Finsbury Circus, London EC2M 7EB.