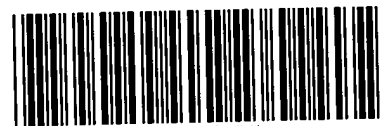


GODFREY-SYRETT LIMITED

Report and Financial Statements

Year ended 31 December 2014

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**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

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**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W J Rusga	(Chairman)
S F Riddell	(Vice Chairman)
N Tweddle	(Managing Director)
C G Conyers	
Sir Simon Day	
D A Greenwell	
Lady A B Wakeham	
G Rance	
D J Q Greenwell	
C J Billingham	
D Mitchell	

SECRETARY

C Billingham

REGISTERED OFFICE

Planet Place
Killingworth
Newcastle upon Tyne
NE12 6DY

BANKERS

The Royal Bank of Scotland plc
31 Grey Street
Newcastle upon Tyne
NE1 6ES

SOLICITORS

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne
NE1 2HF

STRATEGIC REPORT

The company is a wholly owned subsidiary of Godfrey-Syrett (Holdings) Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the group, of which Godfrey-Syrett Limited is the sole trading company, are the design, manufacture and sale of office and educational furniture in the UK. There have not been any significant changes in the group's principal activities in the year under review.

The group continues to invest in product design and development of new products and during the period successfully launched several new ranges. The directors regard such investment as an essential factor in its continuing success in the medium and longer term.

The directors identified 2014 as a further year of consolidation and are pleased to report that solid progress was made across all aspects of the business. The company focused on its core markets and achieved its budgeted turnover while managing to improve profit before tax to 4.6%, previously 3.9%, which is a key operating KPI.

The directors view management of working capital as critical to success and long term future viability and have established this as a strategic KPI. Calculated by comparing the sum of stock and trade debtors against annualised revenue for the last 4 months of the year, the directors are able to report that the business has maintained its working capital ratio throughout the trading period to below its target of 27%.

PRINCIPAL RISKS AND UNCERTAINTIES

It was noticeable that competitive pressure in the UK and risk of non-payment are the major continuing risks for the business. Wherever possible the company tries to differentiate from its competitors by providing added value services to its customers, a one stop shop service and by maintaining strong relationships with customers.

By focusing on working capital management the company has established significant financial resources and also has additional unutilised overdraft facilities. The directors have also changed the dividend policy to ensure that the cash resources are maximised, this in turn restricts dividend payments and has strengthened the reserves of the business.

Current trading is strong and coupled with a solid order book and a robust prospect pipeline the directors believe that the business is well placed to manage its business risks.

All sales are made within the UK and there is minimal foreign exchange exposure. The company does however import some product from the Far East and Eastern Europe and where necessary minimises exchange risk by entering into currency forward contracts. There is no interest rate exposure.

FUTURE PROSPECTS

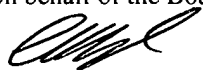
It is essential that the company is not dependant on any one sector or customer. The company has been successful in providing products and services to a number of markets, namely health, education, defence, and commercial. The company is proactively making improvements to its products, internal processes, marketing materials, and sales infrastructure. As such the directors are confident that we will be able to successfully increase penetration into our existing markets and see no requirement to enter new markets in the next 12 months.

The company is working closely with key supply chain partners to reduce its overall environmental impact. This is being achieved through responsible sourcing of raw materials from local sustainable sources, which in turn is driving the true carbon footprint to what the directors believe, is one of the lowest within the industry.

The business pro-actively engages with our workforce to support a number of local charities. This has been viewed as extremely beneficial for all parties and is core to our corporate beliefs.

Approved by the Board of Directors

and signed on behalf of the Board



C Billingham

Director

Date: 3rd JUNE 2015

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

POST BALANCE SHEET EVENTS

The balance sheet on page 8 of the financial statements shows the group's financial position at the year end. Post year end the business has successfully raised additional finance facilities in order to purchase a new distribution centre. This purchase was completed in January of this year and is further commitment for the business to improve its logistics and distribution capabilities, to ultimately improve the service provided to our clients. The management believe that the new facility will enable the business to exceed our customers expectations for the foreseeable future, enabling Godfrey Syrett to continue to consolidate its position in the market.

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DIVIDENDS AND TRANSFERS TO/FROM RESERVES

The results for the year are shown in the profit and loss account on page 7.

During the year the total dividends paid were £214,677, £5.58 per ordinary share (2013: £222,222, £5.77 per ordinary share). After dividend, an increase in shareholders' funds of £711,434 has been transferred to reserves (2013: increase in shareholders' funds of £493,027 transferred to reserves).

GOING CONCERN

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 bases in preparing the annual report and accounts. Further detail is set out in note 1 to the financial statements.

DIRECTORS

The directors who served throughout the year and since were as follows:

D A Greenwell
Sir Simon Day
Lady A B Wakeham
C G Conyers
W J Rusga
S F Riddell
G Rance
N Tweddle
D J Q Greenwell
C J Billingham
D Mitchell

DIRECTORS' REPORT
AUDITOR

Each of the persons who are a director of the company as at the date 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
- each director has taken all reasonable 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.

Deloitte LLP have indicated their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



C Billingham
Director

Date: 3rd JUNE 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 GODFREY-SYRETT LIMITED

We have audited the financial statements of Godfrey-Syrett Limited for the year ended 31 December 2014 which comprise of the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

K Darlison

Kate Darlison FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne, UK

12 June 2015

PROFIT AND LOSS ACCOUNT
year ended 31 December 2014

	Notes	Year ended 31 December 2014 £	Year ended 31 December 2013 £
TURNOVER	2	25,657,688	23,709,956
Cost of sales		(19,026,654)	(17,569,035)
Gross Profit		6,631,034	6,140,921
Distribution costs		(3,936,520)	(3,735,425)
Administrative expenses		(1,424,895)	(1,405,339)
		(5,361,415)	(5,140,764)
OPERATING PROFIT		1,269,619	1,000,157
Interest receivable and similar income	3	404	233
Interest payable and similar charges	4	(99,295)	(64,042)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,170,728	936,348
Tax on profit on ordinary activities	8	(244,617)	(221,099)
PROFIT FOR THE FINANCIAL YEAR	10, 20	926,111	715,249

All the above results derive from continuing activities in the United Kingdom.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


There are no recognised gains and losses for the current year or preceding financial year other than as stated in the profit and loss account.

GODFREY-SYRETT LIMITED

BALANCE SHEET
At 31 December 2014

	Notes	31 December 2014 £	31 December 2013 £
FIXED ASSETS			
Intangible assets	11	10,000	10,000
Tangible assets	12	1,737,570	1,741,590
Investments	13	109,008	109,008
		<u>1,856,578</u>	<u>1,860,598</u>
CURRENT ASSETS			
Stock	14	2,249,484	2,074,081
Debtors	15	5,302,768	5,198,330
Cash at bank and in hand		7,551	15,744
		<u>7,559,803</u>	<u>7,288,155</u>
CREDITORS: amounts falling due within one year	16	<u>(3,962,100)</u>	<u>(4,444,427)</u>
NET CURRENT ASSETS		<u>3,597,703</u>	<u>2,843,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,454,281</u>	<u>4,704,326</u>
CREDITORS: amounts falling due after more than one year	17	(1,904,096)	(1,875,633)
PROVISIONS FOR LIABILITIES	18	(10,058)	-
NET ASSETS		<u>3,540,127</u>	<u>2,828,693</u>
CAPITAL AND RESERVES			
Called up share capital	19	38,500	38,500
Profit and loss account	10	3,501,627	2,790,193
SHAREHOLDERS' FUNDS	20	<u>3,540,127</u>	<u>2,828,693</u>

The financial statements of Godfrey-Syrett Limited (registered number 00751094), on pages 7 to 20, were approved by the board of directors and authorised for issue on **3 June 2015**


C Billingham
Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. A summary of principal accounting policies adopted is set out below. All have been applied consistently throughout the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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 2.

The company completed a £2m purchase of a new distribution centre in January 2015. This was funded via working capital and a £2.25m bank loan. The company is not subject to any financial covenants on the loan until 31 December 2016.

Furthermore, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its resources. The existing banking facility was renewed at the beginning of March 2015 for a further 12 months.

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 bases in preparing the annual report and financial statements.

Basis of consolidation

The directors have taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements. In the opinion of the directors the company is eligible for this exemption on the grounds that it is a subsidiary undertaking.

Accordingly these financial statements present information about the company as an individual undertaking and not as a group. They are included in the consolidated financial statements of Godfrey-Syrett (Holdings) Limited, a company registered in England and Wales (see note 25).

Turnover

Turnover represents amounts receivable for goods supplied by the company net of trade discounts and value added tax. Turnover is recognised when goods are received by the customer. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Intangible assets - Licenses

Licenses are included at cost and are not amortised where the company retains the rights for an indefinite renewal of the legal right.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on assets, on a reducing balance or straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

Freehold land	no depreciation
Freehold buildings	2%
Plant and machinery	between 15% and 25%
Fixtures and fittings	between 15% and 50%
Motor vehicles	25%

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES (continued)****Stock**

Stock and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Pension costs

Pension costs represent contributions to defined contribution pension schemes. Pension costs are charged to the profit and loss account as they become payable to the pension schemes.

Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation in each year.

Operating lease rentals are charged to profit and loss in equal amounts over the lease term.

Cash flow statement

The company has taken advantage of the exemption available to subsidiary undertakings in FRS1 (revised 1996) "Cash Flow Statements" not to disclose a cash flow statement or associated notes.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are non-discounted.

2. TURNOVER

All turnover and pre-tax profits originate in the United Kingdom.

All net assets are located in the United Kingdom.

The directors believe that all turnover is in one business segment.

NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Bank interest	404	233

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Bank overdraft charges	95,955	63,258
HP lease interest	3,340	784
	<u>99,295</u>	<u>64,042</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
This is stated after charging:		
Depreciation of tangible fixed assets owned	193,529	200,943
Rentals under operating leases:		
Other operating leases	291,898	201,002

The analysis of auditor's remuneration is as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Fees payable to the company's auditor for the audit of the company's statutory financial statements	22,000	19,000
Total audit fees	<u>22,000</u>	<u>19,000</u>
Fees payable to the company's auditor in respect of tax services	3,000	3,300
Total non-audit fees	<u>3,000</u>	<u>3,300</u>

NOTES TO THE FINANCIAL STATEMENTS

6. DIRECTORS' REMUNERATION

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Emoluments	344,161	411,305
Pension contributions	42,165	18,000
	<u>386,326</u>	<u>429,305</u>
Emoluments of highest paid director		
Emoluments	96,753	100,924
Pension contributions	34,123	18,000
	<u>130,876</u>	<u>118,924</u>

Two directors are members of the defined contribution pension scheme (2013: one).

7. STAFF COSTS AND EMPLOYEES (INCLUDING DIRECTORS)

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Wages and salaries	5,767,932	5,780,037
Social security costs	543,128	588,362
Other pension costs (note 23)	124,641	24,390
	<u>6,435,701</u>	<u>6,362,789</u>

The average weekly number of employees during the year was:

	No.	No.
Office and management	43	39
Production and sales	180	173
	<u>223</u>	<u>212</u>

NOTES TO THE FINANCIAL STATEMENTS

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) a) Analysis of charge in the year

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Current tax		
United Kingdom Corporation tax at 21.49% (2013: 23.25%) based on the profit for the year	240,103	201,343
Adjustments in respect of prior years	(14,635)	-
Total current tax	225,468	201,343
Deferred tax		
Timing differences, origination and reversal	20,578	18,589
Adjustment in respect of prior years	1	-
Effect of changes in tax rate	(1,430)	1,167
	19,149	19,756
Total tax on profit on ordinary activities	244,617	221,099

b) Factors affecting tax charge for the current year

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Profit on ordinary activities before tax	1,170,728	936,348
Tax at 21.49% (2013: 23.25%) thereon:	251,627	217,700
Effects of:		
Expenses not deductible for tax purposes	10,459	7,205
Capital allowances in excess of depreciation	(18,264)	(19,446)
Change in tax rate	-	(4,971)
Adjustments in respect of prior years	(14,635)	-
Movement in short term timing differences	(2,315)	887
Effects of other tax rates/credits	(1,404)	-
Current tax charge for year	225,468	201,343

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the rate of UK corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. Deferred taxation is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Accordingly, deferred tax balances have been revalued to the lower rate of 20% in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

9. DIVIDENDS PAID

	2014	2013
	£	£
Ordinary Shares		
Interim paid - £5.58 per ordinary share (2013: £5.77)	214,677	222,222
	<u>214,677</u>	<u>222,222</u>

10. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
At 1 January 2014	2,790,193
Profit for the year	926,111
Dividends paid	(214,677)
	<u>3,501,627</u>
At 31 December 2014	<u>3,501,627</u>

11. INTANGIBLE ASSETS

	Licenses £
Cost and net book value	
At 1 January and 31 December 2014	<u>10,000</u>

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures and Fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2014	1,408,793	1,411,894	845,988	97,175	3,763,850
Additions	4,680	89,014	96,928	-	190,622
Disposals	-	-	(532,082)	(62,525)	(594,607)
At 31 December 2014	<u>1,413,473</u>	<u>1,500,908</u>	<u>410,834</u>	<u>34,650</u>	<u>3,359,865</u>
Accumulated depreciation					
At 1 January 2014	174,385	1,092,084	677,440	78,351	2,022,260
Charge for the year	12,889	99,302	72,916	8,422	193,529
Disposals	-	-	(532,038)	(61,456)	(593,494)
At 31 December 2014	<u>187,274</u>	<u>1,191,386</u>	<u>218,318</u>	<u>25,317</u>	<u>1,622,295</u>
Net book value					
At 31 December 2014	<u>1,226,199</u>	<u>309,522</u>	<u>192,516</u>	<u>9,333</u>	<u>1,737,570</u>
At 31 December 2013	<u>1,234,408</u>	<u>319,810</u>	<u>168,548</u>	<u>18,824</u>	<u>1,741,590</u>

Included in freehold land and buildings is land at cost of £504,223 (2013: £504,223) that is not depreciated.

Included in tangible fixed assets are assets held under finance leases, as follows:

	At 31 December 2014 £	At 31 December 2013 £
Cost	105,550	38,665
Accumulated depreciation	<u>(21,496)</u>	<u>(6,444)</u>
Net book value	<u>84,054</u>	<u>32,221</u>

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS HELD AS FIXED ASSETS

Investments

Fixed asset investments are stated at cost less any provision for impairment.

	At 31 December 2014 £	At 31 December 2013 £
Shares in subsidiaries at cost	109,008	109,008

The following are wholly owned subsidiaries of Godfrey-Syrett Limited:

Company name	Activity	Holding %
Peal Furniture (Durham) Limited	Dormant	100%
Lodge Contracts (1984) Limited	Dormant	100%
Vinyl Master (Northumbria) Limited	Dormant	100%
Hillfield Securities (Wembley) Limited	Dormant	100%
Peal Equipment Limited	Dormant	100%
Herlacross Limited	Dormant	100%
Martock Investments Limited	Dormant	100%

The principal business address for the above companies is Planet Place, Killingworth, Newcastle upon Tyne, NE12 6DY.

14. STOCK

	At 31 December 2014 £	At 31 December 2013 £
Raw materials	735,505	1,263,626
Work in progress	54,360	131,580
Finished goods	1,459,619	678,875
	<u>2,249,484</u>	<u>2,074,081</u>

NOTES TO THE FINANCIAL STATEMENTS

15. DEBTORS

	At 31 December 2014 £	At 31 December 2013 £
Trade debtors	4,813,128	4,968,457
Other debtors	5,670	11,893
Prepayments and accrued income	483,970	208,889
Deferred tax asset (note 18)	-	9,091
	<u>5,302,768</u>	<u>5,198,330</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 December 2014 £	At 31 December 2013 £
Overdraft	441,063	312,941
Trade creditors	2,364,079	2,869,852
Corporation tax	224,854	212,718
Other taxes and social security costs	286,756	439,647
Net obligations under hire purchase contracts	24,165	8,592
Other creditors	94,122	48,049
Accruals and deferred income	527,061	552,628
	<u>3,962,100</u>	<u>4,444,427</u>

Bank overdrafts are secured by a fixed and floating charge on the company's assets.

NOTES TO THE FINANCIAL STATEMENTS

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 31 December 2014 £	At 31 December 2013 £
Amount owed to parent undertaking	35,527	35,527
Amount owed to subsidiary undertakings	1,826,143	1,826,143
Net obligations under hire purchase contracts	42,426	13,963
	<u>1,904,096</u>	<u>1,875,633</u>

The amounts owed to group undertakings are interest free and are repayable after more than one year.

Net obligations under hire purchase contracts

	At 31 December 2014 £	At 31 December 2013 £
Net obligations repayable:		
Within one year	24,165	8,592
Between one and five years	42,426	13,963
	<u>66,591</u>	<u>22,555</u>

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS FOR LIABILITIES

Deferred taxation

	At 31 December 2014 £	At 31 December 2013 £
Movement in year		
Opening asset	9,091	28,847
Debit to profit and loss account	(19,149)	(19,756)
	<u>(10,058)</u>	<u>9,091</u>
Closing (liability)/asset	<u>(10,058)</u>	<u>9,091</u>

The amount of deferred tax provided in the financial statements is as follows:

	At 31 December 2014 £	At 31 December 2013 £
Capital allowances in excess of depreciation	(30,669)	(13,673)
Short term timing differences	20,611	22,764
	<u>(10,058)</u>	<u>9,091</u>

19. CALLED UP SHARE CAPITAL

	At 31 December 2014 £	At 31 December 2013 £
Called up, allotted and fully paid		
38,500 Ordinary shares of £1 each	38,500	38,500

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	At 31 December 2014 £	At 31 December 2013 £
Profit for the financial year	926,111	715,249
Dividends paid and proposed	(214,677)	(222,222)
	<u>711,434</u>	<u>493,027</u>
Net increase in shareholders' funds	<u>711,434</u>	<u>493,027</u>
Opening shareholders' funds	2,828,693	2,335,666
	<u>3,540,127</u>	<u>2,828,693</u>
Closing shareholders' funds	<u>3,540,127</u>	<u>2,828,693</u>

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS

At the year end capital commitment contracted and not provided for amounted to £2,160,434 (2013: £31,198).

22. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Leases which expire:				
Within one year	-	30,814	-	3,562
Within two to five years	100,000	139,210	100,000	153,839
Greater than five years	-	142,886	-	64,837
	<u>100,000</u>	<u>312,910</u>	<u>100,000</u>	<u>222,238</u>

23. PENSION SCHEMES

The company operates a defined contribution pension scheme. The assets of the scheme are invested and held separately from those of the company.

In addition the company operates three other minor schemes where defined contributions are paid to insurance companies. The payments made were £124,641 in the year (2013: £24,390).

24. RELATED PARTY TRANSACTIONS

During the year the company incurred management charges from Genner Trust Limited, a company of which Lady Wakeham is a director, amounting to £83,025 (2013: £71,246). At the financial year end £Nil (2013: £Nil) was due to Genner Trust Limited.

During the year the company made pension payments of £Nil (2013: £Nil) on behalf of Godfrey-Syrett (Holdings) Limited pension fund, and had receipts of £Nil (2013: £19,518) from the pension fund. All transactions are at arm's length.

The company has taken advantage of the exemption available in Financial Reporting Standard No 8 "Related Party Disclosures", not to disclose transactions with entities that are part of the same group.

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling entity is Godfrey-Syrett (Holdings) Limited, a company registered in England and Wales. Godfrey-Syrett (Holdings) Limited is the smallest and largest group which includes the company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Godfrey-Syrett (Holdings) Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

26. POST BALANCE SHEET EVENTS

Post year end the business has successfully raised additional finance facilities in order to purchase a new distribution centre. This purchase was completed in January of this year and is further commitment for the business to improve its logistics and distribution capabilities, to ultimately improve the service provided to our clients. The management believe that the new facility will enable the business to exceed our customer's expectations for the foreseeable future, enabling Godfrey Syrett to continue to consolidate its position in the market.