Constantine Limited

Annual report and financial statements

Registered number 00948446

31 December 2013

Contents

Strategic report

The directors present their Strategic report for the 16 month period ended 31 December 2013.

Principal activities

The principal activity of the company is the provision of fine art packing, handling, transportation and storage services.

Business model

The company provides specialist packing, handling, transportation and storage services in respect of fine art for private collectors, museums and galleries. The company has specialist storage and transportation facilities which facilitate these services. The company adds value through these principal activities to ensure the smooth and safe packing, handling, transportation and storage of works of art.

Business review and results

The results for the company show an operating profit of £1.1m *(year ended 31 August 2012: £1.8m)* and turnover of £22.0m *(year ended 31 August 2012: £16.8m)*. The company continues to perform well in a highly competitive market and has achieved strong growth in museum, commercial gallery and private collector revenues both in the UK and overseas. The company has a market leading position in museum exhibitions and specialist storage in the UK.

Key performance indicators

Business performance is measured by key performance indicators ("KPI's") which include monitoring of actual results against budget by the Board on a monthly basis. The company monitors appropriate KPI's necessary for an understanding of the development, performance or position of its business. These KPI's address the essential operational areas and parameters such as customer service and operating efficiencies, and are reported at all levels of the business.

	16 month period ended 31 December 2013	Year ended 31 August 2012
Turnover (£000)	**22,013**	16,761
Profit for the year (£000)	**737**	1,273
Net assets (£000)	**4,722**	4,485
Gearing ratio (%)	**50**	45

Principal risks and uncertainties

The Board sets the long term strategy and goals for the company, whilst regularly reviewing the operational, financial and external risks of the company. The management of the business and execution of the company's strategy is subject to a number of risks. The key risk for the business has been assessed to be economic trading conditions.

Future developments

The outlook for the company is positive following continued growth and operational expansion during the period. Subsequent to the period end the company has commenced a significant capital investment programme to increase its storage and operational capacity. This investment is driven by the continued success and expansion of the company's operations. The investment has been funded through a combination of asset financing, existing facilities, and financial support from the entity's ultimate parent undertaking, Constantine Group plc.

Strategic report *(continued)*

The directors are confident that the company will at least maintain its current market share in the future. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available and therefore the directors believe that the company is well placed to manage its business risks successfully.

Signed on behalf of the Board

PS Carney
Finance Director

20-26 Sandgate Street
London
SE15 1LE

7 May 2014

Directors' report

The directors present their directors' report and the financial statements for the 16 month period ended 31 December 2013.

Financial instruments

The company's financial instruments comprise borrowings (principally group finance and bank loans), cash, share capital, and various items that arise directly from operations (such as trade debtors, trade creditors etc). The main purpose of these financial instruments is to raise finance for the company's operations and to manage interest rate risk.

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Interest rate risk

The company finances its operations through a mixture of retained profits, share capital, group finance, asset finance, cash, and bank borrowings. The company's principal borrowings comprise bank loans with fixed rate interest terms.

Liquidity risk

As regards liquidity, throughout the year the company's policy has been to maintain a mix of short and medium facilities.

At 31 December 2013 the company had cash at bank and in hand of £2,303,989 *(2012: £782,435)*. Subsequent to the year end the company has commenced a significant capital investment programme to increase its storage and operational capacity. This investment is driven by the continued success and expansion of the company's operations. The investment has been funded through a combination of asset financing, existing borrowing facilities, and financial support from the entity's ultimate parent undertaking, Constantine Group plc.

Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

During the year the policy of providing employees with information about the company has been continued through internal media methods and holding regular meetings to review the company's performance.

Dividends

A dividend of £500,000 *(2012: £400,000)* was paid during the year on the ordinary shares.

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during and subsequent to the period were as follows:

NL Constantine (resigned 1 October 2013)
TJ Sutton
NKG Prescot
PD Williamson
DL Akers-Douglas
PGK Pollard
PS Carney (appointed 30 August 2013)

The director retiring by rotation is PD Williamson who, being eligible, offers himself for re-election. PS Carney, being appointed during the year, resigns and being eligible, offers himself for re-election.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

PS Carney
Finance Director

20-26 Sandgate Street
London
SE15 1LE

7 May 2014

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 and loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Independent auditor's report to the members of Constantine Limited

We have audited the financial statements of Constantine Limited for the 16 month period ended 31 December 2013 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit for the period then ended.
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Constantine Limited *(continued)*

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 period 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.

Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

7 May 2014

Profit and loss account

for the 16 month period ended 31 December 2013

	Note	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Turnover	*1,2*	**22,013,371**	16,761,346
External charges		**(10,128,610)**	(8,305,923)
Staff costs	*5*	**(6,165,148)**	(4,235,185)
Depreciation of tangible fixed assets	*10*	**(599,396)**	(330,990)
Other operating charges		**(4,003,707)**	(2,114,780)
Operating profit		**1,116,510**	1,774,468
Other interest receivable and similar income	*6*	**63,609**	58,513
Interest payable and similar charges	*7*	**(89,506)**	(78,002)
Profit on ordinary activities before taxation	*3-7*	**1,090,613**	1,754,979
Tax on profit on ordinary activities	*8*	**(353,551)**	(482,295)
Profit for the financial period/year	*16*	**737,062**	1,272,684

The company has no recognised gains or losses other than the profit for the period/year. The results of the company arose entirely from continuing operations.

Balance sheet
at 31 December 2013

	Note	**31 December 2013**		31 August 2012	
		£	**£**	£	£
Fixed assets					
Tangible assets	*10*		**4,783,188**		3,433,007
Current assets					
Debtors	*11*	**3,437,002**		5,601,302	
Cash at bank and in hand		**2,303,989**		782,435	
		5,740,991		6,383,737	
Creditors: amounts falling due within one year	*12*	**(3,427,664)**		(3,302,556)	
Net current assets			**2,313,327**		3,081,181
Total assets less current liabilities			**7,096,515**		6,514,188
Creditors: amounts falling due after more than one year	*13*		**(2,155,692)**		(1,855,138)
Provisions for liabilities	*14*		**(218,583)**		(173,872)
Net assets			**4,722,240**		4,485,178
Capital and reserves					
Called up share capital	*15*		**200,100**		200,100
Profit and loss account	*16*		**4,522,140**		4,285,078
Shareholders' funds			**4,722,240**		4,485,178

These financial statements were approved by the board of directors on 7 May 2014 and signed on its behalf by:

PS Carney
Director

Registered number: 00948446

Reconciliation of movements in shareholders' funds
for the 16 month period ended 31 December 2013

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Profit for the financial period/year	**737,062**	1,272,684
Dividends paid on shares classified in shareholders' funds	**(500,000)**	(400,000)
Net addition to shareholders' funds	**237,062**	872,684
Opening shareholders' funds	**4,485,178**	3,612,494
Closing shareholders' funds	**4,722,240**	4,485,178

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available and therefore the directors believe that the company is well placed to manage its business risks successfully. In particular, at the year end the company has cash at bank of £2.3m and bank debt of £1.7m, with only £0.05m payable within one year and £1.0m payable between one to two years (see notes 12 and 13 for further details).

Furthermore, subsequent to the year end the company has commenced a significant capital investment programme to increase its storage and operational capacity. This investment is driven by the continued success and expansion of the company's operations. The investment has been funded through a combination of asset financing, existing borrowing facilities, and financial support from the entity's ultimate parent undertaking, Constantine Group plc.

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 prepare the financial statements on a going concern basis.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Constantine Group plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The consolidated financial statements of Constantine Group plc, within which this company is included, can be obtained from Companies House.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold buildings	-	50 years straight line
Leasehold improvements	-	straight line over period of lease
Plant and machinery	-	10 years straight line
Furniture and fittings	-	8 years straight line
Office equipment	-	4 to 5 years straight line
Motor vehicles	-	25% reducing balance

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Goodwill

Goodwill relating to a business purchased by the company prior to 1 September 1998 has been written off against reserves.

Post-retirement benefits

The group operated a pension scheme providing benefits based on final pensionable pay in which the company participated. The assets of the scheme are held separately from those of the group. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes *(continued)*

1 Accounting policies *(continued)*

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover is measured at the fair value of consideration received or receivable in the normal course of business, net of discounts and VAT where applicable.

Turnover from freight, packing, handling, transportation and storage services (specialist transport services) is recognised when the service has been performed.

2 Analysis of turnover - by geographical market

	16 month period ended 31 December 2013	Year ended 31 August 2012
	£	£
United Kingdom	**14,314,764**	8,934,584
Overseas	**7,698,607**	7,826,762
	22,013,371	16,761,346

3 Notes to the profit and loss account

	16 month period ended 31 December 2013	Year ended 31 August 2012
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit of these financial statements	**15,350**	14,900
Depreciation and other amounts written off tangible fixed assets:		
Owned	**476,659**	274,715
Leased	**122,737**	56,275
Hire of plant and machinery - rentals payable under operating leases	**14,249**	8,398

Notes *(continued)*

4 Remuneration of directors

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Directors' emoluments	**751,385**	577,028
Company contributions to money purchase schemes	**39,540**	27,976
	790,925	605,004

The emoluments of the highest paid director in the period were £314,048 *(year ended 31 August 2012: £302,484)* and company pension contributions of £30,500 *(year ended 31 August 2012: £22,076)* were made to a money purchase scheme on his behalf.

Retirement benefits are accruing, in respect of their services to the company, to the following number of directors under:

	Number of directors	
	16 month period ended 31 December 2013	Year ended 31 August 2012
Money purchase schemes	**3**	2

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	16 month period ended 31 December 2013	Year ended 31 August 2012
Management and administration	**53**	41
Technicians/drivers	**54**	50
	107	91

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Wages and salaries	**5,399,124**	3,787,703
Social security costs	**623,805**	344,499
Other pension costs (note 19)	**142,219**	102,983
	6,165,148	4,235,185

6 Other interest receivable and similar income

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Bank interest	**4,123**	1,586
Receivable from group undertakings	**59,486**	56,927
	63,609	58,513

7 Interest payable and similar charges

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
On bank loans and overdrafts	**65,249**	61,984
On finance leases and similar hire purchase contracts	**24,257**	15,663
Other	**-**	355
	89,506	78,002

Notes *(continued)*

8 Taxation

Analysis of charge in period

	16 month period ended 31 December 2013 £	£	Year ended 31 August 2012 £	£
UK corporation tax				
Current tax on income for the period	**165,080**		26,414	
Group relief payable on income for the period	**136,566**		428,563	
Adjustments in respect of prior periods	**(26,414)**		5,061	
Group relief adjustments in respect of prior periods	**33,608**		-	
Total current tax		**308,840**		460,038
Deferred tax (see note 14)				
Reversal of timing differences	**73,090**		34,386	
Change in tax rate	**(28,379)**		(12,129)	
		44,711		22,257
Tax on profit on ordinary activities		**353,551**		482,295

The current tax charge for the period is higher *(year ended 31 August 2012: higher)* than the standard rate of corporation tax in the UK, 23.44% *(year ended 31 August 2012: 25.17%)*. The differences are explained below:

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Current tax reconciliation		
Profit on ordinary activities before tax	**1,090,613**	1,754,979
Current tax at 23.44 % *(year ended 31 August 2012: 25.17%)*	**255,640**	441,622
Effects of:		
Expenses not deductible for tax purposes	**27,280**	50,977
Capital allowances for period less than/(more than) depreciation	**18,726**	(37,622)
Adjustments in respect of prior periods	**7,194**	5,061
Total current tax charge (see above)	**308,840**	460,038

Factors that may affect future, current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Notes *(continued)*

9 Dividends

The aggregate amount of dividends comprises:

	16 month period ended 31 December 2013 £	Year ended 31 August 2012 £
Final dividend paid on ordinary shares	**500,000**	400,000

10 Tangible fixed assets

	Freehold land and buildings £	**Leasehold improvements £**	**Plant and machinery £**	**Furniture, fittings and office equipment £**	**Motor vehicles and trailers £**	**Assets in the course of construction £**	**Total £**
Cost							
At beginning of period	1,181,136	2,004,379	179,288	272,266	2,012,339	491,761	6,141,169
Additions	-	966,073	47,535	58,430	718,834	181,434	1,972,306
Disposals	-	-	-	(9,281)	(174,973)	-	(184,254)
Transfers	-	491,761	-	-	-	(491,761)	-
At end of period	1,181,136	3,462,213	226,823	321,415	2,556,200	181,434	7,929,221
Depreciation							
At beginning of period	200,862	690,098	141,027	218,797	1,457,378	-	2,708,162
Charge for period	26,860	244,763	19,857	34,988	272,928	-	599,396
On disposals	-	-	-	(9,281)	(152,244)	-	(161,525)
At end of period	227,722	934,861	160,884	244,504	1,578,062	-	3,146,033
Net book value							
At 31 December 2013	**953,414**	**2,527,352**	**65,939**	**76,911**	**978,138**	**181,434**	**4,783,188**
At 31 August 2012	980,274	1,314,281	38,261	53,469	554,961	491,761	3,433,007

Included in the net book value of motor vehicles is £620,223 *(2012: £231,213)* in respect of assets held under finance leases. Depreciation for the period on these assets was £122,737 *(year ended 31 August 2012: £56,275).*

Freehold land and buildings includes land with a net book value of £173,900 *(2012: £173,900)* which is not depreciated. Assets under construction are not depreciated until they are brought into use.

Notes *(continued)*

11 Debtors

	31 December 2013 £	31 August 2012 £
Trade debtors	**2,529,595**	3,750,091
Amounts owed by group companies	**2,230**	1,421,218
Prepayments and accrued income	**484,975**	302,816
Other debtors	**420,202**	127,177
	3,437,002	5,601,302

12 Creditors: amounts falling due within one year

	31 December 2013 £	31 August 2012 £
Bank loan (note 13)	**50,000**	100,000
Obligations under finance leases (note 13)	**144,913**	75,342
Trade creditors	**1,622,415**	1,367,348
Amounts owed to group undertakings	**111,208**	36,426
Corporation tax	**55,080**	26,414
Other taxation and social security	**216,276**	42,481
Accruals and deferred income	**1,091,206**	1,225,982
Group relief payable	**136,566**	428,563
	3,427,664	3,302,556

13 Creditors: amounts falling due after more than one year

	31 December 2013 £	31 August 2012 £
Bank loans (see below)	**1,682,000**	1,731,963
Obligations under finance leases	**473,692**	123,175
	2,155,692	1,855,138

Notes *(continued)*

13 Creditors: amounts falling due after more than one year *(continued)*

An outstanding loan of £882,000 is secured by a fixed charge over the freehold land and buildings and carries an interest charge of 3.25% above LIBOR and has capital repayments of £69,000 per annum commencing from March 2015. The loan is repayable in full on 11 December 2016.

A further outstanding loan of £850,000 is also secured by a fixed charge over the freehold land and buildings, carries an interest charge of 2.75% above LIBOR and has capital repayments of £100,000 per annum resuming in August 2014 through until 28 February 2015 on which date the balance outstanding is repayable in full.

As detailed in note 20, subsequent to the year end the company is funding significant capital investment through additional asset financing, existing borrowing facilities, and financial support from Constantine Group plc, the company's ultimate parent undertaking.

Analysis of debt (including obligations under finance leases and hire purchase contracts):

	31 December 2013 £	31 August 2012 £
Debt can be analysed as falling due:		
Within one year	**194,913**	175,342
In the second to fifth years	**2,155,692**	1,855,138
	2,350,605	2,030,480

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	31 December 2013 £	31 August 2012 £
Within one year	**144,913**	75,342
In the second to fifth years	**473,692**	123,175
	618,605	198,517

14 Provisions for liabilities

	Deferred tax £
At beginning of period	173,872
Charge for the year in the profit and loss account	44,711
At end of period	**218,583**

Notes *(continued)*

14 Provisions for liabilities *(continued)*

The elements of deferred taxation are as follows:

	31 December 2013 £	31 August 2012 £
Difference between accumulated depreciation and capital allowances	**232,943**	187,511
Other timing differences	**(14,360)**	(13,639)
Deferred tax liability	**218,583**	173,872

15 Called up share capital

	31 December 2013 £	31 August 2012 £
Authorised, allotted, called up and fully paid		
200,100 ordinary shares of £1 each	**200,100**	200,100

16 Reserves

	Profit and loss account £
At beginning of period	4,285,078
Profit for the period	737,062
Dividends paid on shares classified in shareholders' funds	(500,000)
At end of period	**4,522,140**

The cumulative amount of goodwill written off to reserves is £59,500 *(2012: £59,500).*

Notes *(continued)*

17 Commitments

Annual commitments under non-cancellable operating leases:

	2013	2012
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	-	-
Over five years	**813,042**	486,168
	813,042	486,168

18 Contingent liabilities

The company has given guarantees to customers and HMRC totalling £15,500 *(2012: £15,500).*

19 Pension scheme

The company participated in a group pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Details of the scheme are disclosed in the accounts of the ultimate parent company. This scheme has been in wind up since 2003 and the scheme has now been accepted by the Financial Assistance Scheme. Any further liabilities of the scheme are restricted to administrative costs capped at £225,000.

A provision of £59,297 *(2012: £59,297)* is included in creditors representing the difference between the amount charged in the profit and loss account and the amount paid into the group pension scheme. This accrual has been retained pending a decision on the future of the scheme and its funding requirements.

The company also participates in a group defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £142,219 *(year ended 31 August 2012: £102,983).*

There were no outstanding contributions payable to the scheme at the period end *(2012: £nil).*

20 Post balance sheet events

Subsequent to the year end the company has commenced a significant capital investment programme to increase its storage and operational capacity. This investment is driven by the continued success and expansion of the company's operations. The investment has been funded through a combination of asset financing, existing borrowing facilities, and financial support from the entity's ultimate parent undertaking, Constantine Group plc.

21 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Constantine Group plc, a company incorporated in Great Britain. The company's immediate controlling party is Constantine International Limited, a company incorporated in Great Britain.

The only group in which the results of the company are consolidated is that headed by Constantine Group plc. The consolidated accounts of this company are available to the public and may be obtained from Companies House.