

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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**COMPANY INFORMATION**

**DIRECTORS**

V A D'CRUZ  
P J SLOPER  
G C BURROWS

**SECRETARY**

J E COPPING

**REGISTERED OFFICE**

ERNEST AVENUE  
WEST NORWOOD  
LONDON  
SE27 0DA

**AUDITORS**

MAZARS LLP  
THE PINNACLE  
160 MIDSUMMER BOULEVARD  
MILTON KEYNES  
BUCKINGHAMSHIRE  
MK9 1FF

**BANKERS**

NATIONAL WESTMINSTER BANK PLC  
BARCLAYS BANK PLC

**COMPANY NUMBER**

01036288

**STRATEGIC REPORT**

The Directors present their strategic report for Thermofrost Cryo PLC and its subsidiaries for the year ended 31 March 2014.

**Review and analysis of the business during the current year**

The Group continued its principal activities throughout the current year.

**Key performance indicators**

Management use a range of performance measures to monitor and manage the business. The performance measures are primarily financial key performance indicators as set out below.

- Turnover (2014: £10,445,525, 2013: £9,373,091 an increase of 11.1%)
- Gross Profit Margin (2014: 28.5%, 2013: 29.3%)
- Profit before tax (2014: £107,068, 2013: £9,341)
- Debtor Days (2014: 78 days, 2013: 67 days)
- Creditor Days (2014: 51 days, 2013: 54 days)

**Development and financial performance during the year**

As reported in the Group's profit and loss account, Group revenue has increased significantly by 11.4% to £10,446k and operating profit before tax has improved to 1% from 0.1%. Costs were kept under tight control but some erosion of margins was experienced in a highly competitive market. A significant bad debt was experienced when a major contractor, WR Refrigeration, went into liquidation. This adversely affected the final profit for the year. Stock levels were maintained to support sales whilst improving stock turn.

**Financial position at the reporting date**

The balance sheet shows that the Group's net assets at the year end have decreased by 10% to £1,167,479.

The Group generated cash from operations of £40,736 and invested £23,877 in PPE. The Group did not take out additional loans in the period, however increased its invoice discounting facility by 17% to £1,501,504.

**Future developments**

The company has developed a strong portfolio of energy efficient products, promoted under the Greentech brand, and continues to seek new and innovative products which offer improved energy efficiency. The company is now the sole UK distributor for Huayi Compressor Barcelona (Cubigel) and this is expected to generate further sales growth in the current FY. New product developments from key suppliers which will also provide further opportunities for long term growth.

The company is well positioned to respond to the economic upturn, and to benefit as end users seek improved energy efficiency and replace existing systems that no longer comply with F-Gas regulations. The introduction of the Renewable Heat Incentive (RHI) for air to water heat pumps (AWHP) should boost sales of those products from the second half onwards.

**Principal risks and uncertainties facing the business**

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

***Treasury operations and financial instruments***

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

The Group's principal financial instrument is an invoice discounting facility, the main purpose of which is to raise finance for the group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

## STRATEGIC REPORT (CONTINUED)

The principal risks and uncertainties facing the Group are as follows:

### *Liquidity risk*

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its business.

### *Interest rate risk*

The Group is exposed to cash flow interest rate risk on its invoice discounting arrangements.

### *Foreign currency risk*

The Group's foreign currency exposures arise from overseas purchases of goods. The Group has hedged against these transactions through the use of forward exchange contracts to fix the cost in sterling.

### *Credit risk*

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

## Approval

This report was approved by the board on **15 SEP 2014** and signed on its behalf by:



V A D'Cruz  
Director

**REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 31 March 2014.

**Statement of directors' responsibilities**

The directors are responsible for preparing the 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 (UK Generally Accepted Accounting Practice) 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 group and the parent company and of the profit or loss of the group 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent 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.

**Results and dividends**

The results of the group for the year ended 31 March 2014 are set out in the financial statements on pages 8 to 21.

Interim dividends of 34.87 pence (2013: 34.87 pence) per share amounting to £220,000 (2013: £220,000) were paid during the year.

**Directors**

The directors set out below have held office during the whole of the period from 1 April 2013 to the date of this report, unless otherwise stated.

V A D'Cruz (Chairman)  
P J Sloper  
G C Burrows

**Disclosure in the strategic report**

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report under s414C(11) on page 2. These matters relate to business review, principal risks and uncertainties, key performance indicators, development and financial performance during the year and financial position at the reporting date.

**REPORT OF THE DIRECTORS (CONTINUED)**

**Disclosure of information to auditors**

So far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information, and taken such other steps for that purpose, as were required by their duty as directors of the company to exercise due care, skill and diligence.

**AUDITORS**

A resolution to reappoint Mazars LLP as auditors to the company will be proposed at the annual general meeting.

Approved by the board on **15 SEP 2014**  
and signed on its behalf by



V A D'Cruz  
Director

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF THERMOFROST CRYO PLC (Company Number: 01036288)**

We have audited the financial statements of Thermofrost Cryo Plc for the year ended 31 March 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of 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 (APB's) Ethical Standards for Auditors. 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.

**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](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2014 and of the group's 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 the other matters prescribed by the Companies Act 2006**

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



**INDEPENDENT AUDITORS' REPORT (continued)**  
**TO THE MEMBERS OF THERMOFROST CRYO PLC (Company Number: 01036288)**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

*Stephen Brown*

Stephen Brown (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date: *25 September 2014*

**THERMOFROST CRYO PLC AND SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**Company number: 01036288**

	<b>Notes</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Turnover</b>	2	10,445,525	9,373,091
Cost of sales		(7,466,516)	(6,630,261)
<b>Gross profit</b>		<u>2,979,009</u>	<u>2,742,830</u>
Distribution and selling expenses		(383,604)	(375,308)
Administrative expenses		(2,459,233)	(2,340,400)
Other operating income		12,029	18,784
<b>Profit on ordinary activities before interest</b>		<u>148,201</u>	<u>45,906</u>
Interest payable and similar charges	6	(41,133)	(36,565)
<b>Profit on ordinary activities before taxation</b>	3	<u>107,068</u>	<u>9,341</u>
Tax credit /(charge) on profit on ordinary activities	7	(23,468)	2,580
<b>Profit for the year</b>	16	<u><u>83,600</u></u>	<u><u>11,921</u></u>

The Group's turnover and expenses all relate to continuing operations.

The Group has no recognised gains and losses other than the profit for the year.

## BALANCE SHEETS AT 31 MARCH 2014

	Notes	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	9	176,875	228,106	176,875	228,106
Investments: group companies	10	-	-	107	107
		<u>176,875</u>	<u>228,106</u>	<u>176,982</u>	<u>228,213</u>
<b>Current assets</b>					
Stocks	11	1,776,853	2,056,977	1,776,853	2,056,977
Debtors	12	2,268,533	1,756,054	2,268,533	1,756,054
Cash at bank and in hand		16,002	46,198	15,982	46,178
		<u>4,061,388</u>	<u>3,859,229</u>	<u>4,061,368</u>	<u>3,859,209</u>
<b>Creditors: amounts falling due within one year</b>	13	(3,076,468)	(2,779,931)	(3,076,441)	(2,779,904)
<b>Net current assets</b>		<u>984,920</u>	<u>1,079,298</u>	<u>984,927</u>	<u>1,079,305</u>
<b>Total assets less current liabilities</b>		<u>1,161,795</u>	<u>1,307,404</u>	<u>1,161,909</u>	<u>1,307,518</u>
<b>Provisions for liabilities and charges</b>	14	5,684	(3,525)	5,684	(3,525)
<b>Net assets</b>		<u><u>1,167,479</u></u>	<u><u>1,303,879</u></u>	<u><u>1,167,593</u></u>	<u><u>1,303,993</u></u>
<b>Capital and reserves</b>					
Called up share capital	15	157,709	157,709	157,709	157,709
Share premium account	16	23,698	23,698	23,698	23,698
Capital redemption reserve	16	100,529	100,529	100,529	100,529
Profit & loss reserve	16	885,543	1,021,943	885,657	1,022,057
<b>Equity funds</b>	17	<u><u>1,167,479</u></u>	<u><u>1,303,879</u></u>	<u><u>1,167,593</u></u>	<u><u>1,303,993</u></u>

Approved by the board on **15 SEP 2014**  
and signed on its behalf by



V A D'Cruz  
Director

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Cash flow from operating activities	18a	40,736	109,871
Returns on investments and servicing of finance	18b	(41,133)	(36,565)
Taxation		(2,895)	(26,292)
Capital expenditure and financial investment	18b	(19,777)	(45,091)
Equity dividends paid		(220,000)	(220,000)
Decrease in cash in the year		<u>(243,069)</u>	<u>(218,077)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Decrease in cash in the year		<u>(243,069)</u>	<u>(218,077)</u>
Movement in net debt in the year		<u>(243,069)</u>	<u>(218,077)</u>
Net debt at 1 April	18c	<u>(1,242,433)</u>	<u>(1,024,356)</u>
Net debt at 31 March	18c	<u><u>(1,485,502)</u></u>	<u><u>(1,242,433)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**1 Accounting policies**

a) Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards.

b) Going concern

These financial statements have been prepared on a going concern basis.

c) Basis of preparation of group financial statements

The consolidated financial statements, which are prepared under the historical cost convention, include the financial statements of the company and its subsidiaries, made up to 31 March 2014. No profit and loss account is presented for Thermofrost Cryo Plc as provided by Section 408 of the Companies Act 2006.

The profits and losses of the subsidiary companies are consolidated from the date of acquisition. The difference between the cost of acquisition of shares in the subsidiaries and the amount attributed to their net tangible assets at the effective date of purchase is included as goodwill arising on consolidation.

d) Turnover

Turnover represents the amounts receivable, excluding value added tax, in respect of the sale of goods and services to customers outside the group.

e) Depreciation

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis over their effective useful lives apart from computer equipment which is written off on a straight line basis over its estimated useful life of four years. The annual depreciation rates applied to the group's other assets are as follows:

Fixtures, fittings and equipment	- 20%/25%
Motor vehicles	- 30%

f) Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost is determined on an average cost basis. Provision is made for slow moving, defective and obsolete stocks.

g) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

h) Foreign currencies

Assets, liabilities, revenue and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which the transaction occurs, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date.

In the case of forward contracts in respect of trading transactions, the rates of exchange specified in those contracts are used.

Foreign currency gains and losses are recognised in cost of sales.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

**1 Accounting policies (continued)****i) Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

**j) Warranty liability**

An accrual is made for the estimated liability on all products which are still the subject of warranty and service agreements.

**k) Leases**

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

**l) Pension**

Contributions payable to the group's defined contribution pension scheme are charged to the profit and loss account in the year to which they relate.

**m) Research and development expenditure**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

**2 Turnover**

The turnover and pre-tax profit is attributable to the principal activity, the sale of refrigeration and air conditioning components and related equipment.

The geographical analysis of turnover is given below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
United Kingdom	10,307,891	9,218,387
Overseas	137,634	154,704
	<u>10,445,525</u>	<u>9,373,091</u>

The group has only common costs and all the turnover is supported by all the net assets of the group irrespective of sales destination.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

**3 Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is stated after charging:	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	73,078	87,716
Audit fee - group audit fee (including company)	23,250	25,020
- other services relating to taxation	10,000	8,526
Operating lease rentals – land and buildings	201,208	194,919
Foreign exchange gain	1,930	(11,805)
(Profit)/loss on sale of fixed asset	(2,070)	(2,818)
	<u>          </u>	<u>          </u>

**4 Directors emoluments**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	199,608	186,746
Contributions to money purchase schemes	19,463	18,313
	<u>          </u>	<u>          </u>
Total emoluments	<u>219,071</u>	<u>205,077</u>

During the year the following number of directors:

	<b>Number</b>	<b>Number</b>
Accrued benefits under money purchase pension schemes	<u>1</u>	<u>1</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

<b>5</b>	<b>Staff costs</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	1,460,162	1,391,985
	Social security costs	149,926	146,849
	Other pension costs	125,080	117,322
		<u>1,735,168</u>	<u>1,656,156</u>
	The average number of persons employed by the group (including directors) at the year end was as follows:	<b>Number</b>	<b>Number</b>
		<b>2014</b>	<b>2013</b>
	Management	5	5
	Administration	20	19
	Sales	15	14
		<u>40</u>	<u>38</u>
<b>6</b>	<b>Interest payable and similar charges</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Invoice discounting charges	41,133	36,565
		<u>41,133</u>	<u>36,565</u>
<b>7</b>	<b>Tax charge on profit on ordinary activities</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Current taxation</b>		
	UK Corporation tax charge for the year	32,677	2,895
	Over provision in prior years	-	(1,187)
		<u>32,677</u>	<u>1,708</u>
	Total current tax	32,677	1,708
	<b>Deferred tax</b>		
	Origination and reversal of timing difference (note 14)	(9,209)	(4,288)
		<u>(9,209)</u>	<u>(4,288)</u>
	Tax (credit)/charge on profit on ordinary activities	<u>23,468</u>	<u>(2,580)</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

**7 Taxation on profit on ordinary activities (continued)**

The rate of tax for the year, based on the UK standard rate of corporation tax, is 23% (2013: 20%). The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation:

	2014 £	2013 £
Profit on ordinary activities before tax	107,068	9,341
Tax on profit on ordinary activities at standard rate	24,626	1,868
<b>Factors affecting charge for the year:</b>		
Capital allowances in excess of depreciation	7,457	6,527
Expenses not deductible for tax purposes	588	856
Other short term timing differences	2,606	(6,356)
Marginal relief	(2,600)	-
Other items	-	-
Adjustments in respect of prior periods	-	(1,187)
Total actual amount of current tax	32,677	1,708

**8 Profit of parent company**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £83,600 (2013: £11,921).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

## 9 Tangible fixed assets

## Group and Company

	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2013	476,664	301,218	171,296	949,178
Additions	2,140	19,639	2,098	23,877
Disposals	-	(13,805)	-	(13,805)
At 31 March 2014	<u>478,804</u>	<u>307,052</u>	<u>173,394</u>	<u>959,250</u>
<b>Accumulated depreciation</b>				
At 1 April 2013	428,319	143,943	148,810	721,072
Charge for the year	10,115	52,474	10,489	73,078
Eliminated on disposals	-	(11,775)	-	(11,775)
At 31 March 2014	<u>438,434</u>	<u>184,642</u>	<u>159,299</u>	<u>782,375</u>
<b>Net book amount</b>				
At 31 March 2014	<u>40,370</u>	<u>122,410</u>	<u>14,095</u>	<u>176,875</u>
At 31 March 2013	<u>48,345</u>	<u>157,275</u>	<u>22,486</u>	<u>228,106</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

## 10 Fixed asset investments – group companies

Company	£
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	3,038
<b>Provision for diminution in value</b>	
At 1 April 2013 and 31 March 2014	2,931
<b>Net book amount</b>	
At 31 March 2014	107
At 31 March 2013	107

Name	Class of shares held	Percentage held by the company	Nature of business
Cryo Limited	Ordinary	100%	Dormant
RSM Products Limited	Ordinary	100%	Dormant
The Specialists Limited	Ordinary	100%	Dormant
Unitec Limited	Ordinary	100%	Dormant
United Termofrost Limited	Ordinary	100%	Dormant
Refrigerator Components Limited	Ordinary	100%	Dormant

All of the companies shown above were incorporated in the United Kingdom and are dormant. All subsidiaries are exempt from audit by virtue of s479A of Companies Act 2006.

## 11 Stocks

	Group and Company	
	2014	2013
	£	£
Finished goods and good for resale	1,776,853	2,056,977

## 12 Debtors

	Group and Company	
	2014	2013
	£	£
Trade debtors	2,227,546	1,719,151
Other debtors	7,539	8,447
Prepayments and accrued income	33,448	28,456
	2,268,533	1,756,054

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**13 Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Invoice discounting facility	1,501,504	1,288,631	1,501,504	1,288,631
Trade creditors	1,043,405	980,580	1,043,405	980,580
Corporation tax	32,677	2,895	32,677	2,895
Other taxation and social security	354,626	287,984	354,626	287,984
Accruals and deferred income	144,256	119,841	144,229	119,814
Amounts owed by parent entity	-	100,000	-	100,000
	<u>3,076,468</u>	<u>2,779,931</u>	<u>3,076,441</u>	<u>2,779,904</u>

The invoice discounting facility and trade debtors (within note 12) as at 31 March 2014 include £1,501,504 (2013: £1,288,631) of debts factored with recourse. They are secured by a floating charge on the assets of the company.

**14 Provisions for liabilities and charges****Deferred taxation**

<b>Group and Company</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance at 1 April	3,525	7,813
(Credit)/Charge for the year	(9,209)	(4,288)
Balance at 31 March	<u>(5,684)</u>	<u>3,525</u>

Group and Company	2014		2013	
	Amount provided	Amount not provided	Amount Provided	Amount not Provided
	£	£	£	£
Tax effect of timing differences arising on:				
Excess of depreciation over tax allowances	3,649	-	11,653	-
Short term timing differences	(9,333)	-	(8,128)	-
	<u>(5,684)</u>	<u>-</u>	<u>3,525</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

<b>15 Share capital</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, issued and fully paid</b>		
630,834 Ordinary shares of 25p each	157,709	157,709

<b>16 Reserves</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2013	23,698	100,529	1,021,943
Profit for the financial year	-	-	83,600
Dividends paid in the financial year	-	-	(220,000)
At 31 March 2014	23,698	100,529	885,543
<b>Company</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2013	23,698	100,529	1,022,057
Profit for the financial year	-	-	83,600
Dividends paid in the financial year	-	-	(220,000)
At 31 March 2014	23,698	100,529	885,657

<b>17 Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>Group 2013</b>	<b>2014</b>	<b>Company 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Profit for the financial year	83,600	11,921	83,600	11,921
Dividends paid in the financial year	(220,000)	(220,000)	(220,000)	(220,000)
Net (decrease)/increase to shareholders' funds	(136,400)	(208,079)	(136,400)	(208,079)
Opening shareholders' funds	1,303,879	1,511,958	1,303,993	1,512,072
Closing shareholders' funds	1,167,479	1,303,879	1,167,593	1,303,993

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

18a	Reconciliation of operating profit to operating cash flow	2014 £	2013 £	
	Operating profit	148,201	45,906	
	(Profit)/loss on sale of fixed assets	(2,070)	(2,818)	
	Depreciation charges	73,078	87,716	
	Decrease/(increase) in stocks	280,124	(248,065)	
	(Increase)/decrease in debtors	(512,479)	369,493	
	Increase/(Decrease) in creditors	53,882	(142,361)	
	Net cash inflow from operating activities	40,736	109,871	
18b	Analysis of cash flows for headings netted in the cash flow statement			
	Returns on investment and servicing of finance	2014 £	2013 £	
	Interest paid on invoice discounting facility	(41,133)	(36,565)	
	Net cash outflow for returns on investments and servicing of finance	(41,133)	(36,565)	
	Capital expenditure and financial investment	2014 £	2013 £	
	Purchase of tangible fixed assets	(23,877)	(56,791)	
	Sale of tangible fixed assets	4,100	11,700	
	Net cash outflow for capital expenditure and financial investment	(19,777)	(45,091)	
18c	Analysis of net debt	At 1 April 2013 £	Cash flow £	At 31 March 2014 £
	Cash at bank and in hand	46,198	(30,196)	16,002
	Invoice discounting facility	(1,288,631)	(212,873)	(1,501,504)
		(1,242,433)	(243,069)	(1,485,502)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

<b>19 Dividends</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interim dividends paid of 34.87 pence (2013: 34.87 pence) per share	<u>220,000</u>	<u>220,000</u>

**20 Pension commitments**

The group 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 pension cost charge represents contributions payable by the group to the fund and amounted to £125,080 (2013: £117,322). As at the balance sheet date, contributions amounting to £19,488 (2013: £19,431) had not been paid over to the fund and are included within creditors.

**21 Other commitments**

At 31 March 2014 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	<b>Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	-	-
Between 2 and 5 years	32,500	32,000
After 5 years	<u>166,370</u>	<u>166,370</u>
	<u>198,870</u>	<u>198,370</u>

At 31 March 2014 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £600,929 (2013: £458,342).

**22 Related party transactions**

During the year the group rented properties from its ultimate parent, Lansing Securities Limited. The charge for rental and associated services was £166,370 (2013: £166,370). There was no balance due to Lansing Securities Limited at the year end (2013: £nil).

**23 Parent undertakings**

The ultimate parent company is Lansing Securities Limited, a company registered in the British Virgin Islands. Copies of its financial statements are not publicly available.

The parent company of the smallest and largest group to include the company in its consolidated financial statements is its immediate parent undertaking, Rareform Limited, a company incorporated in England. Copies of its consolidated financial statements are available from Companies' House, Crown Way, Maindy, Cardiff, CF14 3UZ.