

**Groestar Limited**  
**FINANCIAL STATEMENTS**  
for the year ended  
31 December 2014



# Groestar Limited

## OFFICERS AND PROFESSIONAL ADVISERS

---

### DIRECTORS

A B Grainger  
C A Bennett  
G C Grainger  
M J Osborn

### SECRETARY

C A Bennett

### REGISTERED OFFICE

Unit One  
Morley Business Centre  
Morley Road  
Tonbridge  
Kent TN9 1RA

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1ED

### BANKERS

Lloyds TSB Bank plc  
121 High Street  
Tonbridge  
Kent TN9 1DB

# Groestar Limited

## STRATEGIC REPORT

for the year ended 31 December 2014

---

### REVIEW OF THE BUSINESS

Groestar Limited is an Electrical and Mechanical Contractor working predominantly on Framework Contracts within the Telecommunications and Commercial Sectors.

The company struggled in the first half of the year due to a significant downturn in orders received. This downturn was not reflective of the company losing market share, which saw growth rather than contraction, but was instead due to a number of key customers making significant spending reductions.

This downturn led to the business making some key decisions, including a full corporate restructure, a change in the company's approach to market and a greater focus on sales and operational contracting.

The resulting changes were almost immediately beneficial, not only in volumes of sales orders received, but also in respect of profitability which ensured the company avoided any substantial losses for 2014, whilst helping to promote growth and sustained profitability for 2015 and beyond.

### FUTURE DEVELOPMENTS

Groestar Limited, on top of its existing contracts, is looking to promote the installation of energy efficiency projects to its customers. This will not only generate revenue growth for the company, but also save customers money as a result of this technology led investment.

### RISKS AND UNCERTAINTIES

Groestar Limited is still dependent on a small number of large telecommunications companies for a significant volume of its business. The corporate restructure that took place in 2014 has already resulted in new customers, with a number of major projects in the near future currently under discussion. The long term effect of this will see the dependency on a small number of high value customers fall significantly to a less critical volume.

### KEY PERFORMANCE INDICATORS

The company is measured on its financial, contract delivery and environmental performance.

#### Financial Performance

The Financial Forecast for 2014 was updated at the end of Q1, showing a forecast turnover of £6.7m against an actual of £6.5m. This resulted in a performance figure of 97% against target.

#### Contract Performance

In 2014 the company achieved full project completion of more than 99% on Contract Timescales Deliveries against agreed customer required by dates.

#### Environmental Performance

The company is registered with the Carbon Disclosure Project (CDP). This is an organisation based in the UK which works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations.

#### CDP Supply Change

##### CDP 2014 climate disclosure score (Out of 100 total points)

Disclosure scores are an assessment of the quality and completeness of a company's response; they are not a measure of a company's performance in relation to climate change management.

Company name	Disclosure score
Groestar	97
CDP supply chain average	53

**Groestar Limited**  
**STRATEGIC REPORT (continued)**  
for the year ended 31 December 2014

---

**CDP 2014 Climate disclosure score categories**

A company's disclosure score is comprised of the categories below. Each category has a possible score of 100, but is not equally weighted.

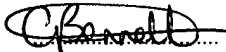
Category name	Disclosure category score	Supply chain SME average category score
Emissions management	98	48
Strategy risks and opportunities	97	48

**CDP 2014 climate performance band** (ranked on an A to E scale)

Where a company's total disclosure score is 50 or more (shown above), the response is also assessed and ranked in a performance band. The assessment looks at actions in the reporting year that contribute to climate change mitigation, adaptation and transparency. The performance scores are expressed as bands (A, B, C, D, E).

Company name	Performance band
Groestar	B
CDP supply chain average (for companies that qualify for a performance band)	C

By order of the board

  
C A Bennett  
Company Secretary

17/2/15

# Groestar Limited

## DIRECTORS' REPORT

---

The directors submit their report and financial statements of Groestar Limited for the year ended 31 December 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of electrical services.

### RESULTS AND DIVIDENDS

The loss for the year amounted to £42,714 (2013: £284,482). The directors have not recommended a dividend.

### RESEARCH AND DEVELOPMENT

During the year an employee of the company spent time developing an APP, using coding, to speed up the process of completing test documentation. In the opinion of the directors, continuity of investment in this area is essential for the maintenance of the Company's market position and for future growth.

### DIRECTORS

The directors who served the company during the year were as follows:

R F Waller	(resigned 4 June 2014)
A B Grainger	
C A Bennett	
G C Grainger	
D Parker	(resigned 4 June 2014)
M J Osborn	

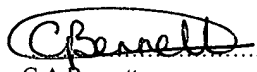
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

By order of the board

  
C A Bennett  
Company Secretary

17/7/15

# Groestar Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The directors are responsible for preparing the Strategic Report and 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 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 period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 GROESTAR LIMITED

We have audited the financial statements on pages 7 to 20 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 more fully explained 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 (APB'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](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 company's affairs as at 31 December 2014 and of its loss 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; or

*Baker Tilly UK Audit LLP*

GARY PURDY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hanover House

18 Mount Ephraim Road

Tunbridge Wells

Kent TN1 1ED

*23 July 2015*

**Groestar Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER	1	6,572,599	8,123,944
Cost of sales		(4,636,059)	(6,051,112)
Gross profit		1,936,540	2,072,832
Administrative expenses		(1,965,852)	(2,343,556)
OPERATING LOSS	2	(29,312)	(270,724)
Interest receivable		9	4
		(29,303)	(270,720)
Interest payable and similar charges	5	(13,409)	(13,850)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(42,712)	(284,570)
Taxation	6	(2)	88
LOSS FOR THE FINANCIAL YEAR	16	(42,714)	(284,482)

The loss for the year arises from the company's continuing operations.



**Groestar Limited**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 December 2014

---

	2014 £	2013 £
Loss for the financial year	(42,714)	(284,482)
Total recognised gains and losses relating to the year	<u>(42,714)</u>	<u>(284,482)</u>
Prior year adjustment	<u>—</u>	<u>(66,699)</u>
Total recognised gains and losses since the last financial statements	<u>(42,714)</u>	<u>(351,181)</u>


---

**Groestar Limited****BALANCE SHEET**

31 December 2014

	Notes	£	2014 £	2013 £
<b>FIXED ASSETS</b>				
Tangible assets	7		648,714	767,692
<b>CURRENT ASSETS</b>				
Stocks	8	112,768		140,522
Debtors	9	1,941,791		1,606,563
Cash at bank and in hand		33,633		26,676
		<u>2,088,192</u>		<u>1,773,761</u>
<b>CREDITORS</b>				
Amounts falling due within one year	10	(1,992,903)	(1,672,732)	
<b>NET CURRENT ASSETS</b>			<u>95,289</u>	<u>101,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>744,003</u>	<u>868,721</u>
<b>CREDITORS</b>				
Amounts falling due after more than one year	11		(175,487)	(257,491)
			<u>568,516</u>	<u>611,230</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	15		50,000	50,000
Revaluation reserve			85,690	85,690
Profit and loss account	16		432,826	475,540
<b>SHAREHOLDERS' FUNDS</b>	17		<u>568,516</u>	<u>611,230</u>

The financial statements on pages 7 to 20 were approved by the board of directors and authorised for issue on 17/07/2015 and are signed on their behalf by:

  
A B Grainger  
Director

**Groestar Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 December 2014

	Notes	£	2014 £	£	2013 £
Net cash flow from operating activities	18.a		(282,631)		647,166
Returns on investments and servicing of finance	18.b		(33,349)		(39,891)
Taxation	18.b		—		13,880
Capital expenditure and financial investment	18.b		(624)		(146,537)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>			<b>(316,604)</b>		<b>474,618</b>
Financing	18.b		(147,793)		(57,627)
<b>(DECREASE)/INCREASE IN CASH IN THE PERIOD</b>			<b>(464,397)</b>		<b>416,991</b>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		£	2014 £	£	2013 £
(Decrease)/increase in cash in the period		(464,397)		416,991	
Net cash outflow from bank loans		9,794		8,536	
Cash outflow in respect of hire purchase		137,999		49,091	
Change in net debt	18.c		(316,604)		474,618
Net debt at the beginning of the year	18.c		(691,022)		(1,165,640)
Net debt at the end of the year	18.c		(1,007,626)		(691,022)

# Groestar Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

### TURNOVER

The turnover shown in the profit and loss account represents amounts receivable in respect of work carried out during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

### RESEARCH AND DEVELOPMENT

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

### FIXED ASSETS

All fixed assets are initially recorded at cost.

The company has adopted the revaluation model in respect of freehold property, under the provisions of FRS 15.

The company's policy is to update the revaluation every 5 years in accordance with the provisions of FRS 15.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- Land not depreciated, buildings 2% straight line
Fixtures, fittings & equipment	- 20% / 25% reducing balance
Motor vehicles	- 35% reducing balance

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

# Groestar Limited

## ACCOUNTING POLICIES

---

### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

### GOING CONCERN

These accounts have been prepared on a going concern basis.

Detailed profitability and cash flow forecasts have been prepared to June 2016 and as a result the Directors are confident that the company will have sufficient financing to meet all of its operating and interest costs for the foreseeable future.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to restate fixed assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities as they arise.

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**1 TURNOVER**

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>6,572,599</u>	<u>8,123,944</u>

**2 OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	44,545	52,564
Depreciation of assets held under hire purchase agreements	82,977	133,846
Profit on disposal of fixed assets	(7,920)	(13,583)
Auditor's remuneration for statutory audit	10,000	13,000
Auditor's remuneration for other services	9,763	4,850
Finance lease charges	19,949	26,045
Operating lease charges	<u>52,695</u>	<u>50,590</u>

**3 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year was:

	2014 No	2013 No
Production staff	60	72
Administrative staff	21	20
Management staff	<u>5</u>	<u>6</u>
	<u>86</u>	<u>98</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	3,064,886	3,782,026
Social security costs	340,710	429,920
Other pension costs	24,517	26,366
	<u>3,430,113</u>	<u>4,238,312</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**4 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	271,458	370,435
Value of company pension contributions to money purchase schemes	7,005	17,100
	<u>278,463</u>	<u>387,535</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	62,811	70,484
Value of company pension contributions to money purchase schemes	1,125	2,520
	<u>63,936</u>	<u>73,004</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	2013
	No	No
Money purchase schemes	<u>6</u>	<u>6</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
On bank loans and overdrafts	<u>13,409</u>	<u>13,850</u>

**6 TAXATION ON ORDINARY ACTIVITIES**

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 23%)	2	-
Over/under provision in prior year	-	(88)
Total current tax	<u>2</u>	<u>(88)</u>

The company has £332,346 (2013: £347,131) of trading losses available to carry forward against future trading profits.

Due to the uncertainty over the timing over which the losses will be relieved, a deferred tax asset of £58,579 (2013: £69,426) has not been recognised.

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**6 TAXATION ON ORDINARY ACTIVITIES** *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2013 - 23%), as explained below

	2014 £	2013 £
Loss on ordinary activities before taxation	(42,712)	(284,570)
Loss on ordinary activities by rate of tax	(8,542)	(66,153)
Effects of:		
Tax on disallowable expenses	2,230	3,497
Capital allowance in excess of depreciation	9,051	(19,356)
Under provisions in previous period	-	(88)
Effect of marginal relief	-	116
Utilisation of tax losses	(2,957)	-
Unrelieved tax losses	-	80,696
Fixed asset timing differences	626	727
Other short term timing differences	(406)	473
Total current tax (note 6(a))	<u>2</u>	<u>(88)</u>

**7 TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2014	416,454	202,697	722,810	1,341,961
Additions	-	6,480	34,680	41,160
Disposals	-	-	(163,791)	(163,791)
At 31 December 2014	<u>416,454</u>	<u>209,177</u>	<u>593,699</u>	<u>1,219,330</u>
Depreciation				
At 1 January 2014	6,258	123,675	444,336	574,269
Charge for the year	3,129	21,160	103,233	127,522
On disposals	-	-	(131,175)	(131,175)
At 31 December 2014	<u>9,387</u>	<u>144,835</u>	<u>416,394</u>	<u>570,616</u>
Net book value				
At 31 December 2014	<u>407,067</u>	<u>64,342</u>	<u>177,305</u>	<u>648,714</u>
At 31 December 2013	<u>410,196</u>	<u>79,022</u>	<u>278,474</u>	<u>767,692</u>

The freehold land and buildings for Unit One Morley Road were valued at £210,000 on a continuing existing basis at 29 March 2012, by J C Moys FRICS, a Chartered Surveyor with Brackets Chartered Surveyors.

The freehold land and buildings for Unit Two Morley Road were valued at £206,454 on a continuing existing basis at 29 February 2012. The directors do not believe that the value has materially changed from the original cost.



**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**7 TANGIBLE FIXED ASSETS** *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2014 £	2013 £
Historical cost	<u>166,973</u>	<u>166,973</u>
Depreciation:		
At 1 January 2014	14,309	12,486
Charge for year	<u>1,823</u>	<u>1,823</u>
At 31 December 2014	<u>16,132</u>	<u>14,309</u>
Net historical cost value:		
At 31 December 2014	<u>150,841</u>	<u>152,664</u>
At 1 January 2014	<u>152,664</u>	<u>154,487</u>

**Hire purchase agreements**

Included within the net book value of £648,714 is £140,901 (2013 - £248,571) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £82,977 (2013 - £133,846).

**8 STOCKS**

	2014 £	2013 £
Finished goods	<u>112,768</u>	<u>140,522</u>

**9 DEBTORS**

	2014 £	2013 £
Trade debtors	1,484,627	1,361,488
Amounts recoverable on contracts	375,187	163,625
Corporation tax repayable	26,007	26,009
Other debtors	5,715	5,688
Prepayments and accrued income	50,255	49,753
	<u>1,941,791</u>	<u>1,606,563</u>

The debtors above include the following amounts falling due after more than one year:

	2014 £	2013 £
Other debtors	<u>5,688</u>	<u>5,688</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

10 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	790,370	322,180
Trade creditors	562,357	420,913
Taxation and social security	295,971	485,080
Obligations under hire purchase agreements	75,402	138,027
Other creditors	844	3,019
Accruals and deferred income	267,959	303,513
	<u>1,992,903</u>	<u>1,672,732</u>

Included within bank loans and overdrafts is an amount of £780,000 (2013: £308,646), relating to an invoice discounting facility with Lloyds TSB Commercial Finance Limited. This amount is secured by fixed and floating charges over the company's assets.

Included within bank loans and overdrafts is an amount of £10,370 (2013: £13,534), relating to a loan with Lloyds TSB Bank PLC. This amount is secured by fixed and floating charges over the company's assets.

11 CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans and overdrafts	164,145	170,775
Obligations under hire purchase agreements	11,342	86,716
	<u>175,487</u>	<u>257,491</u>

Included within bank loans is an amount of £164,145 (2013: £170,775), relating to a loan with Lloyds TSB Bank PLC. This amount is secured by fixed and floating charges over the company's assets.

12 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2014	2013
	£	£
Amounts payable within 1 year	75,402	138,027
Amounts payable between 2 to 5 years	11,342	86,716
	<u>86,744</u>	<u>224,743</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**13 COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	522	6,401	11,322	339
Within 2 to 5 years	43,350	16,394	43,350	29,195
	<u>43,872</u>	<u>22,795</u>	<u>54,672</u>	<u>29,534</u>

**14 RELATED PARTY TRANSACTIONS**

The company was under the control of A B Grainger, a director, and members of his close family throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**15 SHARE CAPITAL**

	2014 £	2013 £
Allotted, called up and fully paid: 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**16 PROFIT AND LOSS ACCOUNT**

	2014 £	2013 £
Balance brought forward as previously reported	475,540	826,721
Prior year adjustment	—	(66,699)
Balance brought forward restated	475,540	760,022
Loss for the financial year	(42,714)	(284,482)
At the end of the year	<u>432,826</u>	<u>475,540</u>

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Loss for the financial year	(42,714)	(284,482)
Opening shareholders' funds	611,230	962,411
Prior year adjustment	—	(66,699)
Closing shareholders' funds	<u>568,516</u>	<u>611,230</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**18 CASH FLOWS**

**a Reconciliation of operating loss to net cash (outflow)/inflow from operating activities**

	2014	2013
	£	£
Operating loss	(29,312)	(270,724)
Interest payable	19,949	26,045
Depreciation	127,522	186,410
Profit on disposal of fixed assets	(7,920)	(13,583)
Decrease/(increase) in stocks	27,754	(89,463)
(Increase)/decrease in debtors	(335,230)	710,386
(Decrease)/increase in creditors	(85,394)	98,095
Net cash (outflow)/inflow from operating activities	<u>(282,631)</u>	<u>647,166</u>

**b Analysis of cash flows for headings netted in the cash flow**

Returns on investment and servicing of finance

	2014	2013
	£	£
Interest received	9	4
Interest paid	(33,358)	(39,895)
Net cash outflow from returns on investments and servicing of finance	<u>(33,349)</u>	<u>(39,891)</u>

Taxation

	2014	2013
	£	£
Taxation	<u>—</u>	<u>13,880</u>

Capital expenditure

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(41,160)	(186,840)
Receipts from sale of fixed assets	40,536	40,303
Net cash outflow from capital expenditure	<u>(624)</u>	<u>(146,537)</u>

Financing

	2014	2013
	£	£
Repayment of bank loans	(9,794)	(8,536)
Capital element of hire purchase	(137,999)	(49,091)
Net cash outflow from financing	<u>(147,793)</u>	<u>(57,627)</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

---

**18 CASH FLOWS** *(continued)*

**c Analysis of net debt**

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Cash in hand and at bank	26,676	6,957	33,633
	<u>26,676</u>	<u>6,957</u>	<u>33,633</u>
Debt due within 1 year	(13,534)	3,164	(10,370)
Debt due after 1 year	(170,775)	6,630	(164,145)
Hire purchase agreements	(224,743)	137,999	(86,744)
Debt factoring	(308,646)	(471,354)	(780,000)
	<u>(717,698)</u>	<u>(323,561)</u>	<u>(1,041,259)</u>
Total	<u>(691,022)</u>	<u>(316,604)</u>	<u>(1,007,626)</u>