

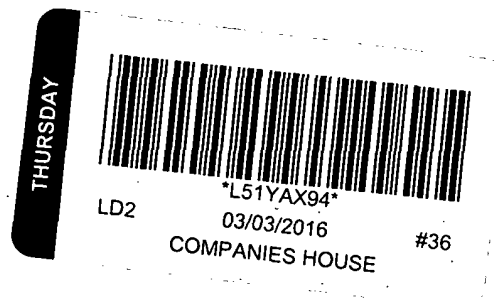
REGISTRARS COPY

Registration number 01549574

**Big K Products U.K. Limited**

**Directors' report and financial statements**

**for the year ended 30 September 2015**



**Big K Products U.K. Limited**

**Company information**

Directors	Christakis Kleanthous Vivien Ann Kleanthous Michael Theodorou Melina Bremer	(Appointed 22/12/14)
Secretary	Christakis Kleanthous	
Company number	01549574	
Registered office	20 Milmead Industrial Estate Mill Mead Road London N17 9QU	
Auditors	ALG Chartered Certified Accountants Statutory Auditors Brook Point 1412-1420 High Road London N20 9BH	

## **Big K Products U.K. Limited**

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**Big K Products U.K. Limited**  
**Strategic Report**  
**for the year ended 30 September 2015**

The directors present their Strategic Report for the year ended 30 September 2015.

**Review of the Business**

The principal activity of the company during the year under review was that of Charcoal and Fuel Merchants.

The company operates in various different markets to reduce the risk of any over reliance on any single market.

Sales in 2014/15 were £17.1 million, an increase of 15% over the previous year. This increase in turnover is partly the result of increased business with the discount retailers. Gross profits earned were £5.28 million which is a gross profit percentage of 30.9% compared to 30.8% last year.

Distribution costs have increased year on year both in terms of value and percentage of sales. This increase is mainly due to increases in warehousing and transport as a result of delays in the completion of the new building.

Administrative costs have increased by 15% in line with sales.

Operating profits have remained stable at £634k compared to £633k last year due mainly to the increased distribution expenses.

**Principal risks and uncertainties**

During the year, management reviewed the risks from our supplier base and identified that the single biggest risk to the business was a breakdown in the supply chain which in turn would not allow the company to respond to sharp peaks in demand if the weather conditions moved in its favour. To address this, management took the decision to increase stock holdings in raw materials to mitigate risks of non-delivery from suppliers. This decision was taken after reviewing options in relation to stock management and identifying the following aspects:-

- \* Our main raw materials do not have a shelf life risk and therefore do not present a risk of losing value over time

- \* The prices of our main raw materials are not volatile and so the costs of investing working capital early is not offset by a potential fall in future raw material pricing

- \* The increased costs of holding more stock is offset by the opportunity this gives the company to react quickly to seasonal uplifts in demand if weather conditions to move in its favour

**Big K Products U.K. Limited**  
**Strategic Report**  
**for the year ended 30 September 2015**

**Principal risks and uncertainties (continued)**

The directors and senior executives review the other inherent risks on a quarterly basis and take appropriate action.

**Competitive risks:** The company operates in an extremely competitive market place and therefore ensures that there is a close working relationship with suppliers and customers, both large and small. This is underpinned by regular reviews of trading performance and customers and taking a pro-active approach to issues as they arise.

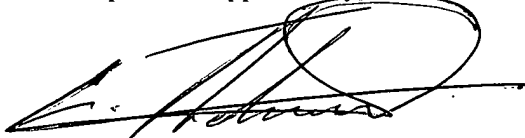
**Cash flow risk:** The business sources raw materials from suppliers with long lead times who do not have access to credit facilities, therefore the main cash flow risk is an elongated cash flow cycle due to building stock throughout the year. The company has addressed this risk by securing working capital facilities with the company's bankers and through intergroup financing.

**Purchasing risk:** Management identified two major risk factors in relation to the purchasing of raw materials, namely the transactional risk in relation to overseas suppliers and the potential loss of supply to competitors. To counter these risks management has implemented a policy of agreeing long term purchasing contracts with overseas suppliers giving security to our suppliers and allowing the business to build a reliable supplier base. These contracts are then matched with Foreign Exchange Forward Contracts to minimise transactional variances.

**Production efficiency:** Management carried out a review of all fixed assets in terms of efficiency and remaining useful life. As a result of this, the business has implemented a program of replacing older items of production machinery alongside a full review of maintenance scheduling to ensure production efficiencies can be raised and maintained for the long term benefit of the company.

**Health and safety:** It is the policy of the company to ensure so far as is practicable, the health, safety and welfare of all employees working for the company and other persons who may be affected by our undertakings. The company acknowledges that the key to successful health and safety management requires an effective policy, organisation and arrangements, which reflect the commitment of senior management. To maintain that commitment, we continually measure, monitor and revise where necessary, an annual plan to ensure that health and safety standards are adequately maintained.

This report was approved by the Board on 29 January 2016 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Christakis Kleanthous', is written over a horizontal line.

**Christakis Kleanthous**  
**Director**

## **Big K Products U.K. Limited**

### **Directors' report for the year ended 30 September 2015**

The directors present their report and the financial statements for the year ended 30 September 2015.

#### **Principal activity and review of the business**

The principal activity of the company continued to be that of Charcoal Merchants.

#### **Business review**

Please see the Strategic Report on pages 1 to 2.

#### **Results and dividends**

The results for the year are set out on page 6.

The directors do not recommend payment of a final dividend.

#### **Financial risk management objectives and policies**

A significant percentage of the company's stock is sourced from overseas and the company hedges the currency risk by buying currency in advance. Trade debtors are strictly controlled and bad debts are usually low.

#### **Directors**

The directors who served during the year are as stated below:

Christakis Kleanthous

Vivien Ann Kleanthous

Michael Theodorou

Melina Bremer (Appointed 22/12/14)

#### **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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

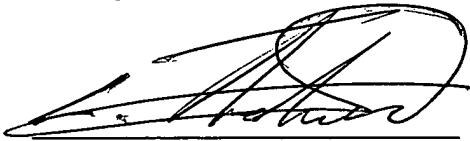
**Big K Products U.K. Limited**

**Directors' report  
for the year ended 30 September 2015**

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 29 January 2016 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Christakis Kleanthous', is written over a horizontal line.

**Christakis Kleanthous**  
**Director**

**Independent auditor's report to the shareholders of  
Big K Products U.K. Limited**

We have audited the financial statements of Big K Products U.K. Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet, the 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 pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

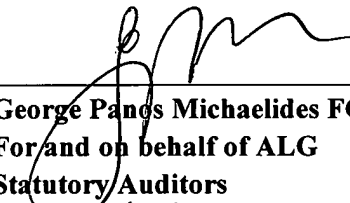
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006.**

In our opinion the information given in the 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.

  
George Panos Michaelides FCCA (Senior Statutory Auditor)  
For and on behalf of ALG  
Statutory Auditors

Date.....3/2/16.....

Brook Point  
1412-1420 High Road  
London N20 9BH

# Big K Products U.K. Limited

## Profit and loss account for the year ended 30 September 2015

		Continuing operations	
		2015	2014
	Notes	£	£
<b>Turnover</b>	<b>2</b>	17,074,709	14,816,710
Cost of sales		(11,794,256)	(10,253,356)
<b>Gross profit</b>		<u>5,280,453</u>	<u>4,563,354</u>
Distribution costs		(1,555,683)	(1,213,042)
Administrative expenses		(3,090,326)	(2,717,096)
<b>Operating profit</b>	<b>3</b>	<u>634,444</u>	<u>633,216</u>
Interest payable and similar charges	<b>5</b>	(123,094)	(94,724)
<b>Profit on ordinary activities before taxation</b>		<u>511,350</u>	<u>538,492</u>
Tax on profit on ordinary activities	<b>8</b>	(117,994)	(128,242)
<b>Profit for the year</b>	<b>18</b>	<u><u>393,356</u></u>	<u><u>410,250</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

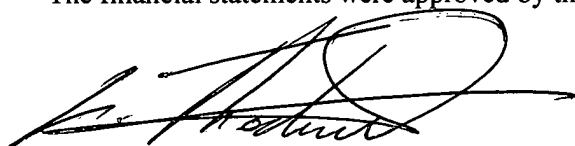
The notes on pages 9 to 21 form an integral part of these financial statements.

**Big K Products U.K. Limited**

**Balance sheet  
as at 30 September 2015**

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		10,189		7,461
Tangible assets	10		3,555,134		3,247,089
			<u>3,565,323</u>		<u>3,254,550</u>
<b>Current assets</b>					
Stocks	11	3,085,394		2,713,859	
Debtors	12	2,382,053		1,687,289	
Cash at bank and in hand		3,606		44,811	
		<u>5,471,053</u>		<u>4,445,959</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,733,621)</u>		<u>(2,730,392)</u>	
<b>Net current assets</b>			<u>1,737,432</u>		<u>1,715,567</u>
<b>Total assets less current liabilities</b>			5,302,755		4,970,117
<b>Creditors: amounts falling due after more than one year</b>	14		(152,803)		(247,521)
<b>Provisions for liabilities</b>	15		(232,000)		(198,000)
<b>Net assets</b>			<u>4,917,952</u>		<u>4,524,596</u>
<b>Capital and reserves</b>					
Called up share capital	17		450,065		450,065
Share premium account	18		23,413		23,413
Profit and loss account	18		4,444,474		4,051,118
<b>Shareholders' funds</b>	19		<u>4,917,952</u>		<u>4,524,596</u>

The financial statements were approved by the Board on 29 January 2016 and signed on its behalf by



**Christakis Kleanthous**  
**Director**

**Registration number 01549574**

**The notes on pages 9 to 21 form an integral part of these financial statements.**

# **Big K Products U.K. Limited**

## **Cash flow statement for the year ended 30 September 2015**

	Notes	2015 £	2014 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		634,444	633,216
Depreciation		304,770	289,444
(Increase) in stocks		(371,535)	(1,133,562)
(Increase) in debtors		(694,764)	(5,116)
Increase in creditors		310,904	(553,987)
<b>Net cash inflow from operating activities</b>		<u>183,819</u>	<u>(770,005)</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		183,819	(770,005)
Returns on investments and servicing of finance	26	(123,094)	(94,724)
Taxation	26	(144,353)	(150,607)
Capital expenditure	26	(646,113)	(524,164)
		<u>(729,741)</u>	<u>(1,539,500)</u>
Financing	26	(62,265)	(60,635)
<b>Decrease in cash in the year</b>		<u>(792,006)</u>	<u>(1,600,135)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 27)</b>			
<b>Decrease in cash in the year</b>		(792,006)	(1,600,135)
Cash inflow from increase in debts and lease financing		62,265	60,635
Change in net debt resulting from cash flows		(729,741)	(1,539,500)
New finance leases and hire purchase contracts		30,570	30,570
<b>Movement in net debt in the year</b>		<u>(699,171)</u>	<u>(1,508,930)</u>
<b>Net debt at 1 October 2014</b>		<u>(1,119,282)</u>	<u>389,648</u>
<b>Net debt at 30 September 2015</b>		<u>(1,818,453)</u>	<u>(1,119,282)</u>

## **Big K Products U.K. Limited**

### **Notes to the financial statements for the year ended 30 September 2015**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Revenue is recognised on the date the goods are despatched.

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

##### **1.4. Patents and licences**

Patents and licences are valued at cost less accumulated amortisation.

##### **1.5. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% Reducing balance
Fixtures, fittings and equipment	-	15% Reducing balance

##### **1.6. Leasing and hire purchase commitments**

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

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

##### **1.7. Stock**

Stock is valued at the lower of average cost and net realisable value.

##### **1.8. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

## **Big K Products U.K. Limited**

### **Notes to the financial statements for the year ended 30 September 2015**

#### **1.9. Deferred taxation**

Full provision is made for deferred taxation, where material, to take account of timing differences that originate during the year but have not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that they will be recovered against the reversal of deferred taxation liabilities or other future taxable profits.

#### **1.10. Going concern**

These financial statements have been prepared on a going concern basis. The company is dependent on the continued support of its bankers and of its parent company. At the time of approval of these financial statements the directors are of the opinion that the company will continue in operation for the foreseeable future.

#### **1.11 Factored Debts**

Factored debts have been disclosed in accordance with FRS 5, the substance of transactions, whereby the gross amount of the factored debts has been disclosed under debtors and the liability represented by the factors client account has been shown under current liabilities. All factors charges are recognised as they accrue and included within the profit and loss account.

#### **2. Turnover**

The total turnover of the company for the year of £17,074,709 (2014: £14,816,710) consisted of £16,739,136 (2014: £14,643,758) sales to UK markets and £335,573 (2014: £172,952) to Europe and the rest of the world.

#### **3. Operating profit**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	3,032	1,941
Depreciation and other amounts written off tangible assets	314,738	279,375
Loss on disposal of tangible fixed assets	-	8,128
Operating lease rentals		
- Land and buildings	240,000	240,000
- Motor vehicles	24,905	33,106
Auditors' remuneration (Note 4)	10,000	10,000
	<u>13,000</u>	<u>-</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>13,000</u>	<u>-</u>

**Big K Products U.K. Limited**

**Notes to the financial statements  
for the year ended 30 September 2015**

**4. Auditors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	<u>10,000</u>	<u>10,000</u>
Auditors' remuneration - other fees:		
- Accountancy and taxation services	<u>10,000</u>	<u>8,030</u>

**5. Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank interest	119,971	91,600
Hire purchase interest	<u>3,123</u>	<u>3,124</u>
	<u>123,094</u>	<u>94,724</u>

**6. Employees**

<b>Number of employees</b>	<b>2015</b>	<b>2014</b>
The average monthly numbers of employees (including the directors) during the year were:		
Production	46	38
Management	4	3
Administration	<u>20</u>	<u>16</u>
	<u>70</u>	<u>57</u>

<b>Employment costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,500,825	1,995,643
Social security costs	208,845	192,473
Pension costs-other operating charge	<u>25,000</u>	<u>33,718</u>
	<u>2,734,670</u>	<u>2,221,834</u>

# Big K Products U.K. Limited

## Notes to the financial statements for the year ended 30 September 2015

<b>6.1. Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	366,617	256,431
Pension contributions	3,123	3,007
	<u>369,740</u>	<u>259,438</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>1</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	<u>110,856</u>	<u>100,678</u>

## 7. Pension costs

The company operates a defined contribution pension scheme in respect of the directors Mr M Theodorou, Mrs Melina Bremner and some of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £25,000 (2014 - £33,718).

# Big K Products U.K. Limited

## Notes to the financial statements for the year ended 30 September 2015

### 8. Tax on profit on ordinary activities

Analysis of charge in period	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax	84,011	96,242
Adjustments in respect of previous periods	(17)	-
	<u>83,994</u>	<u>96,242</u>
Total current tax charge	<u>83,994</u>	<u>96,242</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	34,000	32,000
Total deferred tax	<u>34,000</u>	<u>32,000</u>
Tax on profit on ordinary activities	<u>117,994</u>	<u>128,242</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>511,350</u>	<u>538,492</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (30 September 2014 : 21.00%)	102,270	113,083
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,899	2,620
Capital allowances for period in excess of depreciation	(22,202)	(23,825)
Adjustments to tax charge in respect of previous periods	(28)	-
Change of tax rate	2,055	4,364
Current tax charge for period	<u>83,994</u>	<u>96,242</u>

# Big K Products U.K. Limited

## Notes to the financial statements for the year ended 30 September 2015

### 9. Intangible fixed assets

	Patents & Licences £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2014	12,134	41,302	53,436
Additions	5,760	-	5,760
At 30 September 2015	17,894	41,302	59,196
<b>Amortisation</b>			
At 1 October 2014	4,674	41,301	45,975
Charge for year	3,032	-	3,032
At 30 September 2015	7,706	41,301	49,007
<b>Net book values</b>			
At 30 September 2015	10,188	1	10,189
At 30 September 2014	7,460	1	7,461

10. Tangible fixed assets	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 October 2014	3,070,672	2,236,709	383,714	5,691,095
Additions	251,755	343,504	27,524	622,783
Disposals	-	(42,000)	-	(42,000)
At 30 September 2015	3,322,427	2,538,213	411,238	6,271,878
<b>Depreciation</b>				
At 1 October 2014	1,011,929	1,191,308	240,769	2,444,006
On disposals	-	(42,000)	-	(42,000)
Charge for the year	105,899	177,878	30,961	314,738
At 30 September 2015	1,117,828	1,327,186	271,730	2,716,744
<b>Net book values</b>				
At 30 September 2015	2,204,599	1,211,027	139,508	3,555,134
At 30 September 2014	2,058,743	1,045,401	142,945	3,247,089

# **Big K Products U.K. Limited**

## **Notes to the financial statements for the year ended 30 September 2015**

### **10. Tangible fixed assets (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2015		2014	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	<u>129,456</u>	<u>21,648</u>	<u>151,104</u>	<u>23,334</u>

### **11. Stocks**

	2015	2014
	£	£
Raw materials and consumables	1,142,267	764,295
Finished goods and goods for resale	<u>1,943,127</u>	<u>1,949,564</u>
	<u>3,085,394</u>	<u>2,713,859</u>

### **12. Debtors**

	2015	2014
	£	£
Trade debtors (Factored debts: £1,030,273)	2,115,872	1,401,221
Other debtors	77,208	67,116
Prepayments and accrued income	<u>188,973</u>	<u>218,952</u>
	<u>2,382,053</u>	<u>1,687,289</u>

**Big K Products U.K. Limited**

**Notes to the financial statements  
for the year ended 30 September 2015**

<b>13. Creditors: amounts falling due within one year</b>	<b>2015 £</b>	<b>2014 £</b>
Bank overdraft	1,574,506	823,705
Bank loan	64,180	62,297
Net obligations under finance leases and hire purchase contracts	30,570	30,570
Trade creditors	1,049,534	663,871
Amounts owed to group undertaking	615,397	830,142
Corporation tax	35,891	96,250
Other taxes and social security costs	65,131	37,932
Other creditors	112	3,266
Accruals and deferred income	298,300	182,359
	<u>3,733,621</u>	<u>2,730,392</u>

The bank has a fixed and floating charge over all the company's assets and unlimited guarantees from Big K (Holdings) Limited, the holding company.

**Big K Products U.K. Limited**

**Notes to the financial statements  
for the year ended 30 September 2015**

<b>14. Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loan	103,670	167,818
Net obligations under finance leases and hire purchase contracts	49,133	79,703
	<u>152,803</u>	<u>247,521</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	64,180	62,297
Repayable between one and two years	66,144	64,180
Repayable between two and five years	37,526	103,638
	<u>167,850</u>	<u>230,115</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	33,693	33,693
Repayable between one and five years	53,347	87,041
	<u>87,040</u>	<u>120,734</u>
Finance charges and interest allocated to future accounting periods	(7,337)	(10,461)
	<u>79,703</u>	<u>110,273</u>
<b>15. Provisions for liabilities</b>		
	<b>Deferred taxation (Note 16)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 October 2014	198,000	198,000
Movements in the year	34,000	34,000
At 30 September 2015	<u>232,000</u>	<u>232,000</u>

**Big K Products U.K. Limited**

**Notes to the financial statements  
for the year ended 30 September 2015**

16.	Provision for deferred taxation	2015 £	2014 £	
	Accelerated capital allowances	232,000	198,000	
	Provision for deferred tax	232,000	198,000	
	Provision at 1 October 2014	198,000		
	Deferred tax charge in profit and loss account	34,000		
	Provision at 30 September 2015	232,000		
17.	Share capital	2015 £	2014 £	
	Allotted, called up and fully paid			
	450,065 Ordinary shares of £1 each	450,065	450,065	
	Equity Shares			
	450,065 Ordinary shares of £1 each	450,065	450,065	
18.	Equity Reserves	Share premium account £	Profit and loss account £	Total £
	At 1 October 2014	23,413	4,051,118	4,074,531
	Profit for the year		393,356	393,356
	At 30 September 2015	23,413	4,444,474	4,467,887
19.	Reconciliation of movements in shareholders' funds	2015 £	2014 £	
	Profit for the year	393,356	410,250	
	Opening shareholders' funds	4,524,596	4,114,346	
	Closing shareholders' funds	4,917,952	4,524,596	

# **Big K Products U.K. Limited**

## **Notes to the financial statements for the year ended 30 September 2015**

### **20. Financial commitments**

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within one year	-	-	131,005	137,622
Between one and five years	-	-	290,425	298,841
In over five years	240,000	240,000	-	25,134
	<u>240,000</u>	<u>240,000</u>	<u>421,430</u>	<u>461,597</u>

### **21. Contingent liabilities**

The bank has given a guarantee, with recourse to the company, to H M Revenue & Customs in the amount of £250,000.

At the year end the company had entered into forward exchange contracts to purchase €595,797.

### **22. Transactions with directors**

#### **Advances to directors**

The following directors had during the year on which interest was charged. The movements on these loans are as follows:

	<b>Amount owing</b>		<b>Maximum</b>
	<b>2015</b>	<b>2014</b>	<b>in year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Christakis Kleanthous	<u>-</u>	<u>8,847</u>	<u>8,847</u>

### **23. Related party transactions**

Included in creditors is an amount of £615,397 (2014: £830,142) due to Big K (Holdings) Limited, the parent company and during the year rent of £240,000 was also paid to that company.

# **Big K Products U.K. Limited**

## **Notes to the financial statements for the year ended 30 September 2015**

### **24. Ultimate parent undertaking**

The ultimate holding company is Big K (Holdings) Limited, a company incorporated in England and Wales.

### **25. Controlling interest**

The ultimate controlling party is the director Christakis Kleanthous.

### **26. Gross cash flows**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(123,094)	(94,724)
	<u>          </u>	<u>          </u>
<b>Taxation</b>		
Corporation tax paid	(144,353)	(150,607)
	<u>          </u>	<u>          </u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(5,760)	(9,400)
Payments to acquire tangible assets	(653,353)	(527,564)
Receipts from sales of tangible assets	13,000	12,800
	<u>          </u>	<u>          </u>
	<u>(646,113)</u>	<u>(524,164)</u>
<b>Financing</b>		
New long term bank loan	32	(76)
Repayment of short term bank loan	(62,297)	(60,559)
	<u>          </u>	<u>          </u>
	<u>(62,265)</u>	<u>(60,635)</u>

# **Big K Products U.K. Limited**

## **Notes to the financial statements for the year ended 30 September 2015**

### **27. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	44,811	(41,205)		3,606
Overdrafts	(823,705)	(750,801)		(1,574,506)
	<u>(778,894)</u>	<u>(792,006)</u>		<u>(1,570,900)</u>
Debt due within one year	(62,297)	62,297	(64,180)	(64,180)
Debt due after one year	(167,818)	(32)	64,180	(103,670)
Finance leases and hire purchase contracts	(110,273)	-	30,570	(79,703)
	<u>(340,388)</u>	<u>62,265</u>	<u>30,570</u>	<u>(247,553)</u>
<b>Net funds</b>	<u><u>(1,119,282)</u></u>	<u><u>(729,741)</u></u>	<u><u>30,570</u></u>	<u><u>(1,818,453)</u></u>