

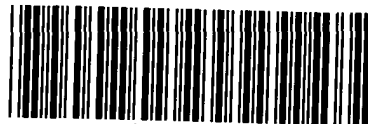
Registered number: 01704907

**SOLLATEK (UK) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

WEDNESDAY



\*L4H18XXT\*

LD9

30/09/2015

#131

COMPANIES HOUSE

**LUBBOCK FINE**  
**Chartered Accountants**  
**Paternoster House**  
**65 St Paul's Churchyard**  
**London EC4M 8AB**

**SOLLATEK (UK) LIMITED**  
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**SOLLATEK (UK) LIMITED**  
**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Dr Janan Allos Maan J Allos Manhal B Allos
<b>COMPANY SECRETARY</b>	Manhal B Allos
<b>REGISTERED NUMBER</b>	01704907
<b>REGISTERED OFFICE</b>	Sollatek House 14 Waterside Drive Langley Slough Berkshire SL3 6EZ
<b>INDEPENDENT AUDITORS</b>	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
<b>BANKERS</b>	National Westminster Bank plc PO Box 192 London EC3M 5AN

**SOLLATEK (UK) LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of assembly, distribution and sale of electronic and ancillary equipment.

The company made a profit before tax in the year of £170,133 (2013 - £254,458). During the year the company's turnover was £6,578,831 (2013 - £8,041,505). Gross margin for the year decreased to 38% (2013 - 40%)

As at 31 December 2014 net assets had increased to £3,313,342 (2013 - £3,150,078) due to the profit in the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Funding and liquidity**

The company prepares annual budgets including cashflow budgets to ensure that its funding requirements will be met within available working capital facilities. Cashflow is monitored on a daily basis.

**Market risk**

The company operates in a high technology market, accordingly the company's continued success depends on continued innovation of its products to ensure that the company's product range remains attractive to the consumers. Additionally with the changing world market other risks include increasing raw material prices and currency pressures.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The directors consider turnover and gross margin to be the key performance indicators for the company. The performance of the company is monitored by the directors on a daily basis.

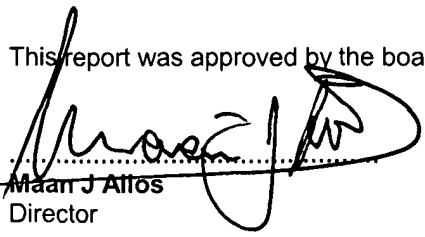
**FUTURE DEVELOPMENTS**

Sales opportunities in the Commercial Refrigeration sector continue to be developed and although slow uptake curve due to the nature of the business, this will nevertheless start to bear fruit in the years to come commencing from 2015. A number of new developments are being introduced in addition to the very popular existing range.

Margins continue to be squeezed due to escalating Chinese production costs and alternative avenues are being sought. Benefits will commence from Quarter 4 of 2015.

Finally, a new franchisee by the name of Sollatek Zimbabwe is welcomed into the Sollatek Family with the owners of business being quite experienced in promoting Sollatek as a dealer. We think this will be a resounding success.

This report was approved by the board and signed on its behalf.

  
Maan J Allot  
Director

Date: 29/9/2015

**SOLLATEK (UK) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

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

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £163,265 (2013 - £277,642).

The directors have not recommended a dividend.

**DIRECTORS**

The directors who served during the year were:

Dr Janan Allos  
Maan J Allos  
Manhal B Allos

**SOLLATEK (UK) LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**MATTERS COVERED IN THE STRATEGIC REPORT**

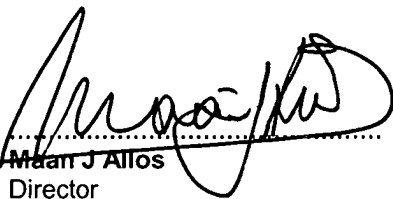
In accordance with section 414C(11) of the Companies Act 2006 the company has chosen to include information in relation to future developments and financial risk management in the company's strategic report.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be 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 and signed on its behalf.



Maan J Allos  
Director

Date: 29/9/2015

## **SOLLATEK (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOLLATEK (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of Sollatek (UK) Limited for the year ended 31 December 2014, set out 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 Auditors' 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 AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**SOLLATEK (UK) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOLLATEK (UK) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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.

*Lubbock Fine*

**Andrew Noton** (Senior Statutory Auditor)

for and on behalf of

**Lubbock Fine**

Chartered Accountants & Statutory Auditors

Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

Date:

*30/9/2015*



**SOLLATEK (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>TURNOVER</b>	1,2	6,578,831	8,041,505
Cost of sales		<u>(4,101,986)</u>	<u>(4,899,313)</u>
<b>GROSS PROFIT</b>		2,476,845	3,142,192
Distribution costs		(285,397)	(444,245)
Administrative expenses		<u>(1,987,700)</u>	<u>(2,387,378)</u>
<b>OPERATING PROFIT</b>	3	203,748	310,569
Interest payable and similar charges	6	<u>(33,615)</u>	<u>(56,111)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		170,133	254,458
Tax on profit on ordinary activities	7	<u>(6,868)</u>	<u>23,184</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	<u><u>163,265</u></u>	<u><u>277,642</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

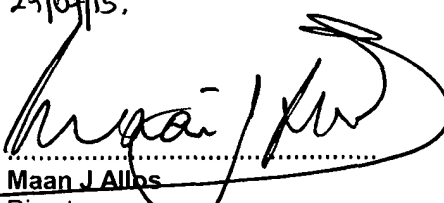
The notes on pages 10 to 20 form part of these financial statements.

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	8		258,149		275,970
<b>CURRENT ASSETS</b>					
Stocks	9	1,321,155		1,411,894	
Debtors	10	7,289,147		5,740,609	
Cash at bank and in hand		83,274		9,859	
		<u>8,693,576</u>		<u>7,162,362</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(5,625,416)</u>		<u>(3,320,946)</u>	
<b>NET CURRENT ASSETS</b>			3,068,160		3,841,416
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,326,309</u>		<u>4,117,386</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		<u>(12,967)</u>		<u>(967,309)</u>
<b>NET ASSETS</b>			<u>3,313,342</u>		<u>3,150,077</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		180,279		180,279
Share premium account	14		922,226		922,226
Capital redemption reserve	14		10,000		10,000
Profit and loss account	14		<u>2,200,837</u>		<u>2,037,572</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u>3,313,342</u>		<u>3,150,077</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/09/15.

  
 Maan J. Allot  
 Director

The notes on pages 10 to 20 form part of these financial statements.

**SOLLATEK (UK) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Net cash flow from operating activities	16	(428,709)	1,122,400
Returns on investments and servicing of finance	17	(33,615)	(56,111)
Taxation		29,872	27,579
Capital expenditure and financial investment	17	(58,118)	85,775
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(490,570)</b>	<b>1,179,643</b>
Financing	17	922,253	(1,111,233)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>431,683</b>	<b>68,410</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014 £</b>	<b>2013 £</b>
Increase in cash in the year	431,683	68,410
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(922,253)	1,111,233
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(490,570)</b>	<b>1,179,643</b>
Net debt at 1 January 2014	(920,562)	(2,100,205)
<b>NET DEBT AT 31 DECEMBER 2014</b>	<b>(1,411,132)</b>	<b>(920,562)</b>

The notes on pages 10 to 20 form part of these financial statements.

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	equal instalments over the period of the lease
Motor vehicles	-	20% of the written down value
Fixtures and fittings	-	20% and 25% of the written down value

**1.4 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.5 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.6 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

**1.10 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.11 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. TURNOVER**

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

A geographical analysis of turnover is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
United Kingdom	933,130	1,279,831
Rest of world	5,645,701	6,761,674
	<u>6,578,831</u>	<u>8,041,505</u>

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Depreciation of tangible fixed assets:		
- owned by the company	75,939	114,384
Auditors' remuneration	14,000	14,000
Operating lease rentals:		
- other operating leases	143,215	174,424
Difference on foreign exchange	(62,589)	(10,617)
	<u>                    </u>	<u>                    </u>

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Wages and salaries	1,434,342	1,779,953
Social security costs	168,403	167,208
Other pension costs	-	45,011
	<u>                    </u>	<u>                    </u>
	<u>1,602,745</u>	<u>1,992,172</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2014</b> <b>No.</b>	<b>2013</b> <b>No.</b>
Number of production staff	11	11
Number of administrative staff	35	36
Number of management staff	3	3
	<u>                    </u>	<u>                    </u>
	<u>49</u>	<u>50</u>

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. DIRECTORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	189,810	337,561
Company pension contributions to defined contribution pension schemes	-	9,539

During the year retirement benefits were accruing to no directors (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £64,673 (2013 - £131,169).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2013 - £9,539).

**6. INTEREST PAYABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	24,776	19,786
On hire purchase contracts and other charges payable	8,839	36,325
	33,615	56,111

**7. TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge/(credit) in the year</b>		
UK corporation tax charge/(credit) on profit for the year	-	(36,740)
Adjustments in respect of prior periods	-	(2,982)
	-	(39,722)
Foreign tax on income for the year	6,868	16,538
<b>Tax on profit on ordinary activities</b>	6,868	(23,184)

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**7. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22.75% (2013 - 24.58%). The differences are explained below:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Profit on ordinary activities before tax	170,133	254,458
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.75% (2013 - 24.58%)	38,705	62,543
<b>Effects of:</b>		
Expenses not deductible for tax purposes	553	266
Depreciation for year in excess of capital allowances	2,797	7,060
Adjustments to tax charge in respect of prior periods	-	(2,982)
Other timing differences leading to an increase in taxation	163	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(42,218)	(106,609)
Double taxation relief	6,868	16,538
<b>Current tax charge/(credit) for the year (see note above)</b>	<b>6,868</b>	<b>(23,184)</b>

**8. TANGIBLE FIXED ASSETS**

	<b>Leasehold improvements £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2014	451,068	89,000	1,697,859	2,237,927
Additions	-	-	58,118	58,118
At 31 December 2014	451,068	89,000	1,755,977	2,296,045
<b>Depreciation</b>				
At 1 January 2014	398,704	62,247	1,501,006	1,961,957
Charge for the year	10,967	5,350	59,622	75,939
At 31 December 2014	409,671	67,597	1,560,628	2,037,896
<b>Net book value</b>				
At 31 December 2014	41,397	21,403	195,349	258,149
At 31 December 2013	52,364	26,753	196,853	275,970



**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**8. TANGIBLE FIXED ASSETS (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Motor vehicles	10,886	14,515
	<u>10,886</u>	<u>14,515</u>

**9. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	400,671	502,114
Work in progress	23,328	9,011
Finished goods and goods for resale	897,156	900,769
	<u>1,321,155</u>	<u>1,411,894</u>

**10. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,238,793	3,219,621
Amounts owed by group undertakings	2,783,350	2,446,835
Corporation tax repayable	-	36,740
Other debtors	-	1,470
Prepayments and accrued income	267,004	35,943
	<u>7,289,147</u>	<u>5,740,609</u>

**SOLLATEK (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. CREDITORS:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,477,097	907,436
Finance lease agreements	4,342	5,676
Trade creditors	1,294,647	1,182,197
Amounts owed to group undertakings	2,009,757	329,459
Other taxation and social security	236,982	211,138
Other creditors	549,868	626,561
Accruals and deferred income	52,723	58,479
	<u>5,625,416</u>	<u>3,320,946</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,477,097	907,436
Finance lease agreements	4,342	5,676
	<u>1,481,439</u>	<u>913,112</u>

The security for bank loans and overdrafts is as follows:

- a) Unlimited guarantee from Sollatek Limited, the company's parent undertaking.
- b) Unlimited guarantee from iVolt Limited, a fellow subsidiary undertaking.
- c) Unscheduled mortgage debenture incorporating a fixed and floating charge over all assets of the company.
- d) The bank overdrafts are personally guaranteed by Manhal B Allos, a director of the company, up to the value of £250,000 (2012 - £250,000).

**12. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	12,967	17,309
Amounts owed to group undertakings	-	950,000
	<u>12,967</u>	<u>967,309</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Between one and five years	<u>12,967</u>	<u>17,309</u>

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**12. CREDITORS:**

**Amounts falling due after more than one year (continued)**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014 £	2013 £
Finance lease agreements	17,309	22,985

**13. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
180,279 Ordinary shares of £1 each	180,279	180,279

**14. RESERVES**

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2014	922,226	10,000	2,037,572
Profit for the financial year	-	-	163,265
At 31 December 2014	922,226	10,000	2,200,837

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	3,150,077	2,872,435
Profit for the financial year	163,265	277,642
Closing shareholders' funds	3,313,342	3,150,077

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**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	203,748	310,569
Depreciation of tangible fixed assets	75,939	114,384
Profit on disposal of tangible fixed assets	-	(18,850)
Decrease in stocks	90,737	565,522
(Increase)/decrease in debtors	(1,585,277)	849,329
Increase/(decrease) in creditors	786,144	(698,554)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(428,709)</b>	<b>1,122,400</b>

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(24,776)	(39,968)
Hire purchase interest	(8,839)	(16,143)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(33,615)</b>	<b>(56,111)</b>

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(58,118)	(64,225)
Sale of tangible fixed assets	-	150,000
<b>Net cash (outflow)/inflow from capital expenditure</b>	<b>(58,118)</b>	<b>85,775</b>

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Financing</b>		
New secured loans	927,929	86,981
Repayment of loans	-	(1,069,372)
Repayment of finance leases	(5,676)	(128,842)
<b>Net cash inflow/(outflow) from financing</b>	<b>922,253</b>	<b>(1,111,233)</b>

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**18. ANALYSIS OF CHANGES IN NET DEBT**

	<b>1 January 2014</b>	<b>Cash flow</b>	<b>31 December 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	9,859	73,415	83,274
Bank overdraft	(507,822)	358,268	(149,554)
	<u>(497,963)</u>	<u>431,683</u>	<u>(66,280)</u>
<b>Debt:</b>			
Finance leases	(22,985)	5,676	(17,309)
Debts due within one year	(399,614)	(927,929)	(1,327,543)
	<u>(920,562)</u>	<u>(490,570)</u>	<u>(1,411,132)</u>
<b>Net debt</b>			

**19. PENSION COMMITMENTS**

The company operates a pension scheme which provides for the payment of the full contribution by the company. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise. The charge for the year was £nil (2013 - £49,499).

At the balance sheet date, the amount due in respect of pension contributions is £37,607 (2013 - £37,370).

**20. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	-	24,500	-	-
After more than 5 years	-	-	1,000	1,000
	<u>-</u>	<u>24,500</u>	<u>1,000</u>	<u>1,000</u>

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**21. RELATED PARTY TRANSACTIONS**

a) At 31 December 2014 an amount of £1,391,248 (2013 - £305,818) was due to the parent undertaking, Sollatek Limited.

b) At 31 December 2014 an amount of £157,013 (2013 - £221,075) was due to Manhal B Allos, a director of the company.

c) At 31 December 2014 an amount of £180,061 (2013 - £200,000) was due to Maan J Allos, a director of the company.

d) During the year, a property owned by Sollatek Limited was used for both business and residential purposes by Dr Janan E Allos, a director of the company. Rent of £54,000 (2013 - £45,000) was paid by the company to Sollatek Limited in respect of this property.

At 31 December 2014 an amount of £117,291 (2013 - £103,537) was due to Dr Janan E Allos, a director of the company.

e) During the year, the company made sales of £133,038 (2013 - £151,591) to Sollatek (SA) Limited, a fellow subsidiary of Sollatek Limited. At 31 December 2014 an amount of £138,893 (2013 - £138,893) was due from Sollatek (SA) Limited.

f) During the year, the company made sales of £507 (2013 - £nil) to Sollatek (HK) Limited, a fellow subsidiary of Sollatek Limited, and made purchases and incurred costs totalling £362,070 (2013 - £238,553) from Sollatek (HK) Limited.

At 31 December 2014 an amount of £126,585 (2013 - £140,756) was due from Sollatek (HK) Limited.

g) At 31 December 2014 an amount of £2,546,213 (2013 - £2,167,186) was due from Sollatek Global Manufacturing Limited, a fellow subsidiary undertaking of Sollatek Limited.

h) During the year, the company made sales of £849,863 (2013 - £1,086,868) to iVolt Limited, a company with common directors. Additionally, the company incurred costs of £94,162 (2013 - £254,646) on behalf of iVolt Limited and recharged expenses to iVolt Limited totalling £232,910 (2013 - £129,340).

At 31 December 2014 an amount of £618,509 (2013 - £973,641) was due to iVolt Limited. Of this balance an amount of £nil (2013 - £950,000) is repayable by 31 December 2015).

Unless otherwise noted above the balances are unsecured, interest free and repayable on demand.

**22. PARENT UNDERTAKING**

The company's immediate and ultimate parent undertaking is Sollatek Limited, a company incorporated in Liberia.