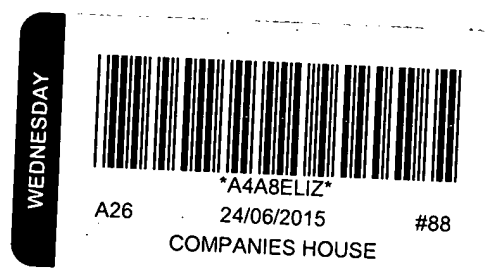


REGISTERED NUMBER: 01726619 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
FOCAL POINT FIRES PLC**

Scodie Deyong LLP
Chartered Accountants
Statutory Auditors
4 Prince Albert Road
London
NW1 7SN



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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FOCAL POINT FIRES PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

DIRECTORS:

I B Mitchell Esq
C J Richards Esq
M Moody Esq
S J Hammond Esq

SECRETARY:

S J Hammond Esq

REGISTERED OFFICE:

4 Prince Albert Road
London
NW1 7SN

REGISTERED NUMBER:

01726619 (England and Wales)

AUDITORS:

Scodie Deyong LLP
Chartered Accountants
Statutory Auditors
4 Prince Albert Road
London
NW1 7SN

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their strategic report for the year ended 31 December 2014.

Focal Point Fires delivered a strong and well balanced performance for the year ended December 2014 as we achieved another year of double digit growth with turnover increasing by over 10% on the previous year. This was helped by a greater demand for heating and household products as construction in the domestic sector improved.

This growth is being achieved as we continue to introduce new, innovative products and aligning ourselves with leading foremost companies across a broader spectrum of market sectors, through a wider range of products. As the year progressed, we experienced a gradual improvement in underlying selling prices as our products became more readily available online in the fast growing omni-channel world. Consequently, we were able to introduce new products to a wider targeted audience. Further penetration through online sales by aligning ourselves with multi-channel retailers also further enhanced and broadened our range and offering to consumers. The growth of the business is a fundamental element of our long term strategy which is to continue to build a stronger, larger enterprise.

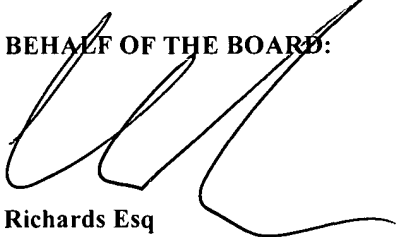
Throughout 2014 and into 2015, consumers continue to manage their household budgets cautiously and we continue to meet these challenges by investing in price, quality and service with an innovative, comprehensive and wider range of products that represent exceptional quality and value to both our customers and consumers alike.

We have already had an encouraging start to 2015 and our outlook for the new financial year remains positive as our strong momentum is set to continue in 2015. Despite some uncertainty arising from the General Election in May, the ongoing gradual improvement in the UK economy looks promising and therefore we anticipate further sales growth throughout the year.

The continued success of Focal Point Fires is built on the hard work and dedication of our management team and all of the staff which continues with great optimism to deliver the vision of the board. I would like to thank every one of them for all their contributions during the year.

2015 will continue to bring new challenges and opportunities which we are well positioned to take full advantage of and our strategy will remain the same, focused on our customers and delivering innovative quality products.

ON BEHALF OF THE BOARD:



**C J Richards Esq
CHAIRMAN**

17 June 2015

FOCAL POINT FIRES PLC (REGISTERED NUMBER: 01726619)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and sale of gas fires and electrical appliances.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

RESEARCH AND DEVELOPMENT

The company continues to invest in the development of new products and the enhancement of existing ones.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 January 2014 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

R Stokes Esq - resigned 28.4.2014

The beneficial interests of the directors holding office at 31 December 2014 in the shares of the company, according to the register of directors' interests, were as follows:

	31.12.14	1.1.14
Ordinary shares of £1 each		
I B Mitchell Esq	36,000	34,000
C J Richards Esq	2,000	2,000
M Moody Esq	2,000	2,000
S J Hammond Esq	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Scodie Deyong LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S J Hammond Esq - Secretary

17 June 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOCAL POINT FIRES PLC

We have audited the financial statements of Focal Point Fires Plc for the year ended 31 December 2014 on pages seven to twenty one. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FOCAL POINT FIRES PLC**

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.



L S Deyong FCA (Senior Statutory Auditor)
for and on behalf of Scodie Deyong LLP
Chartered Accountants
Statutory Auditors
4 Prince Albert Road
London
NW1 7SN

17 June 2015

FOCAL POINT FIRES PLC (REGISTERED NUMBER: 01726619)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
TURNOVER		11,108,652	10,054,793
Cost of sales		7,041,697	6,210,073
GROSS PROFIT		4,066,955	3,844,720
Administrative expenses		3,828,670	3,523,951
OPERATING PROFIT	3	238,285	320,769
Interest receivable and similar income		-	27
		238,285	320,796
Interest payable and similar charges	4	118,185	95,136
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		120,100	225,660
Tax on profit on ordinary activities	5	(5,521)	(23,861)
PROFIT FOR THE FINANCIAL YEAR		125,621	249,521
Retained profit brought forward		1,102,072	852,551
RETAINED PROFIT CARRIED FORWARD		1,227,693	1,102,072

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

FOCAL POINT FIRES PLC (REGISTERED NUMBER: 01726619)

**BALANCE SHEET
31 DECEMBER 2014**

		2014	2013
	Notes	£	£
FIXED ASSETS			
Intangible assets	6	392,736	447,060
Tangible assets	7	1,043,763	1,058,823
Investments	8	12,500	12,500
		<u>1,448,999</u>	<u>1,518,383</u>
CURRENT ASSETS			
Stocks	9	2,197,428	2,056,491
Debtors	10	1,453,954	1,597,231
Cash at bank and in hand		101,876	124,002
		<u>3,753,258</u>	<u>3,777,724</u>
CREDITORS			
Amounts falling due within one year	11	<u>3,835,651</u>	<u>3,961,978</u>
NET CURRENT LIABILITIES		<u>(82,393)</u>	<u>(184,254)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,366,606</u>	<u>1,334,129</u>
CREDITORS			
Amounts falling due after more than one year	12	(8,746)	(105,088)
PROVISIONS FOR LIABILITIES	16	<u>(80,167)</u>	<u>(76,969)</u>
NET ASSETS		<u><u>1,277,693</u></u>	<u><u>1,152,072</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Profit and loss account		<u>1,227,693</u>	<u>1,102,072</u>
SHAREHOLDERS' FUNDS	19	<u><u>1,277,693</u></u>	<u><u>1,152,072</u></u>

The financial statements were approved by the Board of Directors on 17 June 2015 and were signed on its behalf by:


I B Mitchell Esq - Director

C J Richards Esq - Director



The notes form part of these financial statements

FOCAL POINT FIRES PLC (REGISTERED NUMBER: 01726619)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014	2013
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	626,396	(2,435)
Returns on investments and servicing of finance	2	(118,185)	(95,109)
Taxation		14,956	(77,344)
Capital expenditure	2	(84,940)	(527,940)
		438,227	(702,828)
Financing	2	(460,353)	845,487
(Decrease)/increase in cash in the period		(22,126)	142,659
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(22,126)	142,659
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		140,352	(525,487)
Change in net debt resulting from cash flows		118,226	(382,828)
Movement in net debt in the period		118,226	(382,828)
Net debt at 1 January		(1,797,673)	(1,414,845)
Net debt at 31 December		(1,679,447)	(1,797,673)

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	238,285	320,769
Depreciation charges	154,321	156,148
Loss on disposal of fixed assets	-	10,384
Increase in stocks	(140,937)	(274,910)
Decrease/(increase) in debtors	137,044	(421,915)
Increase in creditors	237,683	207,089
Net cash inflow/(outflow) from operating activities	626,396	(2,435)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	-	27
Interest paid	(115,683)	(92,464)
Interest element of hire purchase payments	(2,502)	(2,672)
Net cash outflow for returns on investments and servicing of finance	(118,185)	(95,109)
Capital expenditure		
Purchase of intangible fixed assets	-	(6,559)
Purchase of tangible fixed assets	(84,940)	(531,454)
Sale of tangible fixed assets	-	10,073
Net cash outflow for capital expenditure	(84,940)	(527,940)
Financing		
Additional factor advances	(100,198)	62,759
Trade loan advances	(22,680)	463,253
Capital repayments in year	(17,475)	(525)
Amount introduced by directors	-	320,000
Amount withdrawn by directors	(320,000)	-
Net cash (outflow)/inflow from financing	(460,353)	845,487

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	124,002	(22,126)	101,876
	<u>124,002</u>	<u>(22,126)</u>	<u>101,876</u>
Debt:			
Hire purchase	(42,951)	17,475	(25,476)
Debts falling due within one year	(1,878,724)	122,877	(1,755,847)
	<u>(1,921,675)</u>	<u>140,352</u>	<u>(1,781,323)</u>
Total	<u>(1,797,673)</u>	<u>118,226</u>	<u>(1,679,447)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

Going concern

The company's balance sheet shows a deficit of net current liabilities totalling £99,855 (2013: £184,254). The company has renewed its financing facilities from May 2014 which have been guaranteed by first legal charges over a property owned by director I B Mitchell Esq and a personal guarantee of £40,000 by director C J Richards Esq. For this reason the accounts have been prepared on a going concern basis.

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Acquired goodwill is capitalised and retained at cost in the financial statements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Short leasehold and improvements	- evenly over the period of lease
Plant and machinery	- 25% on a reducing balance basis
Fixtures and fittings	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis

Freehold property and improvements are included in the balance sheet at cost in accordance with IAS 16. While the improvements are depreciated in accordance with the standard, the property is not depreciated as the useful economic life is considered so long that the depreciation would be immaterial. In the opinion of the directors this is necessary for the financial statements to give a true and fair view in respect of the property value.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Over the years the company have capitalised research and development expenditure on the basis of the technical, commercial and financial viability of individual projects. The company amortised this cost over 4 years on a straight line basis in line with the expectation of the time line of a range of fires.

The directors are of the view that the existing development expenditure will generate financial benefit over a period of 10 years. As result the directors have decided to amortise the net book value at the start of the year on a straight line basis over the period of 10 years. This also considers the view that a range of fires have proved to exceed their time line from 4 years to 10 years.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary undertaking has not commenced trading and is dormant at the balance sheet date. The company has therefore taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare group accounts on the basis of immateriality.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. STAFF COSTS

	2014 £	2013 £
Wages and salaries	1,533,405	1,371,959
Social security costs	122,868	108,180
Other pension costs	3,500	3,500
	<u>1,659,773</u>	<u>1,483,639</u>

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

	2014	2013
Production	58	46
Sales	3	3
Administration	13	11
	<u>74</u>	<u>60</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Other operating leases	78,034	80,038
Depreciation - owned assets	80,771	81,468
Depreciation - assets on hire purchase contracts	19,229	20,356
Loss on disposal of fixed assets	-	10,384
Development expenditure amortisation	54,324	54,324
Auditors' remuneration	16,700	16,700
Foreign exchange differences	(161,474)	(56,937)
Hire of equipment	-	12,081
	<u>312,242</u>	<u>259,421</u>
Directors' remuneration	<u>312,242</u>	<u>259,421</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2014	2013
	£	£
Emoluments etc	<u>125,000</u>	<u>107,010</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	303	44
Factoring interest	16,389	14,079
Other interest	98,991	78,341
Hire purchase	2,502	2,672
	<u>118,185</u>	<u>95,136</u>

5. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	(8,719)	27,715
Prior year tax adjustment	-	(42,671)
Total current tax	<u>(8,719)</u>	<u>(14,956)</u>
Deferred tax	<u>3,198</u>	<u>(8,905)</u>
Tax on profit on ordinary activities	<u>(5,521)</u>	<u>(23,861)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

6. INTANGIBLE FIXED ASSETS

	Goodwill £	Development expenditure £	Patents £	Totals £
COST				
At 1 January 2014 and 31 December 2014	3,500	543,241	8,967	555,708
AMORTISATION				
At 1 January 2014	-	108,648	-	108,648
Amortisation for year	-	54,324	-	54,324
At 31 December 2014	-	162,972	-	162,972
NET BOOK VALUE				
At 31 December 2014	3,500	380,269	8,967	392,736
At 31 December 2013	3,500	434,593	8,967	447,060

7. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 January 2014	731,252	267,948	570,597
Additions	-	-	35,640
At 31 December 2014	731,252	267,948	606,237
DEPRECIATION			
At 1 January 2014	21,610	136,887	482,524
Charge for year	21,610	15,544	26,226
At 31 December 2014	43,220	152,431	508,750
NET BOOK VALUE			
At 31 December 2014	688,032	115,517	97,487
At 31 December 2013	709,642	131,061	88,073

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2014	434,504	86,701	2,091,002
Additions	49,300	-	84,940
At 31 December 2014	483,804	86,701	2,175,942
DEPRECIATION			
At 1 January 2014	349,299	41,859	1,032,179
Charge for year	25,410	11,210	100,000
At 31 December 2014	374,709	53,069	1,132,179
NET BOOK VALUE			
At 31 December 2014	109,095	33,632	1,043,763
At 31 December 2013	85,205	44,842	1,058,823

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2014 and 31 December 2014	115,320	62,734	178,054
DEPRECIATION			
At 1 January 2014	79,158	13,684	92,842
Charge for year	9,041	10,188	19,229
At 31 December 2014	88,199	23,872	112,071
NET BOOK VALUE			
At 31 December 2014	27,121	38,862	65,983
At 31 December 2013	36,162	49,050	85,212

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

8. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2014 and 31 December 2014	12,500
NET BOOK VALUE	
At 31 December 2014	12,500
At 31 December 2013	12,500

The company's investments at the Balance Sheet date in the share capital of companies include the following:

British Fires PLC

Nature of business: Dormant

	% holding	2014 £	2013 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		12,500	12,500

9. **STOCKS**

	2014 £	2013 £
Finished goods	1,007,706	955,500
Raw materials	1,189,722	1,100,991
	2,197,428	2,056,491

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade debtors	731,913	909,173
Other debtors	146,500	10,664
Deposits paid to suppliers	396,495	438,120
Taxation	8,719	14,956
Prepayments	170,327	224,318
	1,453,954	1,597,231

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts (see note 13)	1,755,847	1,878,724
Hire purchase contracts (see note 14)	16,730	17,863
Trade creditors	1,864,765	1,635,820
Sundry creditors	12,500	12,500
Social security and other taxes	39,444	35,815
VAT	104,651	58,749
Directors' current accounts	-	240,000
Accruals and deferred income	41,714	82,507
	<u>3,835,651</u>	<u>3,961,978</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Hire purchase contracts (see note 14)	8,746	25,088
Directors' loan accounts	-	80,000
	<u>8,746</u>	<u>105,088</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Factoring account	536,636	636,834
Trade loan	1,219,211	1,241,890
	<u>1,755,847</u>	<u>1,878,724</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2014	2013
	£	£
Gross obligations repayable:		
Within one year	18,894	20,416
Between one and five years	10,077	28,533
	<u>28,971</u>	<u>48,949</u>
Finance charges repayable:		
Within one year	2,164	2,553
Between one and five years	1,331	3,445
	<u>3,495</u>	<u>5,998</u>
Net obligations repayable:		
Within one year	16,730	17,863
Between one and five years	8,746	25,088
	<u>25,476</u>	<u>42,951</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Between one and five years	-	202,000	14,896	14,896
In more than five years	77,113	77,613	-	-
	<u>77,113</u>	<u>279,613</u>	<u>14,896</u>	<u>14,896</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Hire purchase contracts	25,476	42,951
Factoring account	536,636	636,834
Trade loan	1,219,211	1,241,890
	<u>1,781,323</u>	<u>1,921,675</u>

Bank indebtedness including the trade loan is secured by a debenture deed comprising a fixed and floating charge over the assets owned by the company. The factoring account is secured by a fixed charge over book debts owed to the company, and a debenture over the assets of the company. The hire purchase liabilities are secured by a charge over the relevant assets. The trade loan is an additional facility made available by the company's bankers to enable earlier payments for creditors generally.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

16. PROVISIONS FOR LIABILITIES

	2014 £	2013 £
Deferred tax	<u>80,167</u>	<u>76,969</u>
		Deferred tax £
Balance at 1 January 2014		76,969
Depreciation in excess of capital allowances		<u>3,198</u>
Balance at 31 December 2014		<u>80,167</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2014 £	2013 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

18. RELATED PARTY DISCLOSURES

C J Richards Esq

Director and shareholder of the company.

The company's factor facilities were secured by a personal guarantee amounting to £40,000 (2013 : £40,000).

I B Mitchell Esq

Director and shareholder of the company.

The bank indebtedness is secured on properties owned personally by I B Mitchell Esq.

Included in other debtors is the £145,000 (2013 : £Nil). This is a deposit paid to I B Mitchell Esq for the acquisition of land and buildings.

British Fires PLC

A wholly owned subsidiary of the company.

There were no transactions between the parties during the year.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>12,500</u>	<u>12,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	125,621	249,521
Net addition to shareholders' funds	125,621	249,521
Opening shareholders' funds	1,152,072	902,551
Closing shareholders' funds	<u>1,277,693</u>	<u>1,152,072</u>