

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
FOR
FORTHGLEN INVESTMENTS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2014

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FORTHGLEN INVESTMENTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014

DIRECTORS:

D Patel
H Desai
Mrs R Desai

SECRETARY:

D Patel

REGISTERED OFFICE:

C/O Butler & Co. LLP
3rd Floor
126-134 Baker Street
London
W1U 6UE

REGISTERED NUMBER:

03324596

AUDITORS:

Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

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

REVIEW OF BUSINESS

The company continued its principal activities of operating in the eating and drinking- out market from four different locations in the UK with the brand name "ZeroDegrees".

The current economic environment continues to be challenging which have contributed to the decreased profitability of the company in 2014. As a result, cost and margin control are of paramount importance to the company. A number of cost reduction and supplier negotiation initiatives are taking place during 2014/15 which will contributed to better financial performance in the future.

Key Performance Indicators

	2014 £	2013 £
Turnover	£3,414,140	£3,572,618
Cost of sales	£1,911,464	£2,041,706
As a % of sales	56%	57%
Other income	£31,462	£18,944
Operating costs	£1,386,130	£1,220,328
Operating results	£148,008	£329,528

The success of company and its performance is determined by the quality of its people, food, services and cleanliness. Despite the competitive environment and upward cost pressure we do not compromise on the quality of our ingredients. We expect to control the cost wherever possible and also absorb all other random variation affecting the business by a combination of increased revenues and operating efficiencies.

We started Zerodegrees because we knew that our customers would share our passion for fresh, modern, and innovative cuisine based on locally sourced ingredients, and for beer that does not contain any nasties. Being a family run company, we've been able to run Zerodegrees with those values in mind ever since.

The company was awarded with a "Certificate of Excellence for 2012" by the Trip Advisor and also was declared winner in the Bristol & District campaign for Real Ale which was organised by the Camra Locale 2012.

Our vision is that guest love to eat and drink with us. And, we aim to achieve this by looking at our markets, our guests and our brands and identify where there are opportunities for us to grow our business and developing superior brand propositions with high levels of consumer relevance, recruit, retain and develop people who deliver excellent service for our guests.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have considered the principal risks and uncertainties affecting the company as at 31 March 2014 and up to the date of this report.

Market risks

Failure to anticipate pricing and market changes

External influences, such as changes in the general economic climate or competitor's activity, could have a detrimental effect on customers' spending patterns and therefore the Company's revenue, profitability and consequently the value of its assets. Zero degree is focused on the long-term potential of the eating and drinking out market. The company owns sites in four different places in the UK with a wide spectrum of customer offers targeted at different consumer groups. This range allows the company to respond to changes in consumer expenditure either by flexing our offerings or by substituting a different offering at a particular location. This activity is supported by branch manager who analyses and evaluates a range of information including that in respect of competitors.

Failure to anticipate changes in consumer taste

Social and demographic changes are constantly driving the culture and taste of eating and drinking out trend and consumer behaviour. The company focuses on guest feedback seriously. This feedback together with the observation from the markets is monitored and evaluated by a top level management to ensure that the relevance to customer taste is maintained.

Operational risks

Cost of goods price increases

Increases in the price of goods for resale and utilities costs as a result of increase in global demand and uncertainty of supply in producing nations can have a significant impact on the cost base consequently impacting margins. The company negotiates to drive competitive cost advantage and collaborates with supplier to increase efficiencies in the supply chain. The fragmented nature of the food supply industry markets gives the company the opportunity to source product from a number of alternative suppliers in order to drive down costs. The company continually evolves the composition of menus and retail prices in order to optimise value to the customer as well as profit for the company.

Failure to attract high quality teams to operate micro-brewery plants and chefs

The company makes significant investment in training to ensure that its people have the right skills to perform their jobs successfully and implement good Human Resources practice.

Finance risks

Failure to manage performance against our borrowing covenants

There are risks that borrowing covenants are breached because of circumstances such as a change in the economic climate leading to fall in the operating profit and to reduced cash inflows etc. The finance team conducts forecasting with periodic reviews and monitors its operation. In addition, regular forecasting and testing of covenant compliance is performed and frequent communication is maintained with the board of directors.

Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The short-term flexibility is achieved by undertaking rolling credit facilities and shareholders support.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to bank loan and overdraft facilities. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Regulatory risks

Failure to operate safely and legally

A major health and safety failure could lead to illness, injury or loss of life or significant damage to the company's or a brand's reputation. Zerodegrees maintains a robust programme of health and safety checks within its restaurants and pubs. Food suppliers are required to meet the British Retail Consortium Global Standard for Food Safety and are subject to regular safety and quality audits. Comprehensive health and safety training programmes are in place.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'H Desai', with a stylized flourish at the end.

H Desai - Director

15 December 2014

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014

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

DIVIDENDS

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

D Patel
H Desai
Mrs R Desai

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;
- 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.

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



H Desai - Director

15 December 2014

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FORTHGLEN INVESTMENTS LIMITED**

We have audited the financial statements of Forthglen Investments Limited for the year ended 31 March 2014 on pages eight to eighteen. 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 five, 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 March 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
FORTHGLEN INVESTMENTS LIMITED

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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE



15 December 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
TURNOVER	2	3,414,140	3,572,618
Cost of sales		1,911,464	2,041,706
GROSS PROFIT		1,502,676	1,530,912
Administrative expenses		1,386,130	1,220,328
		116,546	310,584
Other operating income		31,462	18,944
OPERATING PROFIT	4	148,008	329,528
Interest payable and similar charges	6	40,865	44,437
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107,143	285,091
Tax on profit on ordinary activities	7	46,666	108,007
PROFIT FOR THE FINANCIAL YEAR		60,477	177,084

CONTINUING OPERATIONS

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

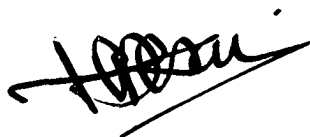
TOTAL RECOGNISED GAINS AND LOSSES

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

BALANCE SHEET
31 MARCH 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		6,819,245		5,861,449
			<u>6,819,245</u>		<u>5,861,449</u>
CURRENT ASSETS					
Stocks	10	62,984		52,860	
Debtors	11	35,790		38,770	
Cash at bank		324,295		221,559	
		<u>423,069</u>		<u>313,189</u>	
CREDITORS					
Amounts falling due within one year	12	2,112,085		1,570,411	
			<u>(1,689,016)</u>		<u>(1,257,222)</u>
NET CURRENT LIABILITIES					
			<u>(1,689,016)</u>		<u>(1,257,222)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,130,229		4,604,227
CREDITORS					
Amounts falling due after more than one year	13		(2,992,385)		(2,571,016)
PROVISIONS FOR LIABILITIES	16		(212,512)		(168,356)
NET ASSETS			<u>1,925,332</u>		<u>1,864,855</u>
CAPITAL AND RESERVES					
Called up share capital	17		499,980		499,980
Profit and loss account	18		1,425,352		1,364,875
SHAREHOLDERS' FUNDS	22		<u>1,925,332</u>		<u>1,864,855</u>

The financial statements were authorised for issue by the Board of Directors on 15 December 2014 and were signed on its behalf by:



H Desai - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	1,510,093	392,538
Returns on investments and servicing of finance	2	(40,865)	(44,437)
Taxation		(104,435)	6,720
Capital expenditure	2	(1,262,057)	(91,159)
Increase in cash in the period		<u>102,736</u>	<u>263,662</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase in cash in the period		102,736	263,662
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(310,153)</u>	<u>485,346</u>
Change in net debt resulting from cash flows		<u>(207,417)</u>	<u>749,008</u>
Movement in net debt in the period		<u>(207,417)</u>	<u>749,008</u>
Net debt at 1 April		<u>(1,709,792)</u>	<u>(2,458,800)</u>
Net debt at 31 March		<u><u>(1,917,209)</u></u>	<u><u>(1,709,792)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	148,008	329,528
Depreciation charges	303,899	231,670
Loss on disposal of fixed assets	362	25,000
Loan repayable	310,153	(485,346)
Deferred Tax adjustment	-	(22,473)
(Increase)/decrease in stocks	(10,124)	1,320
Decrease in debtors	2,980	37,333
Increase in creditors	754,815	275,506
Net cash inflow from operating activities	1,510,093	392,538

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(40,865)	(44,437)
Net cash outflow for returns on investments and servicing of finance	(40,865)	(44,437)
Capital expenditure		
Purchase of tangible fixed assets	(1,262,057)	(91,159)
Net cash outflow for capital expenditure	(1,262,057)	(91,159)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/13 £	Cash flow £	At 31/3/14 £
Net cash:			
Cash at bank	221,559	102,736	324,295
	<u>221,559</u>	<u>102,736</u>	<u>324,295</u>
Debt:			
Debts falling due within one year	(319,555)	36,681	(282,874)
Debts falling due after one year	(1,611,796)	(346,834)	(1,958,630)
	<u>(1,931,351)</u>	<u>(310,153)</u>	<u>(2,241,504)</u>
Total	(1,709,792)	(207,417)	(1,917,209)

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents fair value of consideration received for goods and services provided in the normal course of business, net of VAT.

Revenue related to income received from customers who eat and drink in the restaurants, is recognised on the day the event occurs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Long leasehold	- over the lease term
Plant and machinery	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock are stated at the lower of cost and net realisable value. Cost represents the average cost. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Deferred tax

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

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.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The basis may not be appropriate because as at 31 March 2014 the company's current liabilities exceeded its current assets by £1,689,016 (2013 - £1,257,222). The Directors, having made appropriate enquiries, consider that adequate resources exist for the company to continue in operational existence for the foreseeable future and with the continued support of the company's shareholder, the company will be able to meet its liabilities as they fall due for payment. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2014.

Hire purchase and leasing commitments

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014****2. TURNOVER**

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

An analysis of turnover by class of business is given below:

	2014 £	2013 £
Food	1,952,864	2,087,944
Drinks & Beverages	1,461,276	1,484,674
	<u>3,414,140</u>	<u>3,572,618</u>

3. STAFF COSTS

	2014 £	2013 £
Wages and salaries	920,447	993,607
Social security costs	109,648	122,248
	<u>1,030,095</u>	<u>1,115,855</u>

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

	2014	2013
Office and management	3	3
Restaurant staff	96	107
	<u>99</u>	<u>110</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	303,899	231,669
Loss on disposal of fixed assets	362	25,000
	<u>304,261</u>	<u>256,669</u>
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

5. AUDITORS' REMUNERATION

Fees payable to the company's auditors for the audit of the company's financial statements is £5,200 (2013 - £5,000) which includes £500 (2013 - £500) for the provision of a non - audit services.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank loan interest	40,865	44,437
	<u>40,865</u>	<u>44,437</u>

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

7. TAXATION

Analysis of the tax charge

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

	2014 £	2013 £
Current tax:		
UK corporation tax	2,510	96,559
Deferred tax	44,156	11,448
Tax on profit on ordinary activities	<u>46,666</u>	<u>108,007</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>107,143</u>	<u>285,091</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 24%)	21,429	68,422
Effects of:		
Expenses not deductible for tax purposes	74	6,047
Capital allowances in excess of depreciation	(18,993)	-
Depreciation in excess of capital allowances	-	37,793
Adjustments to tax charge in respect of previous periods	-	(5,382)
Marginal relief	-	(10,321)
Current tax charge	<u>2,510</u>	<u>96,559</u>

8. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2013 and 31 March 2014	<u>3,208</u>
AMORTISATION	
At 1 April 2013 and 31 March 2014	<u>3,208</u>
NET BOOK VALUE	
At 31 March 2014	<u>-</u>
At 31 March 2013	<u>-</u>

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

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 April 2013	2,525,805	3,219,667	2,502,721	11,650	8,259,843
Additions	-	517,813	744,244	-	1,262,057
Disposals	-	-	-	(1,700)	(1,700)
At 31 March 2014	2,525,805	3,737,480	3,246,965	9,950	9,520,200
DEPRECIATION					
At 1 April 2013	456,316	562,134	1,371,263	8,681	2,398,394
Charge for year	32,578	83,099	187,570	652	303,899
Eliminated on disposal	-	-	-	(1,338)	(1,338)
At 31 March 2014	488,894	645,233	1,558,833	7,995	2,700,955
NET BOOK VALUE					
At 31 March 2014	2,036,911	3,092,247	1,688,132	1,955	6,819,245
At 31 March 2013	2,069,489	2,657,533	1,131,458	2,969	5,861,449

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The net book value of fixed assets of £6,819,245 includes an amount of £134,163 in respect of assets held under finance leases. Depreciation charge for the year on these assets was £14,907.

10. STOCKS

	2014 £	2013 £
Goods for resale	62,984	52,860

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Prepayments and accrued income	35,790	38,770

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts (see note 14)	282,874	319,555
Trade creditors	687,071	239,587
Tax	49,734	151,659
Social security and other taxes	141,060	121,340
Other creditors	914,634	699,595
Accrued expenses	36,712	38,675
	2,112,085	1,570,411

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014****13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Bank loans (see note 14)	1,958,630	1,611,796
Directors Loan account	1,033,755	959,220
	<u>2,992,385</u>	<u>2,571,016</u>

14. LOANS

The Bank of Scotland loans are repayable by monthly instalments. All loans and overdraft facilities are secured as monies debentures granted by the company over the whole assets of the company. First legal mortgage over 25 Lower Park Road, Bristol, BS1 5BN granted and first legal mortgage over 27 Westgate Street, Cardiff, CF10 1DD granted with Bank of Scotland.

The company has successfully managed to observe the performance covenants for 2014 under the existing loan facilities with the Bank of Scotland.

Mr D Patel, director of the company has a personal guarantee for the company's obligation to the Bank of Scotland for £250,000.

Loan and overdraft facilities secured with NatWest banks are as debentures on all assets of the company. Leasehold 1st legal charge on Station Building, 1-4 Southend Road, Beckenham, Kent, legal charge on 25-27 Montpellier Vale, Blackheath, London, SE3 and legal charge on 29-31 Montpellier Vale, Blackheath, London, SE3.

15. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	20,000	-	-
Between one and five years	-	-	46,638	-
In more than five years	195,000	174,000	-	-
	<u>195,000</u>	<u>194,000</u>	<u>46,638</u>	<u>-</u>

Amounts due under H.P agreement are secured on plant and machinery acquired using H.P/lease finance.

16. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax	<u>212,512</u>	<u>168,356</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014****16. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2013	168,356
Provided during year	44,156
	<u>212,512</u>
Balance at 31 March 2014	<u>212,512</u>

The Finance Act 2013 included legislation to reduce the main rate of corporation tax to 21% from 1 April 2014. As this change was substantively enacted before the balance sheet date, deferred tax has been restated accordingly in these financial statements.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
499,980	Ordinary	1	<u>499,980</u>	<u>499,980</u>

18. RESERVES

	Profit and loss account £
At 1 April 2013	1,364,875
Profit for the year	60,477
	<u>1,425,352</u>
At 31 March 2014	<u>1,425,352</u>

19. OTHER FINANCIAL COMMITMENTS

The company's bankers hold a composite guarantee from the company in relation to borrowings by three related undertakings.

20. RELATED PARTY DISCLOSURES

As at the year end the company owed £896,715 (2013 - £699,596) to its related company 'Baystate Company Limited' which is under the common directorship.

As at the year end the company owed £659,364 (2013 - £590,242) to Mr H Desai, director of the company.

As at the year end the company owed £72,202 (2013 - £72,202) to Mrs R Desai, director of the company.

As at the year end the company owed £302,189 (2013 - £296,775) to Mr D Patel, director of the company.

21. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party in the company.

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

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	60,477	177,084
Net addition to shareholders' funds	60,477	177,084
Opening shareholders' funds	1,864,855	1,687,771
Closing shareholders' funds	1,925,332	1,864,855