

Ralph Martindale (England) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2013



Ralph Martindale (England) Limited

DIRECTORS AND ADVISORS

DIRECTORS

Mr L Askey
Mr N W Ensor
Mr S Fox
Mr G Owen

SECRETARY

Mr S Fox

COMPANY NUMBER

3398001

REGISTERED OFFICE

Crocodile House
Strawberry Lane
Willenhall
West Midlands
WV13 3RS

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Ralph Martindale (England) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Ralph Martindale (England) Limited for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the manufacture of hot-rolled steel sections and the sale of agricultural tools.

REVIEW OF THE BUSINESS

The company reported a decrease in turnover during the year ended 31 December 2013 of 2.5%, reflecting a slight fall in demand for hot-rolled steel sections from fellow group subsidiary companies in Africa and Asia during the year. The company turnover continues to be primarily derived from sales to fellow group subsidiary companies, and these sales accounted for 97% of the total turnover during 2013 and 2012. During the year, a decision was made to transfer other operating income derived from an overseas fellow subsidiary company, to the parent company, resulting in a diminution in operating profit compared with 2012.

RISKS AND UNCERTAINTIES

There are a number of risks and uncertainties which could impact adversely on the company's performance:

Banking facility and cash flow

The ongoing provision of the necessary composite banking facilities to the company, and its parent company, is essential for the continued operation of the UK group companies.

Cash flow could be adversely affected by significant raw material price increases, or changes to supplier trading terms.

The company's bank position and cash flow requirements are monitored on a daily basis.

Raw material and energy prices

Any increase in steel and energy prices would have a negative impact on the company's performance, unless the company is able to pass on these additional costs to its customers.

Commercial Relationships

The company has longstanding commercial relationships with a number of key customers and suppliers. Unanticipated changes in these relationships could have an impact on the company's performance until alternative arrangements are put in place.

Pensions

The company contributes to a UK group pension scheme of the defined benefit type. The company's pension scheme obligation is calculated on the basis of actuarial assumptions, which are subject to changes in various factors outside the company's control, and which could lead to an increase or decrease in the deficit, the level of company contributions, and its compliance costs.

Ralph Martindale (England) Limited

DIRECTORS' REPORT (continued)

KEY PERFORMANCE INDICATORS

The Directors continuously review the strategic and financial progress of the company using, among others, the following financial and non-financial key performance indicators (KPIs):

Financial KPIs

Turnover

Turnover is considered in both price and volume terms.

Operating Margins

Operating margins are reviewed on a monthly basis, and the appropriate action is taken to maintain profitability. All costs, both direct and indirect, are reviewed on a regular basis.

Cash Flow

The company's cash position is reviewed daily, and tight cash management is of paramount importance to the business.

Non-financial KPIs

Health & Safety

Health and safety matters are reviewed on a regular basis to ensure that the company complies with the latest legislation.

RESULTS FOR THE YEAR AND DIVIDENDS

The profit for the year before taxation amounted to £22,086 (2012 : £630,165). The profit for the year after taxation amounted to £40,440 (2012 : £329,327). No dividend was paid during the year (2012 : £500,000). The directors do not recommend the payment of a final dividend (2012 : £Nil).

DIRECTORS

The directors who served during the year were as follows:

Mr L Askey
Mr N W Ensor
Mr S Fox
Mr G Owen

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

AUDITORS

The company has elected to dispense with the annual appointment of auditors.

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Ralph Martindale (England) Limited

DIRECTORS' REPORT (continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



Mr S Fox
Director

25 April 2014

Ralph Martindale (England) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RALPH MARTINDALE (ENGLAND) LIMITED

We have audited the financial statements on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 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 or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.


GARY MORETON (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

25 April 2014

Ralph Martindale (England) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	5,586,616	5,732,425
Cost of sales		(4,681,518)	(4,861,150)
GROSS PROFIT		905,098	871,275
Distribution costs		(274,434)	(274,929)
Administrative expenses		(608,578)	(592,557)
Other operating income	2	-	148,611
OPERATING PROFIT	3	22,086	152,400
Exceptional income arising from sale of discontinued operations	4	-	477,765
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,086	630,165
Taxation	6	18,354	(300,838)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	40,440	329,327

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

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Ralph Martindale (England) Limited

BALANCE SHEET

31 December 2013

Company Registration No. 3398001

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	838,350	847,053
CURRENT ASSETS			
Stocks	8	744,487	1,122,860
Debtors: Amounts falling due within one year	9	3,204,835	2,897,592
Cash at bank and in hand		1,800,051	2,161,788
		5,749,373	6,182,240
CREDITORS: Amounts falling due within one year	10	(4,787,918)	(5,248,525)
NET CURRENT ASSETS		961,455	933,715
TOTAL ASSETS LESS CURRENT LIABILITIES		1,799,805	1,780,768
PROVISIONS FOR LIABILITIES AND CHARGES	11	(153,108)	(174,511)
NET ASSETS		1,646,697	1,606,257
CAPITAL AND RESERVES			
Called up share capital	13	250,000	250,000
Profit and loss account	14	1,396,697	1,356,257
SHAREHOLDER'S FUNDS	12	1,646,697	1,606,257

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 25 April 2014 and signed on its behalf by:



S Fox
Director

Ralph Martindale (England) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost. Depreciation is being charged from the year in which the asset is first available for use so as to reduce each asset's cost or valuation less any residual value over its anticipated useful economic life. Residual value is calculated on prices prevailing at the date of acquisition.

Included within plant and machinery, the following rates of depreciation have been used:

Plant and equipment, computer equipment and motor vehicles	25% reducing balance
New mill plant and equipment	4 % straight line

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or otherwise required by relevant accounting standards.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised to the extent that they are recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of transactions. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rate of exchange. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

PENSIONS CONTRIBUTIONS

The cost of providing retirement pensions is charged to the profit and loss account over the years benefiting from the employees' services.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers. Turnover is recognised on despatch of goods.

OPERATING LEASES

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

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	2013 £	2012 £
United Kingdom	158,494	175,039
Other European countries	2,206	2,763
Rest of the world	5,425,916	5,554,623
	<u>5,586,616</u>	<u>5,732,425</u>

2 OTHER OPERATING INCOME

Other operating income relates to service fees receivable from fellow subsidiaries.

3 OPERATING PROFIT

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year		
owned assets	69,760	58,019
Auditors' remuneration	10,000	10,000
Operating lease rentals – motor vehicles and equipment	9,810	20,010
Loss on sale of fixed assets	-	753
Redundancy costs	-	14,288
	<u></u>	<u></u>

4 EXCEPTIONAL INCOME

During the year ended 31 December 2012, the parent company's shareholdings in two fellow subsidiary undertakings of Ralph Martindale (England) Limited were sold to external parties. In accordance with the terms of the sale agreements, a net amount owed to fellow subsidiary undertakings of £477,765 was written off.

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

5	EMPLOYEES	2013 No.	2012 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Manufacturing	25	26
	Sales and service	2	2
	Administration	3	3
		<u>30</u>	<u>31</u>
		2013 £	2012 £
	Staff costs for above persons:		
	Wages and salaries	598,783	620,514
	Social security costs	48,969	47,869
	Other pension costs	124,504	116,865
		<u>772,256</u>	<u>785,248</u>
		2013 £	2012 £
	DIRECTORS' REMUNERATION		
	Total emoluments	<u>107,261</u>	<u>90,455</u>
		Number	Number
	The number of directors to whom relevant benefits are accruing under:		
	Defined benefit pension schemes was	<u>2</u>	<u>2</u>

Directors' emoluments included above relate to directors involved in the day to day management of the business. The remaining directors' emoluments were paid by the parent company, Ralph Martindale and Company Limited.

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

6	TAXATION	2013 £	2012 £
	Current tax charges:		
	Corporation tax for year	3,067	3,650
	Overseas withholding tax – current period	-	22,292
	Overseas withholding tax – prior periods	-	25,363
	Group relief – current period	-	132,421
	Adjustments in respect of prior periods	(18)	137,384
		<u>3,049</u>	<u>321,110</u>
	Deferred tax:		
	Origination and reversal of timing differences	(21,403)	(20,272)
		<u>(18,354)</u>	<u>300,838</u>
	Tax on profit on ordinary activities		
		<u>(18,354)</u>	<u>300,838</u>
	Reconciliation of UK corporation tax charge to the tax charge if the effective rate is applied to the profit before tax		
	Profit before tax at 20%	4,417	126,033
	Capital allowances (in excess of) / less than depreciation	(1,359)	4,078
	Expenses not deductible for tax purposes	9	34
	Income not taxable	-	(95,553)
	Group relief at higher tax rate	-	105,937
	Foreign tax expense	-	17,834
	Foreign tax expense – prior periods	-	25,363
	Adjustments in respect of prior periods	(18)	137,384
		<u>3,049</u>	<u>321,110</u>

Charges were made to the company in the prior year in respect of tax losses surrendered by the parent company for both 2012 and earlier year group tax relief purposes.

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

7	TANGIBLE FIXED ASSETS		<i>Plant and equipment £</i>
	Cost		
	1 January 2013		6,179,658
	Additions		61,057
			<hr/>
	31 December 2013		6,240,715
			<hr/>
	Depreciation		
	1 January 2013		5,332,605
	Charged in the year		69,760
			<hr/>
	31 December 2013		5,402,365
			<hr/>
	Net book value		
	31 December 2013		838,350
			<hr/>
	31 December 2012		847,053
			<hr/>
8	STOCKS	2013	2012
		£	£
	Raw materials	4,225	218,152
	Finished goods	306,221	423,660
	Engineering stocks and consumables	434,041	481,048
		<hr/>	<hr/>
		744,487	1,122,860
		<hr/>	<hr/>
9	DEBTORS: Amounts falling due within one year	2013	2012
		£	£
	Trade debtors	16,175	1,550
	Amount owed by fellow subsidiary undertakings	3,152,415	2,811,464
	Prepayments and accrued income	36,245	84,578
		<hr/>	<hr/>
		3,204,835	2,897,592
		<hr/>	<hr/>

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

10	CREDITORS: Amounts falling due within one year	2013 £	2012 £
	Trade creditors	738,317	1,267,062
	Amount owed to parent undertaking	3,411,008	3,270,632
	Amount owed to fellow subsidiary undertakings	605,839	679,403
	Corporation tax	3,067	3,650
	Other taxation and social security	5,137	6,863
	Other creditors and accruals	24,550	20,915
		<u>4,787,918</u>	<u>5,248,525</u>

11	PROVISIONS FOR LIABILITIES AND CHARGES	<i>Deferred tax £</i>
	1 January 2013	174,511
	Profit and loss account	(21,403)
		<u>153,108</u>
	31 December 2013	<u>153,108</u>

The provision for deferred tax at 20% (2012: 23%) comprises:

	2013 £	2012 £
Excess of capital allowances over depreciation	<u>153,108</u>	<u>174,511</u>

12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS	2013 £	2012 £
	Profit for the year	40,440	329,327
	Dividend paid	-	(500,000)
		<u>40,440</u>	<u>(170,673)</u>
	Net movement in shareholder's funds	40,440	(170,673)
	Opening shareholder's funds	<u>1,606,257</u>	<u>1,776,930</u>
	Closing shareholder's funds	<u>1,646,697</u>	<u>1,606,257</u>

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

13	CALLED UP SHARE CAPITAL (2013 AND 2012)	<i>Number of Shares</i>	<i>£</i>
	Authorised, issued and fully paid Ordinary shares of £1 each	250,000	250,000

14	PROFIT AND LOSS ACCOUNT	2013 £	2012 £
	1 January 2013	1,356,257	1,526,930
	Profit for the financial year	40,440	329,327
	Dividend paid	-	(500,000)
	31 December 2013	1,396,697	1,356,257

15 PENSION COMMITMENTS

The company contributes to a group pension scheme of the defined benefit type. The total pension cost for the company was £124,504 (2012: £116,865). The assets of the scheme are held in separate trustee administered funds managed by Legal & General Assurance Society Limited. It is not possible to separately identify the company's share of the assets and liabilities within the group pension scheme, and the pensions disclosures in these financial statements are based on that of a defined contribution scheme.

The estimated expected contributions to be paid to the scheme for the year ended 31 December 2014 is £190,000 excluding employees contributions.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	1 st April, 2012
Actuarial method	Projected unit
Pre-retirement investment yield per annum	5.2%
Post-retirement investment yield per annum	4.3%
Members' pensionable earnings increase per annum	3.4%
Increase in Retail Price Index (RPI) per annum	2.9%
Discretionary increases in pensions in course of payment per annum	0.0%
Market value of assets at date of last valuation	£5,313,895
Proportion of members' accrued benefits covered by the actuarial value of the assets	88%

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

15 PENSION COMMITMENTS (continued)

The following information is based upon a full actuarial valuation of the fund at 1st April, 2012 updated to 31st December, 2013 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 31 st December, 2013	At 31 st December, 2012	At 31 st December, 2011
Rate of increase in salaries	3.4%	2.7%	2.7%
Rate of increase in pensions in payment	3.4%	2.7%	2.7%
Discount rate	4.4%	4.4%	4.6%
Inflation assumption	3.4%	2.7%	2.7%
Expected future lifetime for a member retiring at age 65 at the accounting date			
- male (years)	23.0	22.4	22.3
- female (years)	24.8	25.4	25.3
Future expectation of life at retirement for a member retiring at age 65 in 20 years time			
- male (years)	25.3	23.5	23.5
- female (years)	26.7	26.5	26.5

Main categories of plan assets:

	2013 £'000	Expected return 2013 %pa	2012 £'000	Expected return 2012 %pa
Bonds	2,071	4.4%	2,083	4.1%
Equities	3,853	7.6%	3,239	6.7%
Cash	321	0.5%	300	0.5%
Annuities	1,801	4.4%	1,870	4.4%
Total fair value of assets	8,046	5.8%	7,492	5.2%

THE CHANGE IN THE FAIR VALUE OF THE SCHEME'S ASSETS IN THE YEAR IS ANALYSED BELOW:

	2013 £'000	2012 £'000
Fair value of assets at 1 st January, 2013	7,492	6,998
Expected return on assets	383	365
Gain on asset return	293	154
Actuarial loss	(148)	(110)
Employer contributions	209	247
Employee contributions	17	21
Expenses paid by scheme	(18)	(7)
Benefits paid	(182)	(176)
Fair value of assets at 31 st December, 2013	8,046	7,492

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

15 PENSION COMMITMENTS (continued)

THE CHANGE IN THE VALUE OF THE SCHEME'S LIABILITIES IN THE YEAR IS ANALYSED BELOW:	2013 £'000	2012 £'000
Value of liabilities at 1 st January, 2013	8,202	7,877
Current accrual cost	45	53
Interest cost	356	358
Actuarial loss	456	90
Benefits paid	(182)	(176)
	<hr/>	<hr/>
Value of liabilities at 31 st December, 2013	8,877	8,202
	<hr/>	<hr/>

HISTORY OF SCHEME ASSETS, LIABILITIES AND SCHEME DEFICITS	31 st December, 2013 £'000	31 st December, 2012 £'000	31 st December, 2011 £'000	31 st December, 2010 £'000	31 st December, 2009 £'000
Fair value of assets	8,046	7,492	6,998	6,768	6,088
Value of liabilities	(8,877)	(8,202)	(7,877)	(7,110)	(6,739)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(831)	(710)	(879)	(342)	(651)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Related deferred tax asset	166	163	220	96	182
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net pension liability	(665)	(547)	(659)	(246)	(469)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Difference between the expected and actual return on scheme assets	293	154	(240)	242	201
Experience gains and losses on scheme liabilities	(93)	(14)	(41)	29	(82)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The expected rate of return on scheme assets is based on long-term expectations calculated by a qualified independent actuary.

16 CASH FLOW STATEMENT

Under Financial Reporting Standard No. 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

17 PARENT COMPANY

The immediate and ultimate parent company is Ralph Martindale and Company Limited which is incorporated in Great Britain and registered in England.

Ralph Martindale (England) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

18 CONTINGENT LIABILITIES

There is a composite banking agreement between the company, Ralph Martindale and Company Limited, and Barclays Bank plc.

There is a cross guarantee between the company, Ralph Martindale and Company Limited, and its UK subsidiaries.

At 31 December 2013 the group had a liability of £1,072,904 (2012: £551,945) on its UK Sterling bank balances.

19 OPERATING LEASE COMMITMENTS

Financial commitments under non-cancellable operating leases in respect of motor vehicles and equipment will result in the following payments falling due in the year to 31 December 2014:

	2013	2012
	£	£
Expiring:		
Within one year	318	3,812
Within one to five years	3,960	3,960
	<u> </u>	<u> </u>

20 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of the parent company, the company claims exemption under Financial Reporting Standard No. 8 from disclosing related party transactions with other wholly-owned subsidiary companies.

The following transactions were carried out with non-wholly owned fellow subsidiary companies:

	2013	2012
	£	£
(i) Sale of goods	4,562,874	4,577,117
	<u> </u>	<u> </u>
(ii) Balances outstanding at 31 December:		
Amounts owed by fellow subsidiary undertakings	1,970,366	1,543,248
	<u> </u>	<u> </u>
Amounts owed to fellow subsidiary undertakings	367,604	364,504
	<u> </u>	<u> </u>

21 CAPITAL COMMITMENTS

At 31 December 2013 the company had no capital commitments (2012: £115,500).