

CLEMENTINE ASSOCIATES LIMITED

Consolidated Financial Statements

For the year ended 30 April 2014

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Company Registration Number : 04400324

CLEMENTINE ASSOCIATES LIMITED

Consolidated Financial Statements for the year ended 30 April 2014

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CLEMENTINE ASSOCIATES LIMITED

Director, officers and advisers

Director

Mr J A Linch-Batten

Secretary and registered office

Mrs G M Linch-Batten
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

Registered number

04400324

Auditors

Day, Smith & Hunter
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

CLEMENTINE ASSOCIATES LIMITED
Strategic report for the year ended 30 April 2014

The director presents his strategic report for Clementine Associates Limited for the year ended 30 April 2014.

Review and analysis of the business during the current year

The principal activities of the group throughout the year under review was that of the operator of retail pharmacies and a post office and the distribution of pharmaceutical products.

Development and performance of the group

There have not been any significant changes in the group's principal activities in the year under review except as noted below in respect of Ginova UK Limited, and at the date of this report, the director is not aware of any likely changes in the group's activities in the next year.

The group's turnover has decreased this year by 15.8% to £23,588,422, which reflects the lower turnover achieved by Ginova UK Limited as a result of a change to its contractual arrangements and reduced throughput.

The trading performance of A & S Shillam Limited, which operates the retail pharmacies, continues to be strong, with a pre-tax profit for the year of £1,141,742. In contrast, Ginova UK Limited suffered a pre-tax loss of £317,298.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the group are set out below:

Turnover growth

The retail pharmacy business showed an increase in turnover of 2.6%, while the distribution business showed an decrease of 28.9%.

Gross profit margin

The group's overall gross profit margin increased in the year under review from 14.4% to 15.9%, due entirely to the increased margin in the distribution business of Ginova UK Limited as a result of the change to its contractual arrangements.

Financial reporting at the reporting date

The balance sheet shows that the group's net assets at the year end have increased from £5,247,586 to £5,915,054 reflecting the post tax profits for the year, which have been retained.

Principal risks and uncertainties facing the group

As for many businesses of our size, the business environment in which the group operates continues to be challenging.

The principal risks and uncertainties facing the group are as follows:

- Competitor pressure – the markets in which the group operates are considered to be competitive, and therefore competitor pressure could result in losing sales to key competitors or suffering reductions in margins. The retail division manages this risk by providing an expanding range of healthcare services to its customers and ensuring a high level of service. The distribution division by ensuring its productivity levels are improved and its prices remain competitive.
- Loss of an NHS contract by the retail division – the loss of one or more contracts would impact on turnover. The group manages this risk by implementing procedures to ensure compliance with regulations applicable to its business.
- Regulatory environment - new GDP regulations were implemented in September 2013, which stated that all pharmaceutical medicines must be transported within their given storage conditions. In order to comply, the distribution division has had to increase the use of temperature controlled transportation of products from Europe.
- Reliance on key suppliers – the group's purchasing activities could expose it to over reliance on certain suppliers. The group manages this risk by ensuring there is a strong relationship with its main supplier, but ensuring that there are potential alternative suppliers that may be used if necessary.

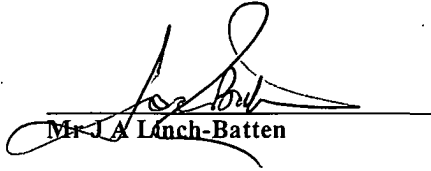
CLEMENTINE ASSOCIATES LIMITED

Strategic report for the year ended 30 April 2014 (continued)

Principal risks and uncertainties facing the group (continued)

- Loss of key personnel – this would present significant operational difficulties for the group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Signed on behalf of the board



Mr J A Lynch-Batten

Approved by the Board on 22/01/15

CLEMENTINE ASSOCIATES LIMITED
Director's report for the year ended 30 April 2014

The director presents his annual report together with the financial statements of the group for the year ended 30 April 2014.

Results and dividends

The results for the year shown in the profit and loss account on page 7. Further commentary is provided in the strategic report on page 2.

The director does not recommend the payment of a dividend for the year.

Financial instruments etc.

The group's principal financial instruments comprise bank balances, bank loans and trade creditors. The main purpose of these instruments is to raise funds for and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risks. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by transferring funds between the accounts of the group to obtain the maximum benefit from those funds.

For bank loans, trade and other creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and that borrowings are flexible and available in the medium term.

Future developments

The group is well poised to develop its main core business and continues to address the effect of competitive pressures experienced during 2013/14. As far as the business of Ginova UK Limited is concerned, the director continues to review ways in which the business can be developed and additional margin achieved.

Director

The director who served during the year was:-

Mr J A Lynch-Batten

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

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

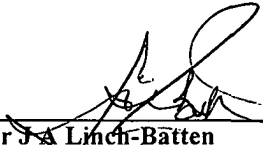
CLEMENTINE ASSOCIATES LIMITED

Director's report for the year ended 30 April 2014 (continued)

Disclosure of information to auditors

The director confirms that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware. He 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.

Signed on behalf of the board



Mr J A Lynch-Batten

Approved by the Board on ..22/01/15..

CLEMENTINE ASSOCIATES LIMITED

Independent auditors' report to the shareholder of Clementine Associates Limited

We have audited the financial statements of Clementine Associates Limited for the year ended 30 April 2014, which are set out on pages 7 to 19. 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 the director and auditors

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 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 misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 director's 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 group's and the parent company's affairs as at 30 April 2014 and of the group's 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 director's 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 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit.

Roy Coates (Senior Statutory Auditor)
For and on behalf of Day, Smith & Hunter
Chartered Accountants
Statutory Auditor

Globe House, Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

Date: 22/1/15

CLEMENTINE ASSOCIATES LIMITED

Consolidated profit and loss account for the year ended 30 April 2014

	<u>Notes</u>	<u>2014</u> £	<u>2013</u> £
Turnover	2	23,588,422	28,020,901
Cost of sales		(19,845,454)	(23,989,745)
Gross profit		3,742,968	4,031,156
Administrative expenses		(2,859,562)	(2,909,003)
Other operating income		<u>34,530</u>	<u>35,572</u>
		(2,825,032)	(2,873,431)
Operating profit	3	917,936	1,157,725
Other interest receivable and similar income		-	316
Interest payable and similar charges	6	<u>(93,492)</u>	<u>(71,816)</u>
Profit on ordinary activities before taxation		824,444	1,086,225
Taxation	7	<u>(156,976)</u>	<u>(262,743)</u>
Profit on ordinary activities after taxation	17	<u><u>667,468</u></u>	<u><u>823,482</u></u>

None of the group's activities was acquired or discontinued during the above two years.

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 11 to 19 form part of these accounts.

CLEMENTINE ASSOCIATES LIMITED

Consolidated balance sheet at 30 April 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		<u>£</u>	<u>£</u>
Fixed assets			
Intangible fixed assets	8	7,754,077	7,754,077
Tangible fixed assets	9	900,771	607,677
		<u>8,654,848</u>	<u>8,361,754</u>
Current assets			
Stock	11	2,404,448	1,397,475
Debtors	12	4,262,232	7,339,470
Cash at bank and in hand		1,752,628	480,025
		<u>8,419,308</u>	<u>9,216,970</u>
Creditors: amounts falling due within one year	13	<u>(8,983,945)</u>	<u>(11,063,387)</u>
Net current (liabilities)/assets		<u>(564,637)</u>	<u>(1,846,417)</u>
Total assets less current liabilities		<u>8,090,211</u>	<u>6,515,337</u>
Creditors: amounts falling due after more than one year	14	(1,881,506)	(977,942)
Provision for liabilities and charges	15	<u>(293,651)</u>	<u>(289,809)</u>
Net assets		<u><u>£5,915,054</u></u>	<u><u>5,247,586</u></u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	17	5,915,053	5,247,585
Total shareholders' funds	18	<u><u>5,915,054</u></u>	<u><u>5,247,586</u></u>

Approved by the board of directors on 22/01/15..... and signed on its behalf.



Mr J A Linch-Batten - Director

Company number : 04400324

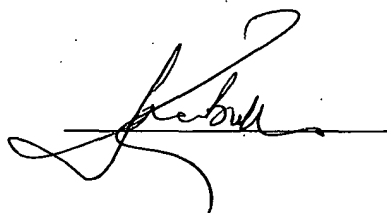
The notes on pages 11 to 19 form part of these accounts.

CLEMENTINE ASSOCIATES LIMITED

Company balance sheet at 30 April 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	10	1,970,620	1,970,620
Creditors: amounts falling due within one year	13	(718)	(718)
Total assets less current liabilities		1,969,902	1,969,902
Creditors: amounts falling due after more than one year	14	(1,952,757)	(1,952,757)
Net assets		17,145	17,145
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	17	17,144	17,144
Total shareholders' funds	18	17,145	17,145

Approved by the board of directors on ...22/01/15... and signed on its behalf.



Mr J A Linch-Batten - Director

Company number : 04400324

The notes on pages 11 to 19 form part of these accounts.

CLEMENTINE ASSOCIATES LIMITED

Group cash flow statement for the year ended 30 April 2014

	<u>Notes</u>	<u>2014</u> £	<u>2013</u> £
Operating activities			
Net cash flow from operating activities	19a	709,988	616,234
Returns on investments and servicing of finance			
Interest and similar income received		316	
Interest and similar charges paid		(93,492)	(71,816)
Net cash flow from returns on investments and servicing of finance		(93,492)	(71,500)
Taxation paid		(237,520)	(291,750)
Capital expenditure			
Payments to acquire tangible fixed assets		(367,798)	(25,532)
Proceeds from sale of tangible fixed assets		-	17,625
		(367,798)	(7,907)
Net cash flow before financing		11,178	245,077
Financing			
New long term bank loan		1,500,000	-
Repayment of bank loans		(409,539)	(356,035)
Increase in other creditors falling due within one year		309,956	-
(Decrease) in other creditors falling due after more than one year		-	(1,375,763)
Net cash flow from financing		1,400,417	(1,731,798)
Increase/(decrease) in cash	19b/c	1,411,595	(1,486,721)

The notes on pages 11 to 19 form part of these accounts.

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014

1 Accounting policies

a) Basis of accounting

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

b) Consolidated accounts

The consolidated financial statements incorporate the accounts of the company and all its subsidiaries for the year to 30 April 2013. All intra-group transactions have been eliminated on consolidation.

In accordance with Section 408 of the Companies Act 2006, the company has taken advantage of the exemption from providing its own profit and loss account. The company's loss after tax for the year ended 30 April 2014 amounted to £Nil (2013 : £Nil).

c) Turnover

Turnover of the retail pharmacy business represents National Health Service income from prescriptions and ancillary services, which is recognised once medicines etc. have been supplied and payment authorised, and the income of the retail pharmacies in respect of over the counter sales, excluding value added tax.

Turnover of the distribution business represents net invoiced sales of goods and services, excluding value added tax.

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Freehold buildings	2% on cost
Improvements to short-term leasehold property	Over the period of the lease
Motor vehicles	25% on cost
Plant, machinery, fixtures and equipment	15% on cost/20% on written down value
Computer equipment	25% on cost

e) Intangible assets - goodwill

Goodwill represents the amount paid on the acquisition of the group's retail pharmacies and a post office. In the opinion of the director the purchased goodwill has an indefinite economic life and, in accordance with the Financial Reporting Standard No.10, is not therefore subject to amortisation.

This accounting policy represents a departure from paragraph 21 of Schedule 4 to the Companies Act 2006. This is considered necessary in order to provide a true and fair view.

The goodwill is valued annually by professional valuers to confirm that there is no permanent diminution in carrying value.

f) Stocks

Retail stocks are valued by professional stocktakers, Frank G May & Son at net replacement cost. This method of valuation is normal practice for retail pharmaceutical companies.

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

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

1 Accounting policies (continued)

g) Deferred taxation

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been acted or substantively enacted by the balance sheet date.

h) Foreign currencies

Assets and liabilities denominated 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.

i) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

2 Turnover

The turnover and profit before taxation of the group are analysed as follow:

	2014		2013	
	Turnover	Profit/ (loss) before tax	Turnover	Profit before tax
	£	£	£	£
Retail	11,957,461	1,141,742	11,654,242	1,127,660
Distribution	11,630,961	(317,298)	16,366,659	(41,435)
Holding company	-	-	-	-
	<u>23,588,422</u>	<u>824,444</u>	<u>28,020,901</u>	<u>1,086,225</u>

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

3 Operating profit

This is stated after charging the following:-

	<u>2014</u>	<u>2013</u>
	£	£
Depreciation of owned assets	74,704	74,966
Auditors' remuneration	18,000	16,130
Operating lease rentals - land and buildings	<u>200,996</u>	<u>229,139</u>

4 Employee information

	<u>2014</u>	<u>2013</u>
	£	£
Staff costs:		
Wages and salaries	1,948,470	1,909,080
Social security costs	<u>121,352</u>	<u>117,461</u>
	<u>2,069,822</u>	<u>2,026,541</u>

The average number of persons employed (including part-timers) during the year, including the director, was made up as follows:

	<u>2014</u>	<u>2013</u>
	Number	Number
Pharmacists and shop staff	111	105
Production and distribution	32	31
Sales and administration	<u>6</u>	<u>6</u>
	<u>149</u>	<u>142</u>

5 Directors' emoluments

	<u>2014</u>	<u>2013</u>
	£	£
Emoluments	<u>3,500</u>	<u>3,500</u>

6 Interest payable and similar charges

	<u>2014</u>	<u>2013</u>
	£	£
On bank overdraft	25,397	21,900
On bank loans due in less than five years	36,010	38,819
Loan finance costs	18,750	-
Other interest	<u>2,836</u>	<u>4,978</u>
	<u>82,993</u>	<u>65,697</u>
On bank loans due after more than five years	<u>10,499</u>	<u>6,119</u>
	<u>93,492</u>	<u>71,816</u>

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

7 Taxation on profit on ordinary activities

	<u>2014</u>	<u>2013</u>
	£	£
United Kingdom corporation tax at 22.84% (2013 : 23.92%)	153,134	237,422
Deferred taxation (note 15)	3,842	25,321
	<u>156,976</u>	<u>262,743</u>
Profit on ordinary activities	<u>824,444</u>	<u>1,086,225</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 22.84% (2013 : 23.92%)	188,268	259,802
Effects of:-		
Expenses not deductible for tax purposes	11,264	15,095
Capital allowances in excess of depreciation	(45,761)	(37,475)
Small companies' marginal relief	(637)	-
	<u>153,134</u>	<u>237,422</u>

8 Intangible fixed assets - group

	<u>Goodwill</u>
	£
Cost and net book value:	
At 1 May 2013 and 30 April 2014	<u>7,754,077</u>

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

9 Tangible fixed assets - group

	Freehold property	Short-term leasehold property	Plant, machinery, fixtures and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost:						
At 1 May 2013	242,450	539,994	539,673	20,046	9,654	1,351,817
Additions	-	331,605	36,193	-	-	367,798
Disposals	-	(34,621)	(83,091)	(20,046)	-	(137,758)
At 30 April 2014	242,450	836,978	492,775	-	9,654	1,581,857
Depreciation:						
At 1 May 2013	3,586	319,238	391,616	20,046	9,654	744,140
Provision for the year	3,233	35,915	35,556	-	-	74,704
Disposals	-	(34,621)	(83,091)	(20,046)	-	(137,758)
At 30 April 2014	6,819	320,532	344,081	-	9,654	681,086
Net book value:						
At 30 April 2014	235,631	516,446	148,694	-	-	900,771
At 30 April 2013	238,864	220,756	148,057	-	-	607,677

10 Investments - company

	2014	2013
	£	£
Investments in subsidiaries at cost		
At 1 May 2013 and 30 April 2014	1,970,620	1,970,620

The company's investments, at the balance sheet date, in the share capital of companies include the following:-

- The company owns the entire share capital of A & S Shillam Limited, a company incorporated in England. A & S Shillam Limited operates retail pharmacies and a post office and its principal place of business is in the United Kingdom.
- The company owns the entire share capital of Ginova UK Limited, a company incorporated in England. Ginova UK Limited operates as the distributor of pharmaceutical products and its principal place of business is in the United Kingdom.
- At the year end the subsidiary company, A & S Shillam Limited, had three wholly-owned dormant subsidiaries, G E Newman Limited, Stenlin Limited and Longprofit Limited. All the companies are incorporated in England.

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

11 Stocks

	2014 Group	2013 Group
	£	£
Goods for resale	<u>2,404,448</u>	<u>1,397,475</u>

12 Debtors

	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
Trade debtors	3,249,277	-	6,416,644	-
Other debtors	904,777	-	766,899	-
Prepaid expenses and accrued income	108,178	-	155,927	-
	<u>4,262,232</u>	<u>-</u>	<u>7,339,470</u>	<u>-</u>

13 Creditors: amounts falling due within one year

	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
Bank loans and overdraft (note 14)	553,024	-	505,119	-
Trade creditors	6,599,272	-	8,185,321	-
Other creditors	1,619,660	-	1,309,600	-
Corporation tax	153,036	-	237,422	-
Other taxation and social security	27,445	718	792,610	718
Accruals and deferred income	31,508	-	33,315	-
	<u>8,983,945</u>	<u>718</u>	<u>11,063,387</u>	<u>718</u>

The bank loans and overdraft facility of A & S Shillam Limited are secured by fixed and floating charges over all that company's assets and by an unlimited cross guarantee between Clementine Associates Limited and A & S Shillam Limited.

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

14 Creditors: amounts falling due after more than one year

	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
Bank loans	1,881,506	-	977,942	-
Amounts due to group companies	-	1,952,757	-	1,952,757
	<u>1,881,506</u>	<u>1,952,757</u>	<u>977,942</u>	<u>1,952,757</u>
Analysis of debt maturity:				
	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
Bank loans and overdrafts:				
Within one year or on demand	553,024	-	505,119	-
Between two and five years	1,354,980	-	951,822	-
After five years	526,526	-	26,120	-
	<u>2,434,530</u>	<u>-</u>	<u>1,483,061</u>	<u>-</u>
Less: amounts included in current liabilities (note 13)	553,024	-	505,119	-
	<u>1,881,506</u>	<u>-</u>	<u>977,942</u>	<u>-</u>

There were four bank loans outstanding at the balance sheet date. There is a new loan, which bears interest at 2.25% per annum above base rate and is due for repayment within 7 years. The three pre-existing loans are repayable within 5 years.

15 Provision for liabilities and charges

The amount provided for deferred taxation and the movements during the year were as follows:

	2014 Group	2013 Group
	£	£
Deferred tax – accelerated capital allowances	<u>293,651</u>	<u>289,809</u>
Provision at start of year	289,809	264,488
Deferred tax charge in profit and loss account for the year (note 7)	3,842	25,321
Provision at end of year	<u>293,651</u>	<u>289,809</u>

16 Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

17 Profit and loss account

	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
At 1 May 2013	5,247,585	17,144	4,424,103	17,144
Profit for the year	667,468	-	823,482	-
At 30 April 2014	<u>5,915,053</u>	<u>17,144</u>	<u>5,247,585</u>	<u>17,144</u>

18 Reconciliation of movements in shareholders' funds

	2014 Group	2014 Company	2013 Group	2013 Company
	£	£	£	£
Profit for the year	667,468	-	823,482	-
Shareholder's funds at 1 May 2013	5,247,586	17,145	4,424,104	17,145
Shareholder's funds at 30 April 2014	<u>5,915,054</u>	<u>17,145</u>	<u>5,247,586</u>	<u>17,145</u>

19 Notes to the cash flow statement

a) Reconciliation of operating profit to operating cash flows

	2014	2013
	£	£
Operating profit	917,936	1,157,725
Depreciation charges	74,704	74,966
(Increase)/decrease in stock	(1,006,973)	521,864
Decrease/(increase) in debtors	3,077,238	(2,793,280)
(Decrease)/increase in creditors	(2,352,917)	1,654,959
Net cash inflow from operating activities	<u>709,988</u>	<u>616,234</u>

b) Analysis of net debt

	Brought forward £	Cash flows £	Other changes £	Carried forward £
Cash at bank and in hand	480,025	1,272,603	-	1,752,628
Bank overdrafts	(138,992)	138,992	-	-
	341,033	1,411,595	-	1,752,628
Debt due within one year	(1,675,322)	(496,853)	-	(2,172,175)
Debt due after one year	(977,942)	(903,564)	-	(1,881,506)
	<u>(2,312,231)</u>	<u>11,178</u>	<u>-</u>	<u>(2,301,053)</u>

CLEMENTINE ASSOCIATES LIMITED

Notes to the financial statements for the year ended 30 April 2014 (continued)

19 Notes to the cash flow statement (continued)

c) Reconciliation of net cash flow to movement in debt

	2014	2013
	£	£
Net increase/(decrease) in cash	1,411,595	(1,486,721)
New long term bank loan	(1,500,000)	-
Repayment of bank loans	409,539	356,035
Increase in other creditors falling due within one year	(309,956)	-
Decrease in other creditors falling due after more than one year	-	1,375,763
Changes in net debt	11,178	245,077
Net debt at 1 May 2013	(2,312,231)	(2,557,308)
Net debt at 30 April 2014	(2,301,053)	(2,312,231)

20 Contingent liabilities

The parent company is party to an inter-company composite guarantee over all its assets, together with its subsidiary, A & S Shillam Limited, in respect of certain bank loans and overdrafts of the group. At 30 April 2014 the amount of indebtedness of the group subject to this guarantee, net of in hand bank balances, was £1,312,947 (2013: £1,483,061).

21 Leasing commitments

Operating leases

The group's annual commitments for rental payments under non-cancellable operating leases at 30 April 2014 were as set out below:

	2014	2013
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
Within one year	41,100	64,000
Between one and five years	27,000	-
Over five years	156,750	127,250
	224,850	191,250

22 Ultimate controlling party and related party transactions

The company is controlled by the trustees of the Clementine Settlement, which is the sole shareholder of Clementine Associates Limited. Mr J A Lynch-Batten is a trustee of that settlement.