

Xtratherm UK Limited

Reports and Financial Statements  
for the year ended  
31 December 2013

*Registered number: 4404208*

THURSDAY



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**XTRATHERM UK LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**XTRATHERM UK LIMITED**

**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

Eoghan Hynes (Irish)  
Eoghan J. Hynes (Irish)  
S. Kenneth Steenson (British)  
Barry Rafferty (Irish)  
Tara Hynes (Irish)

**SECRETARY**

Gerald Beggy (Irish)

**REGISTERED OFFICE**

Holmewood Industrial Park  
Holmewood  
Chesterfield  
Derbyshire S42 5UY  
England

**REGISTERED NUMBER**

4404208

**AUDITOR**

Deloitte & Touche  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

**BANKERS**

Santander Corporate Banking  
Omnia One  
125 Queen Street  
Sheffield  
S1 2DG

Bank of Ireland  
41 Castle Street  
Liverpool  
L2 9SH

The Royal Bank of Scotland PLC  
Ulster Bank Group Centre  
Georges Quay  
Dublin 2  
Ireland

## **XTRATHERM UK LIMITED**

### **STRATEGIC REPORT**

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The directors present their strategic report for the year ended 31 December 2013.

#### **REVIEW OF THE DEVELOPMENT OF THE BUSINESS**

The company is engaged in the sale of polyiso and phenolic insulation products manufactured at its plant in Holmewood together with product supplied from its parent company in Ireland. Turnover increased by 3% during 2013.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties faced by the company are those risks associated with price, foreign exchange and credit payment terms offered to customers. Price risk is controlled through constant review of margin and supplier costs. Credit risk is controlled through monitoring of collections against agreed trading terms and conditions. The company is currently the subject of a litigation process by a competitor. The claim is being defended but the directors believe it would be prejudicial to the company's interest to provide further details at this stage

#### **TANGIBLE FIXED ASSETS**

Details of movements in tangible fixed assets are contained in Note 6 to these financial statements.

#### **QUALITY CONTROL**

During the year the company spent Stg£189,210 (2012: Stg£118,117) on more efficient production methods and procedures. The results of this work will assist the company to control production costs.

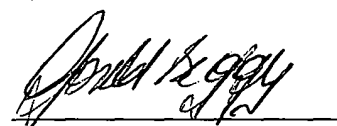
#### **EMPLOYEE AND ENVIRONMENTAL MATTERS**

The well-being of the company's employees is safeguarded through adherence to health and safety standards. The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health and safety issues.

#### **FUTURE DEVELOPMENTS**

In the opinion of the directors, the company will continue to develop and expand the company's market share in the United Kingdom and abroad.

By order of the Board:



Gerald Beggy  
Secretary

Date: 30 April 2014

## **XTRATHERM UK LIMITED**

### **DIRECTORS' REPORT**

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The directors present their report and the audited financial statements for the year ended 31 December 2013.

#### **RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2013**

The profit and loss account for the year ended 31 December 2013 and the balance sheet at that date are set out on pages 10 and 11 respectively. The profit on ordinary activities for the year before taxation amounted to Stg£1,278,913 (2012: Stg£2,674,377). The taxation charge for the year amounts to Stg£270,666 (2012: Stg£160,128). The surplus carried forward at the end of the year was Stg£1,008,247 (2012: surplus Stg£2,514,249).

#### **DIVIDENDS**

The directors of the company do not propose the payment of a dividend (2012: Stg£Nil).

#### **DIRECTORS**

The present directors are as listed on page 2 and unless otherwise indicated, have served throughout the year.

#### **DIRECTORS' INTERESTS**

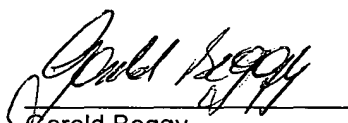
The directors' and the company secretary's interests in the share capital of the company are set out in Note 18 to these financial statements.

#### **AUDITORS**

Each of the directors at the date of approval of this report confirm that so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and that each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act, 2006. A resolution to re-appoint the auditors, Deloitte & Touche, will be proposed at the annual general meeting.

By order of the Board:

  
Gerald Beggy  
Secretary

Date: 30 April 2014

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are responsible for preparing the Annual 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 they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 XTRATHERM UK LIMITED**

We have audited the financial statements of Xtratherm UK Limited for the year ended 31 December 2013 which comprise the Statement of Accounting Policies, the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 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**

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 annual report to identify material inconsistencies with the audited statements. 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 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTRATHERM UK 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.



Kevin Sheehan, Senior Statutory Auditor  
for and on behalf of Deloitte & Touche  
Chartered Accountants and Statutory Auditors

Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

Date: 30/4/14



## **XTRATHERM UK LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

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#### **ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards.

#### **TANGIBLE FIXED ASSETS**

All tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:

Buildings - Premises	2% straight line method
Plant and equipment	7.7%, 10% and 20% straight line method
Vehicles	20% straight line method
Office equipment	25% and 33.33% straight line method

Work in Progress is not depreciated.

#### **STOCKS**

Stocks and work in progress are valued at the lower of cost (on a first-in, first-out basis) and net realisable value. In the case of finished goods and work-in-progress, cost comprises direct material, direct labour and an appropriate proportion of manufacturing fixed and variable overheads to the extent that they relate to the period of production. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing, selling and distribution.

#### **FOREIGN CURRENCIES**

The financial statements are expressed in sterling (Stg£).

Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date or, where appropriate, at the rates of exchange in related forward contracts. The resulting profits or losses are dealt with in the profit and loss account.

#### **TURNOVER AND REVENUE RECOGNITION**

Turnover comprises of sales to third parties and intercompany sales at invoice price exclusive of value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which is when the goods are physically delivered to the customer.

#### **PENSION BENEFITS**

Pension benefits are funded over the employees' period of service by way of contributions to a defined contribution pension plan. Annual contributions are charged to the profit and loss account in the year to which they relate. Pension benefits represent the matching of employee contributions to a maximum of 7.5% of pensionable salaries for qualifying employees in accordance with the scheme rules.

**LEASED ASSETS**

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals incurred in respect of all other leases are charged to the profit and loss account in the period to which they relate.

**TAXATION**

Corporation tax is provided on taxable profits at the current rate.

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 have occurred at that date that will result in an obligation to pay more or a right to pay less tax in the future.

Deferred tax assets are recognised only to the extent that directors consider 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.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**GOVERNMENT GRANTS**

Government capital grants are credited to the government grants account when the related expenditure is recorded. Annual transfers to income are made to amortise such grants on the same basis as the related assets are depreciated. All other grants are credited to the profit and loss account in the period in which they relate.

**XTRATHERM UK LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Notes</i>	<b>2013 Stg£</b>	<b>2012 Stg£</b>
<b>TURNOVER</b>	<b>2</b>	<b>96,664,597</b>	<b>93,941,436</b>
Cost of sales		<b>(89,002,216)</b>	<b>(87,111,586)</b>
<b>GROSS PROFIT</b>		<b>7,662,381</b>	<b>6,829,850</b>
Administrative expenses		<b>(1,693,915)</b>	<b>(941,059)</b>
Selling and distribution expenses		<b>(3,883,988)</b>	<b>(3,816,897)</b>
Other operating income		<b>147,000</b>	<b>147,000</b>
Foreign exchange (loss)/gain		<b>(677,816)</b>	<b>798,397</b>
<b>OPERATING PROFIT</b>		<b>1,553,662</b>	<b>3,017,291</b>
Interest receivable and similar income		<b>12,150</b>	<b>11,940</b>
Interest payable and similar charges	<b>3</b>	<b>(286,899)</b>	<b>(354,854)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>4</b>	<b>1,278,913</b>	<b>2,674,377</b>
Taxation on profit on ordinary activities	<b>5</b>	<b>(270,666)</b>	<b>(160,128)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>15</b>	<b>1,008,247</b>	<b>2,514,249</b>

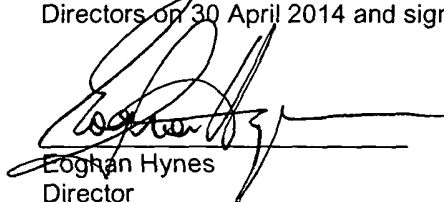
All revenues and expenses recorded above are derived from continuing operations. There are no recognised gains or losses in the current or prior year other than the profit attributable to shareholders of the company.

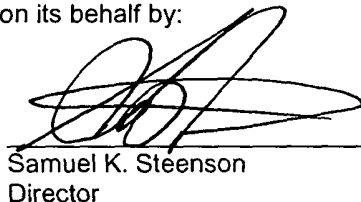
**XTRATHERM UK LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2013**

	<i>Notes</i>	<b>2013 Stg£</b>	<b>2012 Stg£</b>
<b>FIXED ASSETS</b>			
Tangible assets	6	<b>14,656,641</b>	15,272,948
<b>CURRENT ASSETS</b>			
Stocks	7	<b>1,568,406</b>	1,479,839
Debtors	8	<b>9,812,573</b>	9,070,638
Cash at bank and in hand		<b>2,531,909</b>	2,821,453
		<b>13,912,888</b>	13,371,930
<b>CREDITORS: (Amounts falling due within one year)</b>	9	<b>(10,027,440)</b>	(10,718,253)
<b>NET CURRENT ASSETS</b>		<b>3,885,448</b>	2,653,677
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>18,542,089</b>	17,926,625
<b>CREDITORS: (Amounts falling due after more than one year)</b>	12	<b>(10,091,053)</b>	(10,483,836)
<b>NET ASSETS</b>		<b>8,451,036</b>	7,442,789
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	14	<b>2</b>	2
Profit and loss account	15	<b>2,486,334</b>	1,478,087
Other reserves	15	<b>5,964,700</b>	5,964,700
<b>SHAREHOLDERS' FUNDS</b>	15	<b>8,451,036</b>	7,442,789

The financial statements of Xtratherm UK Limited, registered number 4404208, were approved by the Board of Directors on 30 April 2014 and signed on its behalf by:

  
Eoghan Hynes  
Director

  
Samuel K. Steenson  
Director

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**1. EMPLOYEES AND REMUNERATION**

	2013 Number	2012 Number
The average number of persons employed by the company (including directors) during the year was as follows:		
Administration	6	5
Selling and distribution	11	11
Production	105	98
	<u>122</u>	<u>114</u>

	2013 Stg£	2012 Stg£
<b>The staff costs comprise:</b>		
Wages and salaries	2,885,327	2,687,226
Social security costs	282,417	264,754
Pension costs (Note 16)	61,125	59,318
	<u>3,228,869</u>	<u>3,011,298</u>

**2. TURNOVER**

Turnover, all of which arises from continuing operations, represents amounts invoiced by the company in respect of goods, excluding value added tax.

Segmental analysis of turnover has not been given, because in the opinion of the Directors, to do so would be prejudicial to the interests of the Group.

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	2013 Stg£	2012 Stg£
Bank overdraft interest	-	1
Bank interest on advances repayable within one year	1,050	399
Bank interest on advances repayable after one year	258,294	309,026
Finance lease interest	27,555	45,428
	<u>286,899</u>	<u>354,854</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2012

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 Stg£	2012 Stg£
The profit on ordinary activities before taxation is stated after charging/(crediting):		
Directors' remuneration and emoluments	231,978	243,383
Auditors' remuneration	18,020	18,065
Depreciation	1,013,123	991,758
Foreign exchange loss/(gain)	677,816	(798,397)
Profit on disposal of assets	(6,449)	(1,392)
Operating leases - plant	167,253	146,104
	<u>231,978</u>	<u>243,383</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	2013 Stg£	2012 Stg£
(a) The tax charge comprises:		
Corporation tax	375,759	394,870
Corporation tax – prior year overprovision	(302,193)	(42)
	<u>73,566</u>	<u>394,828</u>
Deferred tax charge/(credit) (Note 13)	197,100	(234,700)
	<u>270,666</u>	<u>160,128</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

(b) Factors affecting the tax charge for the year:	2013 Stg£	2012 Stg£
Profit on ordinary activities before taxation	1,278,913	2,674,377
Profit on ordinary activities multiplied by the standard aggregate rate of corporation tax in the UK of 23.25% (2012: 24.5%)	297,347	655,222
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,834	3,489
Depreciation in excess of capital allowances	85,495	25,594
Other timing differences	(9,874)	(131,874)
Losses utilised	-	(157,561)
Prior year overprovision	(302,193)	(42)
	<u>73,609</u>	<u>394,828</u>

(c) Circumstances affecting current and future tax charges:

The standard corporation tax rate of 24.5% reduced to 23.25% in 2013.

XTRATHERM UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

6. TANGIBLE FIXED ASSETS

	Premises Stg£	Plant and Equipment Stg£	Vehicles Stg£	Office Equipment Stg£	Work in Progress Stg£	Total Stg£
<b>Cost:</b>						
At 1 January 2013	11,363,965	8,569,360	258,041	454,002	99,250	20,744,618
Additions	17,230	355,170	33,925	24,942	-	431,267
Disposals	-	(63,535)	(60,244)	(3,290)	-	(127,069)
Reallocations	-	67,359	-	-	(67,359)	-
<b>At 31 December 2013</b>	<b>11,381,195</b>	<b>8,928,354</b>	<b>231,722</b>	<b>475,654</b>	<b>31,891</b>	<b>21,048,816</b>
<b>Depreciation:</b>						
At 1 January 2013	720,830	4,218,176	131,072	401,592	-	5,471,670
Charged in year	247,100	684,322	39,585	42,116	-	1,013,123
Disposals	-	(46,248)	(45,547)	(823)	-	(92,618)
<b>At 31 December 2013</b>	<b>967,929</b>	<b>4,856,250</b>	<b>125,111</b>	<b>442,885</b>	<b>-</b>	<b>6,392,175</b>
<b>Net book value:</b>						
<b>At 31 December 2013</b>	<b>10,413,266</b>	<b>4,072,104</b>	<b>106,611</b>	<b>32,769</b>	<b>31,891</b>	<b>14,656,641</b>
At 31 December 2012	10,643,135	4,351,184	126,969	52,410	99,250	15,272,948

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 6. TANGIBLE FIXED ASSETS (CONTINUED)

	Cost Stg£	Depreciation Stg£	Net book value Stg£
<b>Plant held under hire purchase and finance lease contracts:</b>			
At 31 December 2013	<u>3,501,490</u>	<u>(1,906,367)</u>	<u>1,595,123</u>
At 31 December 2012	<u>3,501,490</u>	<u>(1,672,934)</u>	<u>1,828,556</u>

## 7. STOCKS

	2013 Stg£	2012 Stg£
Raw materials	1,377,622	1,293,125
Expense stocks	190,784	186,714
	<u>1,568,406</u>	<u>1,479,839</u>

The replacement value of stocks at 31 December 2013 did not differ materially from the amounts shown above.

## 8. DEBTORS: (Amounts falling due within one year)

	2013 Stg£	2012 Stg£
Trade debtors	9,500,195	8,564,749
Amounts owed by group undertakings	9,885	9,800
Prepayments and accrued income	264,893	261,389
	<u>9,774,973</u>	<u>8,835,938</u>
Deferred Taxation (Note 13)	37,600	234,700
	<u>9,812,573</u>	<u>9,070,638</u>



**XTRATHERM UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>9. CREDITORS: (Amounts falling due within one year)</b>	<b>2013 Stg£</b>	<b>2012 Stg£</b>
Bank advances (Note 10)	513,333	513,333
Bank overdraft (Note 10)	-	841,301
Finance lease commitments (Note 11)	60,349	42,475
Trade creditors	5,337,280	4,787,758
Amounts owed to group undertakings	1,507,075	2,044,557
Amount owed to related party undertakings (Note 20)	218	218
PAYE and social security costs	87,364	73,329
Value added tax	1,910,479	1,836,699
Corporation tax	137,533	394,870
Accruals	473,809	183,713
	<b>10,027,440</b>	<b>10,718,253</b>

Trade creditors include an amount of Stg£3,114,315 (2012: Stg£3,285,055) owing to suppliers who purport to include reservation of ownership clauses in their conditions of sale.

<b>10. BANK ADVANCES</b>	<b>2013 Stg£</b>	<b>2012 Stg£</b>
Bank loans falling due within one year	513,333	513,333
Bank overdraft	-	841,301
	<b>513,333</b>	<b>1,354,634</b>
<i>Bank loans repayable by instalments:</i>		
Between one and two years	513,333	513,333
Between two and five years	1,540,000	1,540,000
After five years	3,465,000	3,978,334
	<b>5,518,333</b>	<b>6,031,667</b>
	<b>6,031,666</b>	<b>7,386,301</b>

The bank borrowings are secured by fixed and floating charges over the assets of the company to Santander Bank plc. The Bank also holds cross guarantees between the company and members of the Leanort Group of companies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

<b>11. FINANCE LEASE COMMITMENTS</b>	<b>2013</b>	<b>2012</b>
	<b>Stg£</b>	<b>Stg£</b>
Repayable within one year	60,349	42,475
Repayable by instalment:		
- Between one and two years	-	60,349
- Between two and five years	-	-
- After five years	-	-
	-	60,349
	60,349	102,824
<b>12. CREDITORS: (Amounts falling due after one year)</b>	<b>2013</b>	<b>2012</b>
	<b>Stg£</b>	<b>Stg£</b>
Bank advances (Note 10)	5,518,333	6,031,667
Finance lease commitments (Note 11)	-	60,349
Amounts owed to group undertakings	4,572,720	4,391,820
	10,091,053	10,483,836
<b>13. PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>2013</b>	<b>2012</b>
	<b>Stg£</b>	<b>Stg£</b>
<b>Deferred taxation</b>		
Balance at beginning of year	(234,700)	-
Charge/(credit) profit and loss account for year	197,100	(234,700)
Balance at end of year (Note 8)	(37,600)	(234,700)
<b>The deferred taxation provision consists of :</b>		
Tax effect of timing differences due to:		
Unused capital allowances	(37,600)	(234,700)
<b>14. CALLED UP SHARE-CAPITAL</b>	<b>2013</b>	<b>2012</b>
	<b>Stg£</b>	<b>Stg£</b>
<b>Authorised:</b>		
200,000 Ordinary shares of Stg£1 each	200,000	200,000
<b>Allotted, called up and fully paid:</b>		
2 Ordinary shares of Stg£1 each	2	2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share Capital Stg£	Profit & Loss Stg£	Other Reserves Stg£	Total Stg£
Balance at 31 December 2011	2	(1,036,162)	5,964,700	4,928,540
Profit for the year	-	2,514,249	-	2,514,249
Balance at 31 December 2012	2	1,478,087	5,964,700	7,442,789
Profit for year	-	1,008,247	-	1,008,247
<b>Balance at 31 December 2013</b>	<b>2</b>	<b>2,486,334</b>	<b>5,964,700</b>	<b>8,451,036</b>

16. PENSION COMMITMENTS

The group operates an externally funded defined contribution pension scheme for certain employees and directors. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge for the year was Stg£61,125 (2012: Stg£59,318) of which Stg£16,125 (2012: Stg£13,741) was accrued at 31 December 2013.

17. CAPITAL COMMITMENTS

(a) *Operating leases*

Operating lease commitments payable during the next twelve months amount to Stg£125,848 made up as follows:

	Land and Buildings Stg£	Other Stg£	Total Stg£
Payable on leases expiring within:			
- Within one year	-	23,410	23,410
- Between two and five years	-	102,438	102,438
- After five years	-	-	-
	-	125,848	125,848

(b) *Capital commitments*

At the year end the following capital commitments authorised by the directors had not been provided for in the financial statements.

	2013 Stg£	2012 Stg£
Contracted for	-	148,021
Approved but not contracted for	-	-

**XTRATHERM UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013****18. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES**

The interests of the directors and the company secretary in the company and other group companies at 31 December 2013 and 31 December 2012 are set out below.

	2013 No.	2012 No.
<b>Xtratherm UK Limited</b>	<b>Ordinary Shares of stg£1 each</b>	
Eoghan Hynes (in trust for Xtratherm Limited)	-	1
S. Kenneth Steenson (in trust for Xtratherm Limited)	-	1

<b>Leanort Limited</b>	<b>Ordinary Shares of €1.269738 each</b>	
Eoghan Hynes	10,500	60,500
S. Kenneth Steenson	30,250	30,250
Eoghan J. Hynes	53,277	36,611
Tara Hynes	53,277	36,610
Barry Rafferty	1,840	1,840
Gerald Beggy (Secretary)	334	334

**B Ordinary Shares of €1.269738 each**

Eoghan Hynes	-	50,000
Eoghan J. Hynes	10,000	-
Tara Hynes	10,000	-

The B ordinary shares rank pari passu save that until 31 December 2013 the holders of the B ordinary shares were entitled to an annual dividend equal to the net earnings attributable to those shares.

<b>Hytherm (Ireland) Limited</b>	<b>B Ordinary Shares of €1.269738 each</b>	
Eoghan Hynes	120	120
S. Kenneth Steenson	16	16
Eoghan J. Hynes	11	12
Tara Hynes	7	5
Barry Rafferty	11	9
Gerald Beggy (Secretary)	4	5

**Ordinary Shares of €1.269378 each**

Eoghan Hynes (in trust for Leanort Limited)	-	1
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No voting rights are attached to the "B" Ordinary shares and the holder does not have any entitlement to vote at general meetings of the company. The holder of the "B" Ordinary shares shall have the right on the winding up of the company to the repayment of the capital paid up thereon but shall not be entitled to any further right to participate in profits or assets.

<b>Hytherm Limited</b>	<b>Ordinary Shares of Stg£1 each</b>	
Eoghan Hynes (in trust for Leanort Limited)	-	1
S. Kenneth Steenson (in trust for Leanort Limited)	-	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 18. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES (cont'd)

	2013 No.	2012 No.
<b>Digital Media Distribution Limited</b>	<b>Ordinary Shares of €1 each</b>	
Eoghan Hynes	<b>333,334</b>	<b>333,334</b>

The directors and company secretary of the company have no other interests in any other group companies.

## 19. CONTINGENCIES

The company is currently the subject of a litigation process by a competitor. The claim is being defended but the directors believe that, due to the commercial sensitivity of the claim, it would be prejudicial to the company's interest to provide further details at this stage.

## 20. RELATED PARTY TRANSACTIONS

The company is availing of the exemption contained in FRS 8 "Related Party Transactions" from disclosing transactions with other wholly owned group companies.

## 21. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The Company's immediate controlling party is Xtratherm Limited, a company incorporated in the Republic of Ireland. The ultimate controlling party is Leanort Limited, a company incorporated in the Republic of Ireland.

The smallest and largest group of which the company is a member, and for which group financial statements are prepared, is Leanort Limited, a company incorporated in the Republic of Ireland with a registered office at Liscarton Industrial Estate, Kells Road, Navan, Co. Meath. Copies of its group financial statements are available from the Companies Registration Office, Parnell Square, Dublin 1.

## 22. CASH FLOW STATEMENT

A cash flow statement has not been prepared for the company as its ultimate parent company, Leanort Limited, has prepared consolidated financial statements which include a consolidated cash flow statement dealing with the cash flows of the group.