

**PANG (2005) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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COMPANIES HOUSE

**PANG (2005) LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

B J McGuirk (resigned 10 July 2013)  
T R Cheek  
J E McGuirk  
M P Parkinson

**COMPANY SECRETARY**

M P Parkinson

**REGISTERED NUMBER**

05397789

**REGISTERED OFFICE**

Alpha 1  
Chiswick Avenue  
Mildenhall  
Bury St Edmunds  
Suffolk  
IP28 7AX

**INDEPENDENT AUDITORS**

Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
The Quorum  
Barnwell Road  
Cambridge  
CB5 8RE

## **PANG (2005) LIMITED**

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## **PANG (2005) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company was that of a holding company.

#### **DIRECTORS**

The directors who served during the year were:

T R Cheek  
J E McGuirk  
M P Parkinson  
B J McGuirk (resigned 10 July 2013)

#### **RESULTS**

The profit for the year, after taxation, amounted to £19,643 (2012 - loss £423,743).

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

**PANG (2005) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 16/04/2014

and signed on its behalf.



**M P Parkinson**  
Director

## **PANG (2005) LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **INTRODUCTION**

The company has three subsidiaries, Pang (UK) Limited, Apaseal Limited and Airvert Limited. The principal activity of these companies are as follows:-

Pang (UK) Limited - The supply of vulcanising materials and tools to the motor trade.

Apaseal Limited - The distribution of tyre and wheel maintenance products.

Airvert Limited - The distribution of tyre and wheel maintenance products.

There have been no significant changes in activities during the year.

#### **BUSINESS REVIEW**

This is a balanced and comprehensive review of the performance of our business during the year and its position at the year end consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The 2013 results were an improvement on the 2012 figures which is considered creditable given the current UK market.

The group again experienced significant price pressure from suppliers during the year and had to instigate a pricing restructure resulting in increased margins but loss of turnover.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The key performance indicators are considered to be turnover and operating margin. Turnover has decreased to £7,744,030 from £8,835,446 in 2012 and operating returns improved to a profit of £80,565 from (£401,692) loss in 2012.

#### **FUTURE DEVELOPMENTS**

The directors anticipate no significant changes in the groups activities for the foreseeable future. There have been no events since the end of the year which require comment by the directors.

This report was approved by the board on 16/04/2014

and signed on its behalf.

M P Parkinson  
Director



## **PANG (2005) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PANG (2005) LIMITED**

We have audited the financial statements of Pang (2005) Limited for the year ended 31 December 2013, set out on pages 6 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 Directors' Responsibilities Statement, 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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' 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 31 December 2013 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.

### **EMPHASIS OF MATTER**

In forming our opinion, which is not modified in this respect, we have considered the adequacy of the disclosures in note 1.2 to the financial statements concerning the group's ability to continue as a going concern. The group meets its day to day working capital requirements through a confidential invoice discounting arrangement which is repayable on demand and through other borrowings.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PANG (2005) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PANG (2005) 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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of  
**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

The Quorum  
Barnwell Road  
Cambridge  
CB5 8RE

17 April 2014



**PANG (2005) LIMITED**

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

	Note	2013 £	2012 £
<b>TURNOVER</b>	1,3	7,744,030	8,835,446
Cost of sales		(4,970,868)	(5,885,958)
<b>GROSS PROFIT</b>		2,773,162	2,949,488
Distribution costs		(1,411,126)	(1,828,055)
Administrative expenses		(1,281,471)	(1,523,125)
<b>OPERATING PROFIT/(LOSS)</b>	2	80,565	(401,692)
Interest receivable and similar income		26	30
Interest payable and similar charges	6	(60,948)	(70,600)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		19,643	(472,262)
Tax on profit/(loss) on ordinary activities	7	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		19,643	(472,262)
Minority interests		-	48,519
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	17	19,643	(423,743)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 10 to 22 form part of these financial statements.

**PANG (2005) LIMITED**  
**REGISTERED NUMBER: 05397789**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Intangible assets	8		488,503		555,006
Tangible assets	9		136,614		238,145
			<u>625,117</u>		<u>793,151</u>
<b>CURRENT ASSETS</b>					
Stocks	11	1,260,216		1,360,549	
Debtors	12	1,753,549		2,375,691	
Cash at bank and in hand		148,204		1,079,897	
		<u>3,161,969</u>		<u>4,816,137</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(3,450,443)</u>		<u>(5,471,645)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(288,474)</u>		<u>(655,508)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>336,643</u>		<u>137,643</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		(237,083)		(57,726)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	15		(50,000)		(50,000)
<b>NET ASSETS</b>			<u>49,560</u>		<u>29,917</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		10,000		10,000
Profit and loss account	17		39,560		19,917
<b>SHAREHOLDERS' FUNDS</b>	18		<u>49,560</u>		<u>29,917</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16/04/2014



**M P Parkinson**  
Director

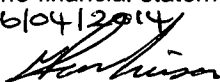
The notes on pages 10 to 22 form part of these financial statements.

**PANG (2005) LIMITED**  
**REGISTERED NUMBER: 05397789**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Investments	10		2,151,226		2,151,226
<b>CREDITORS: amounts falling due within one year</b>	13		(43,000)		(51,600)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,108,226</u>		<u>2,099,626</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		(2,608,225)		(2,599,625)
<b>NET LIABILITIES</b>			<u>(499,999)</u>		<u>(499,999)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		10,000		10,000
Profit and loss account	17		(509,999)		(509,999)
<b>SHAREHOLDERS' DEFICIT</b>	18		<u>(499,999)</u>		<u>(499,999)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/04/2014



**M P Parkinson**  
Director

The notes on pages 10 to 22 form part of these financial statements.

**PANG (2005) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	23	253,003	560,464
Returns on investments and servicing of finance	24	(60,921)	(70,570)
Taxation		-	61,216
Capital expenditure and financial investment	24	8,468	68,249
Acquisitions and disposals	24	-	(125,000)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>200,550</b>	<b>494,359</b>
Financing	24	(67,513)	(117,318)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>133,037</b>	<b>377,041</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
Increase in cash in the year	133,037	377,041
Cash outflow from decrease in debt and lease financing	67,513	117,318
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>200,550</b>	<b>494,359</b>
Net debt at 1 January 2013	(1,034,599)	(1,528,958)
<b>NET DEBT AT 31 DECEMBER 2013</b>	<b>(834,049)</b>	<b>(1,034,599)</b>

The notes on pages 10 to 22 form part of these financial statements.

## **PANG (2005) LIMITED**

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

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

##### **1.2 Going concern**

The company, via its subsidiaries, meets its day to day working capital requirements through a confidential invoice discounting arrangement which is repayable on demand and on other borrowings.

The nature of the group's business is such that there can be considered unpredictable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period to 31 December 2015 and, on the basis of this cash flow information and discussions with the group's bankers and other lenders, the directors consider that the company, and the group, will continue to operate within the facilities currently agreed.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustment that would result from a withdrawal of facilities.

##### **1.3 Basis of consolidation**

The financial statements consolidate the accounts of Pang (2005) Limited and all of its subsidiary undertakings ('subsidiaries').

##### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### **1.5 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life of 10 years.

Trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	10-50% per annum on a straight line basis
Motor vehicles	-	20% per annum on a straight line basis
Fixtures, fittings and equipment	-	10-25% per annum on a straight line basis

##### **1.7 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**PANG (2005) LIMITED**

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

**1. ACCOUNTING POLICIES (continued)**

**1.8 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.9 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.10 Stocks**

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

**1.11 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

**1.12 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

**1.13 Pensions**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

**PANG (2005) LIMITED**

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 Warranty costs**

The group gives a one year warranty on new machines sold. Provision is made in the financial statements for the estimated labour cost of warranties outstanding at the balance sheet date.

**2. OPERATING PROFIT/(LOSS)**

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

	2013 £	2012 £
Amortisation - intangible fixed assets	66,503	65,142
Depreciation of tangible fixed assets:		
- owned by the group	59,836	79,001
- held under finance leases	42,929	58,937
Auditors' remuneration	24,800	22,650
Operating lease rentals:		
- plant and machinery	6,687	1,968
- other operating leases	116,041	114,313
Difference on foreign exchange	37,260	(12,341)
	<u>                    </u>	<u>                    </u>

**3. TURNOVER**

The groups' turnover was all derived from its principal activities. Sales were made to geographical markets as detailed below:

	2013 £	2012 £
United Kingdom	7,721,567	8,795,311
Rest of the world	22,463	40,135
	<u>                    </u>	<u>                    </u>
	<u>7,744,030</u>	<u>8,835,446</u>

**PANG (2005) LIMITED**

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

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	1,119,541	1,592,548
Social security costs	116,923	171,548
Other pension costs	24,787	38,381
	<u>1,261,251</u>	<u>1,802,477</u>

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

	2013 No.	2012 No.
Direct and indirect	<u>56</u>	<u>77</u>

**5. DIRECTORS' REMUNERATION**

	2013 £	2012 £
Remuneration	<u>170,582</u>	<u>213,394</u>
Company pension contributions to defined contribution pension schemes	<u>12,300</u>	<u>13,200</u>

During the year retirement benefits were accruing to 3 directors (2012 - 4) in respect of defined contribution pension schemes.

**6. INTEREST PAYABLE**

	2013 £	2012 £
On bank loans and overdrafts	20,882	22,198
On finance leases and hire purchase contracts	8,443	8,938
Other interest payable	31,623	39,464
	<u>60,948</u>	<u>70,600</u>



**PANG (2005) LIMITED**

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

**7. TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Profit/loss on ordinary activities before tax	19,643	(472,262)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	3,929	(94,452)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	13,301	13,028
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,184	5,590
Depreciation for the year in excess of capital allowances	2,309	(3,025)
Utilisation of tax losses	(20,127)	(644)
Changes in provisions leading to an increase (decrease) in the tax charge	(2,543)	(11,475)
Unrelieved tax losses carried forward	947	90,978
<b>Current tax charge for the year (see note above)</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

The group has estimated tax losses of £1,870,000 (2012 - £2,000,000) available for carry forward against future trading profits. The group has a potential deferred tax asset of £374,000 (2012 - £400,000) which has not been recognised on the above losses in the financial statements. This is due to the uncertainty when such losses will be utilised.

The group has a potential deferred tax asset of £17,645 (2012 - £15,404) on decelerated capital allowances. The directors have not recognised this asset in the financial statements at 31 December 2013 due to the uncertainty in the timing of its reversal.

The group has capital losses of £49,552 (2012 - £49,552) available for carry forward against future capital profits. A deferred tax asset of £9,910 (2012 - £11,892) in respect of these capital losses has not been recognised as it is not anticipated that these will be utilised in the foreseeable future.

**PANG (2005) LIMITED**

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

**8. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Trademarks</b>	<b>Goodwill</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2013 and 31 December 2013	1	663,393	663,394
<b>Amortisation</b>			
At 1 January 2013	-	108,388	108,388
Charge for the year	-	66,503	66,503
At 31 December 2013	-	174,891	174,891
<b>Net book value</b>			
At 31 December 2013	1	488,502	488,503
At 31 December 2012	1	555,005	555,006

**9. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Plant &amp; machinery</b>	<b>Motor vehicles</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2013	113,966	824,657	135,006	1,073,629
Additions	3,200	29,890	-	33,090
Disposals	-	(237,118)	-	(237,118)
At 31 December 2013	117,166	617,429	135,006	869,601
<b>Depreciation</b>				
At 1 January 2013	92,753	616,253	126,478	835,484
Charge for the year	9,151	91,328	2,286	102,765
On disposals	-	(205,262)	-	(205,262)
At 31 December 2013	101,904	502,319	128,764	732,987
<b>Net book value</b>				
At 31 December 2013	15,262	115,110	6,242	136,614
At 31 December 2012	21,213	208,404	8,528	238,145

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Motor vehicles	38,197	151,324

**PANG (2005) LIMITED**

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

**10. FIXED ASSET INVESTMENTS**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Pang (UK) Limited	Ordinary £1	100 %
Apaseal Limited	Ordinary £1	100 %
Airvert Limited	Ordinary £1	100 %

Name	Business	Registered office
Pang (UK) Limited	The supply of vulcanising materials and tools to the motor trade	England and Wales
Apaseal Limited	The distribution of tyre and wheel maintenance products	England and Wales
Airvert Limited	The distribution of tyre and wheel maintenance products	England and Wales

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit / (loss) for the year £
Pang (UK) Limited	928,374	69,639
Apaseal Limited	1,138,338	24,665
Airvert Limited	145,578	(8,158)

Company	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2013 and 31 December 2013	2,651,226
<b>Impairment</b>	
At 1 January 2013 and 31 December 2013	500,000
<b>Net book value</b>	
At 31 December 2013	2,151,226
At 31 December 2012	2,151,226

**PANG (2005) LIMITED**

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

**11. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£	£	£	£
Finished goods and goods for resale	1,260,216	1,360,549	-	-

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,645,601	2,192,050	-	-
Other debtors	3,275	98,700	-	-
Prepayments and accrued income	104,673	84,941	-	-
	1,753,549	2,375,691	-	-

Included in trade debtors are balances totalling £1,565,279 (2012 - £1,988,457) which are subject to a confidential invoice discounting agreement.

**13. CREDITORS:**

**Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans, overdrafts and amounts received under discounting arrangements	968,257	2,032,987	-	-
Net obligations under finance leases and hire purchase contracts	13,997	66,783	-	-
Trade creditors	1,473,989	1,938,104	-	-
Other taxation and social security	164,241	462,633	-	-
Other creditors	638,000	743,689	43,000	51,600
Accruals and deferred income	191,959	227,449	-	-
	3,450,443	5,471,645	43,000	51,600

**PANG (2005) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. CREDITORS:**  
**Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	-	14,726	-	-
Trade creditors	237,083	-	-	-
Amounts owed to group undertakings	-	-	2,608,225	2,556,625
Other creditors	-	43,000	-	43,000
	<u>237,083</u>	<u>57,726</u>	<u>2,608,225</u>	<u>2,599,625</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	-	14,726	-	-

Bank loans and overdrafts of £Nil (2012 - £947,571) are secured on a fixed and floating charge over the group's assets.

Amounts received under discounting arrangement of £968,257 (2012 - £1,085,416) are secured on book debts of the group.

Hire purchase obligations of £13,997 (2012 - £81,509) are secured on the assets to which they relate as detailed in note 9.

**15. PROVISIONS**

<b>Group</b>	<b>Provisions £</b>
At 1 January 2013 and 31 December 2013	<u>50,000</u>
<b>Provisions</b>	

The group gives a one year warranty on machines sold. The group is only liable to the extent of the labour element of any claim as parts are covered in turn by the suppliers' warranties. The directors estimate the potential cost of this warranty work to be £50,000 (2012 - £50,000).

The Company has no provisions

**PANG (2005) LIMITED**

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

**16. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

**17. RESERVES**

<b>Group</b>	Profit and loss account £
At 1 January 2013	19,917
Profit for the financial year	19,643
	<u>39,560</u>
At 31 December 2013	<u>39,560</u>
<b>Company</b>	Profit and loss account £
At 1 January 2013 and 31 December 2013	(509,999)
	<u>(509,999)</u>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>Group</b>	2013 £	2012 £
Opening shareholders' funds	29,917	453,660
Profit/(loss) for the financial year	19,643	(423,743)
	<u>49,560</u>	<u>29,917</u>
Closing shareholders' funds	<u>49,560</u>	<u>29,917</u>
<b>Company</b>	2013 £	2012 £
Shareholders' deficit at 1 January 2013 and 31 December 2013	(499,999)	(499,999)
	<u>(499,999)</u>	<u>(499,999)</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

The profit for the year dealt with in the accounts of the company was £NIL (2012 - £NIL).

**19. PENSION COMMITMENTS**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,787 (2012 - £38,381). Contributions totalling £2,828 (2012 - £Nil) were payable to the fund at the balance sheet date.

# **PANG (2005) LIMITED**

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

### **20. OPERATING LEASE COMMITMENTS**

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2013 £	Other 2012 £
	2013 £	2012 £		
Expiry date:				
Between 2 and 5 years	99,427	99,427	22,647	-

### **21. PRINCIPAL SUBSIDIARIES**

Company name	Country of incorporation	Percentage Shareholding	Description
Pang UK Limited	England & Wales	100	Distribution of vulcanising materials and tools to the motor trade
Apaseal Limited	England & Wales	100	Distribution of tyre and wheel maintenance products
Airvert Limited	England & Wales	100	Distribution of tyre and wheel maintenance products

### **22. RELATED PARTY TRANSACTIONS**

During the year the company was charged rent of £57,500 (2012 - £57,500) from a standard life pension scheme, a scheme in which T R Cheek, M Parkinson, J McGuirk and the executors of B J McGuirk are joint members.

The group has a loan outstanding from T R Cheek, a director of the group. The group was charged interest of £8,125 (2012 - £5,833) and the loan is repayable on demand.

The amount due to him at the year end was £325,000 (2012 - £325,000).

The group has a loan outstanding from H J McGuirk, a director of the group, transferred from B J McGuirk during the year. The group was charged interest of £6,000 (2012 - £4,563) and the loan is repayable on demand.

The amount due to her at the year end was £240,000 (2012 - £240,000).

The group has a loan outstanding from J McGuirk, a director of the group. The group was charged interest of £375 (2012 - £313) and the loan is repayable on demand.

The amount due to him at the year end was £15,000 (2012 - £15,000).

The group has a loan outstanding from M Parkinson, a director of the group. The group was charged interest of £375 (2012 - £Nil) and the loan is repayable on demand.

The amount due to him at the year end was £15,000 (2012 - £15,000).

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

**PANG (2005) LIMITED**

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

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating profit/(loss)	80,565	(401,692)
Amortisation of intangible fixed assets	66,503	65,142
Depreciation of tangible fixed assets	102,765	137,938
Profit on disposal of tangible fixed assets	(9,702)	(39,597)
Decrease in stocks	100,333	62,711
Decrease/(increase) in debtors	622,142	(112,511)
(Decrease)/increase in creditors	(709,603)	848,473
<b>Net cash inflow from operating activities</b>	<b>253,003</b>	<b>560,464</b>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	27	30
Interest paid	(52,505)	(61,662)
Hire purchase interest	(8,443)	(8,938)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(60,921)</b>	<b>(70,570)</b>
	2013 £	2012 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(33,090)	(25,286)
Sale of tangible fixed assets	41,558	93,535
<b>Net cash inflow from capital expenditure</b>	<b>8,468</b>	<b>68,249</b>
	2013 £	2012 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	-	(125,000)
	2013 £	2012 £
<b>Financing</b>		
Repayment of finance leases	(67,513)	(117,318)



PANG (2005) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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25. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	1,079,897	(931,693)	-	148,204
Bank overdraft	(2,032,987)	1,064,730	-	(968,257)
	<u>(953,090)</u>	<u>133,037</u>	<u>-</u>	<u>(820,053)</u>
<b>Debt:</b>				
Debts due within one year	(66,783)	67,513	(14,726)	(13,996)
Debts falling due after more than one year	(14,726)	-	14,726	-
	<u>(1,034,599)</u>	<u>200,550</u>	<u>-</u>	<u>(834,049)</u>
<b>Net debt</b>	<u>(1,034,599)</u>	<u>200,550</u>	<u>-</u>	<u>(834,049)</u>