

Kiril Mischeff (Trading) Limited

**Directors' report and financial
statements**

Registered Number 5486353

For the year ended 30 September 2013

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Officers and professional advisors

Directors

RAR Mischeff
JI Bowler
AV Charlton
TA Davies
C Green
MKL Jackson
IR Marlow
DA Mirchev
VG Morrell
WRS Neill
A Smith

Secretary

TA Davies

Registered office

Broadwall House
21 Broadwall
London
SE1 9PL

Company number

5486353

Statutory auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Bankers

Royal Bank of Scotland plc
9th Floor
280 Bishopgate
London
EC3M 5RB

Solicitors

Laytons Solicitors
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0LS

Keeble Hawson LLP
Protection House
16-17 East Parade
Leeds
LS1 2BR

Strategic report

Principal activities

The company is the parent company of Kiril Mischeff Limited, the holding company of the Kiril Mischeff Group of companies.

The principal activities of the group continue to be the importing and distribution of food products, food products broking and trading, shipping and forwarding and the provision of serviced office facilities.

Business model

The group procures food products and food ingredients from suppliers across the world to provide high quality products to a range of users to both the United Kingdom and overseas. These users cover a wide spectrum of industries including food manufacture, food service and food retail.

We strive to provide the highest level of service to our customers and our suppliers and our offering provides first rate expertise to both parties in the form of food technical knowledge to ensure the customer can be sure of the quality of its supplies.

Relationships with our suppliers and customers are seen as paramount to ensure our mutual businesses thrive and grow. We source products from multiple suppliers, all of which have been internally approved and meet the company's high standard of suitability, to ensure continuity of supply and a wide range of product offerings.

Business review and results

Turnover and gross profit increased in the year under review. These increased volumes however came at the expense of gross margins which decreased slightly. Overheads experienced a relative increase as a result of increased activity but with tight working capital management interest costs have been reduced year on year.

No interim dividends were paid during the year. The Board do not recommend the payment of a final dividend.

Key performance indicators

The group adopts a variety of key performance indicators ("KPI's) to monitor its performance. The principle KPI's are sales and margin reports and divisional profit & loss accounts. The group reviews stock levels on a weekly basis versus stock target levels and cash is monitored daily and forecast on a weekly basis.

In order to upkeep its aim of delivering excellent service levels the group also monitors the level of unfulfilled orders on a weekly basis and investigates out of stock occurrences.

The use of these KPI's enables management to ensure service levels are maintained and that products can be assessed for profitability on a line-by-line basis.

Principal risks and uncertainties

The group is subject to exchange rate fluctuations as the majority of products are imported. To manage this risk the Board adopts a system of fixing the exchange rate on contracted purchases at the time of securing the contract.

The group is obliged to honour its supply contracts to customers. Accordingly to provide certainty of supply the group sources from multiple suppliers worldwide whenever possible.

Interest rate fluctuations are a risk to the group which is managed by the use of tight working capital management.

Strategic report *(continued)*

Future developments

The group operates in a very competitive environment and the current economic climate means that all companies which thrive have to operate with the most efficient cost base. Accordingly the Board believes margin pressures will continue from customers and suppliers.

However with an ever increasing worldwide population food demands are increasing which means the volume and the range of food requirements continues to rise. The Board will strive to capitalise on this opportunity by sourcing new and exciting products.

Signed on behalf of the Board

D Mirchev
Director



Broadwall House
21 Broadwall
London
SE1 9PL

23 June 2014

Directors' report

The directors present their annual report and accounts together with the audited financial statements of the company and the group for the year ended 30 September 2013.

The principal activities are discussed in detail in the strategic report.

Results and dividends

The results for the year are shown in the group profit and loss account on page 8. The profit for the year after taxation was £1,296,000 (2012: £745,000).

No interim dividends were paid during the year. The directors do not recommend payment of a final dividend (2012: £nil).

Directors

The directors who held office during the year were as follows:

RAR Mischeff
AV Charlton
TA Davies
MKL Jackson
IR Marlow
DA Mirchev
VG Morrell
WRS Neill
JI Bowler (Appointed 2 January 2013)
C Green (Appointed 2 January 2013)
A Smith (Appointed 2 January 2013)

Political donations

The company has not made any political donations during the year (2012: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and 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 auditor is aware of that information.

Auditor

Brown Butler resigned as auditors during the year, KPMG were appointed to fill the vacancy arising. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



TA Davies
Director

Broadwall House
21 Broadwall
London
SE1 9PL
23 June 2014

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

The companies act (2006) ("The act") requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Pursuant to the act the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Kiril Mischeff (Trading) Limited

We have audited the financial statements of Kiril Mischeff (Trading) Limited for the year ended 30 September 2013 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2013 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK 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

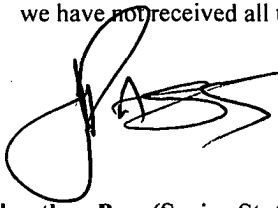
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Kiril Mischeff (Trading)
Limited** *(continued)*

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.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG Leeds
1 The Embankment
Neville Street
Leeds
LS1 4DW

26/6/2014

Consolidated profit and loss account
for the year ended 30 September 2013

	<i>Note</i>	2013 £'000	2012 £'000
Turnover	2	134,564	117,840
Cost of sales		(126,530)	(110,373)
Gross profit		8,034	7,467
Distribution costs		(2,259)	(2,577)
Administrative expenses		(3,968)	(3,676)
Other operating income	3	-	28
Operating profit		1,807	1,242
Interest payable and similar charges	4	(75)	(152)
Profit on ordinary activities before taxation		1,732	1,090
Tax on profit on ordinary activities	9	(436)	(345)
Profit for the financial year	22	1,296	745

The group had no recognised gains or losses other than the profit for the year, and the above results derive from continuing operations.

The notes on pages 12 to 24 form part of the financial statements.

Consolidated balance sheet

at 30 September 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible fixed assets	11	-	-
Tangible assets	12	1,341	1,294
Investments	13	244	-
		<hr/>	<hr/>
		1,585	1,294
Current assets			
Stocks	14	8,303	6,415
Debtors	15	20,930	18,053
Cash at bank and in hand		1,291	1,071
		<hr/>	<hr/>
Creditors: amounts falling due within one year	16	30,524 (26,070)	25,539 (21,944)
		<hr/>	<hr/>
Net current assets		4,454	3,595
		<hr/>	<hr/>
Total assets less current liabilities		6,039	4,889
Creditors: amounts falling due after more than one year	17	(705)	(851)
		<hr/>	<hr/>
Net assets		5,334	4,038
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	20	50	50
Capital redemption reserve	21	4	4
Profit and loss account	22	5,280	3,984
		<hr/>	<hr/>
Equity shareholders' funds		5,334	4,038
		<hr/>	<hr/>

The notes on pages 12 to 24 form part of the financial statements.

These financial statements were approved by the board of directors on 23 June 2014 and were signed on its behalf by:


DA Mirchev
 Director


A Smith
 Director

Company balance sheet

at 30 September 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	13	670	670
Current assets			
Debtors	15	75	6
Creditors: amounts falling due within one year	16	(26)	(26)
Net current assets/(liabilities)		49	(20)
Total assets less current liabilities		718	650
Capital and reserves			
Called up equity share capital	20	50	50
Capital redemption reserve	21	4	4
Profit and loss account	22	664	596
Equity shareholders' funds		718	650

The notes on pages 12 to 24 form part of the financial statements.

These financial statements were approved by the board of directors on 23 June 2014 and were signed on its behalf by:

DA Mirchev
 Director



A Smith
 Director



Consolidated cash flow statement

at 30 September 2013

	Note	2013		2012	
		£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities			900		7,124
Return on investments and servicing of finance					
Interest paid		(75)		(152)	
Net cash outflow from returns on investments and servicing of finance			(75)		(152)
Taxation					
Corporation tax paid			(517)		(233)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(210)		(138)	
Sale of tangible fixed assets		47		12	
Net cash outflow from capital expenditure and financial investment			(163)		(126)
Acquisitions and disposals					
Purchase of subsidiary undertaking			-		(700)
Purchase of investment			(244)		-
Net cash inflow/(outflow) before financing			(99)		5,911
Financing					
Bank loans (repaid)/advanced		51		(4,512)	
Loans repaid		(146)		(567)	
Capital element of hire purchase repayments		-		(8)	
Net cash (outflow)/inflow from financing			(95)		(5,080)
(Decrease)/ Increase in cash			(194)		831

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

The use of going concern accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The directors have prepared cash flow forecasts that indicate the company is able to meet its liabilities as they fall due, and the company will continue in operation for the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the accounts on the going concern basis.

Turnover

Turnover represents amounts receivable for goods and services and net agency income from haulage, freight and rental services provided net of VAT.

Turnover on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, and substantially all of the Group's work is completed which is usually upon delivery to the customer, or his agent.

Depreciation

Depreciation of tangible fixed assets is provided on ordinary cost over their estimated useful lives. Annual rates and methods of depreciation are as follows:

Freehold property	-	straight line basis over 50 years
Plant, equipment, fixtures and fittings	-	straight line basis over 5 years
Motor vehicles	-	straight line basis over 4 years

Fixed asset Investments

Fixed asset investments are stated at cost less any provision for diminution in value.

Investment Properties

In accordance with SSAP 19, investment properties and land are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. If deficits are considered permanent these are written off to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties where the unexpired term of the lease is more than 20 years. These properties are maintained in a state of good repair and, accordingly, the directors consider that the lives of these assets are so long and residual values sufficiently high that any depreciation charge to the profit and loss account would be insignificant.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

Investments in subsidiary undertakings

The cost of investments in subsidiary undertakings is recorded as cash paid and any further costs connected with the acquisition. Provision is made where necessary to reduce the carrying value of an investment to its estimated recoverable amount where in the opinion of the directors there has been an impairment.

Leases

Operating lease rentals are charged or credited to the profit and loss account on a straight line basis over the lease term.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Kiril Mischeff (Trading) Limited and its subsidiaries undertakings. All intra group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 408 of the Companies Act 2006, Kiril Mischeff (Trading) Limited has not presented its own profit and loss account.

Goodwill arising on consolidation

Goodwill represents the excess of the purchase price over the fair value of net assets of subsidiary undertakings at the date of acquisition. Such goodwill is capitalised as an intangible fixed asset and amortisation in equal instalments over its expected useful life in accordance with Financial Reporting Standard 10. Goodwill in these financial statements has been amortised in full in the year of acquisition.

Stock

Stocks are stated at the lower of cost and net realisable value. Cost comprises purchase price. Net realisable value means estimated selling price less all further costs to be incurred in marketing, selling and distribution.

Taxation

The charge for taxation is based on the result for the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date at rates expected to apply when they crystallise, based on enacted or substantially enacted tax rates and law. Deferred tax is not recognised when assets are revalued, unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognise the gains or losses expected to arise on sale.

Foreign currencies

Monetary 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 settled by buying forward foreign exchange contracts. All differences are taken to the profit and loss account. Notes (*continued*)

Pensions

The company operates a defined contribution pension scheme. The pension costs charged to the profit and loss account are the premiums payable in accordance with the rules of the scheme in respect of the accounting period.

Dividends

Final dividends proposed by the board of directors and unpaid at the year end are not recognised in the financial statements until they have been approved by a written resolution of the company's members.

Related party disclosures

The company has adopted an accounting policy not to disclose related party transactions between the company, other group companies and joint ventures.

Notes (continued)

2 Turnover

The total turnover at the group for the year has been derived from its principle activity. The Board has not presented a geographical analysis of turnover as it is deemed it will be prejudiced to the interests of the Group.

3 Other Operating Income

	2013 £'000	2012 £'000
Rent receivable	-	28
	<u> </u>	<u> </u>

4 Interest payable and similar charges

	2013 £'000	2012 £'000
On bank loans and overdrafts	75	152
	<u> </u>	<u> </u>

Notes (continued)

5 Staff costs

Group employee costs including directors during the year:

	2013 £'000	2012 £'000
Wages and salaries	4,068	3,583
Social security costs	509	431
Other pension costs	291	231
	<u>4,868</u>	<u>4,245</u>

The average number of employees of the group including directors during the year was:

	2013 No.	2012 No.
Office, management and selling	<u>98</u>	<u>86</u>

Directors' remuneration

	2013 £'000	2012 £'000
Salaries	2,232	1,562
Benefits in kind	62	42
	<u>2,294</u>	<u>1,604</u>
Aggregate remuneration	2,294	1,604
Pension contributions	218	184
	<u>2,512</u>	<u>1,788</u>

Six (2012: seven) directors are accruing pension benefits under money purchase schemes.

The remuneration of the highest paid director was as follows:

	2013 £'000	2012 £'000
Aggregate remuneration	<u>520</u>	<u>379</u>

Notes (continued)

6 Profit on ordinary activities

The profit is after charging/(crediting)

	2013 £'000	2012 £'000
Depreciation of owned fixed assets	142	153
Amortisation of goodwill arising on consolidation	-	335
Auditors' remuneration - audit services	28	33
Auditors' remuneration - other services	7	7
Operating lease charges – Plant and machinery	25	25
Operating lease charges - land and buildings	-	2
(Profit)/loss on disposal of fixed assets	26	(10)
Net foreign exchange losses	1,010	2
	<u> </u>	<u> </u>

7 Auditors' remuneration

	2013 £'000	2012 £'000
Audit of these financial statements	28	33
Tax services	7	7
	<u> </u>	<u> </u>
	35	40
	<u> </u>	<u> </u>

8 Income from Investments

	2013 £'000	2012 £'000
Dividends received	-	-
	<u> </u>	<u> </u>

Notes (continued)

9 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
Corporation tax charge	486	332
Adjustments in respect of prior periods	-	1
	<hr/>	<hr/>
UK corporation tax	486	333
Deferred tax charge	(50)	12
	<hr/>	<hr/>
Total tax on profit on ordinary activities	436	345
	<hr/>	<hr/>

The corporation tax charge on ordinary activities for the year is higher than (2012: *higher*) the standard rate of corporation tax in the UK of 23.5% (2012: 24.5%).

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	1,732	1,089
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 23.5% (2012: 24.5%)	407	272
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	8	3
Depreciation in excess of capital allowances	4	-
Capital allowances in excess of depreciation	-	(6)
Movement in unpaid pension contributions	-	(20)
Adjustment in respect of marginal relief	-	(6)
Adjustment in respect of prior years	-	1
Amortisation of goodwill not deductible for tax	-	89
Movement in deferred tax	67	-
	<hr/>	<hr/>
Current year tax charge	486	333
	<hr/>	<hr/>

Notes (continued)

10 Profit for the year attributable to shareholders

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of the financial statements. The Group profit includes a parent Company profit after tax of £68,200 (2012: profit after tax of £68,200).

11 Intangible fixed assets

	Goodwill arising on consolidation £'000
Group	
<i>Cost</i>	
At 30 September 2012	355
Addition	-
	<hr/>
At 30 September 2013	355
	<hr/>
<i>Amortisation</i>	
At 30 September 2012	355
Charge for the year	-
	<hr/>
At 30 September 2013	355
	<hr/>
<i>Net book value</i>	
At 30 September 2013	-
	<hr/> <hr/>
At 30 September 2012	-
	<hr/> <hr/>

The goodwill arose on the acquisition of Bitage Limited on 27 February 2012. The directors are of the opinion that the goodwill should be amortised in full on the date of acquisition.

Notes (continued)

12 Tangible fixed assets

Group	Freehold investment property £'000	Freehold property £'000	Plant, equipment fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 October 2012	425	623	323	512	1,883
Additions	-	-	6	204	210
Disposals	-	-	-	(133)	(133)
At 30 September 2013	425	623	329	583	1,960
Depreciation					
At 1 October 2012	-	39	271	279	589
Charge for year	-	5	17	120	142
Disposals	-	-	-	(112)	(112)
At 30 September 2013	-	44	288	287	619
Net book value					
At 30 September 2013	425	579	41	296	1,341
At 30 September 2012	425	584	52	233	1,294

The freehold property was revalued on 27 February 2012 by the directors on an open market value basis. This asset has a mixed use, in equal proportions, between freehold property and freehold investment property.

13 Investments

Company	Subsidiary undertakings £'000
Cost	
At 1 October 2012 and 30 September 2013	670

On 12th March 2014, Kiril Mischeff Limited acquired 50% of Holme Farm Fruits Limited. The principle activity of the company is the manufacture of aseptically packed fruit purees.

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertakings is not less than the amount included in the balance sheet.

Direct holding	Percentage of shares held	Main activity
Kiril Mischeff	100%	Import and distribution of food products
Indirect Holdings (interest held by Kiril Mischeff Limited)		
W Saunders (Shipping & Forwarding)	100%	Shipping and forwarding
EE & Brian Smith (1928) Limited	100%	Food broking and trading
Bitage Limited	100%	Provision of serviced office facilities

All shares held in subsidiary companies are ordinary shares.

Notes (continued)

14 Stock

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Finished goods and goods for resale	8,303	-	6,415	-

15 Debtors

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Trade debtors	20,748	-	17,894	-
Amounts due from subsidiaries	-	75	-	6
Deferred tax asset - note 18	83	-	33	-
Prepayments & accrued income	66	-	126	-
Other debtors	33	-	-	-
	<u>20,930</u>	<u>75</u>	<u>18,053</u>	<u>6</u>

The deferred tax asset is due after more than one year. See note 18.

16 Creditors: amounts falling due within one year

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Bank loans and overdrafts	876	-	411	-
Trade creditors	17,188	-	15,274	-
Social security and taxes	663	-	189	-
Amounts due to subsidiaries	-	26	-	26
Corporation tax	301	-	332	-
Other creditors	442	-	307	-
Accruals and deferred income	6,600	-	5,431	-
	<u>26,070</u>	<u>26</u>	<u>21,944</u>	<u>26</u>

The bank loans and overdrafts are secured on the assets of the group. Hire purchase creditors are secured on the assets to which they relate.

17 Creditors: amounts falling due after more than one year

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Other creditors	705	-	851	-

Notes (continued)

18 Deferred tax asset

Deferred tax is analysed over the following timing differences:

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Depreciation in excess of capital allowances	(19)	-	(24)	-
Other timing differences	(64)	-	(9)	-
	<u>(83)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>

Movements on the provision for deferred tax are as follows:

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
At 1 October 2012	(33)	-	(45)	-
(Credit)/charge in the profit and loss account	(50)	-	12	-
	<u>(83)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>

19 Pension costs

The group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the group and amounted to £291,486 (2012: £230,754) for the year.

Contributions totalling £ 168,428 (2012: £95,390) were payable to the scheme at the year end and are included in creditors.

20 Share capital

	2013 £'000	2012 £'000
<i>Allotted, called up and fully paid</i>		
500,000 ordinary shares of 10p each	<u>50</u>	<u>50</u>

21 Capital redemption reserve

	2013 £'000	2012 £'000
At 1 October 2012 and 30 September 2013	<u>4</u>	<u>4</u>

Notes *(continued)*

22 Profit and loss account

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
At 1 October 2012	3,984	596	3,240	528
Retained profit for the year	1,296	68	744	68
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2013	5,280	664	3,984	596
	<hr/>	<hr/>	<hr/>	<hr/>

23 Reconciliation of movements in shareholders' funds

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Retained profit for the year	1,296	68	745	68
Opening shareholders' funds	4,038	650	3,293	582
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	5,334	718	4,038	650
	<hr/>	<hr/>	<hr/>	<hr/>

24 Controlling party

The company had no identifiable controlling party during the year.

25 Related party transactions

Group

At 30 September 2013 a loan of £704,947 (2012: £851,000) was due by a group company to Broadwall Properties Limited, a company controlled by RAR Mischeff.

Notes (continued)

26 Leasing commitments

At 30 September 2013 the group had operating lease commitments for the following year as set out below:

	2013 £'000	2012 £'000
Operating leases which expire:		
Within one year	-	2
Between two and five years	25	25
	<hr/>	<hr/>
	25	27
	<hr/>	<hr/>

	2013 £'000	2012 £'000
Lease categories		
Land and buildings	25	25
Other	-	2
	<hr/>	<hr/>
	25	27
	<hr/>	<hr/>

27 Contingent liabilities

Group

At 30 September 2013 the group had outstanding forward foreign exchange contracts of £39,404,082 (2012: £12,586,862).

The group has jointly and severally guaranteed the bank borrowings of certain group companies. At 30 September 2013 the borrowings covered by these guarantees amounted to £504,031 (2012: £90,596).

Notes (continued)

28 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	2013 £'000	2012 £'000
Operating profit	1,807	1,242
Depreciation	142	152
Amortisation of goodwill	-	355
(Profit)/loss on disposal of fixed assets	(26)	(10)
(Increase)/decrease in stocks	(1,888)	1,064
(Increase)/decrease in debtors	(2,827)	3,240
Increase in creditors	3,692	1,081
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	900	7,124
	<hr/>	<hr/>

b) Reconciliation of net cash flow to the movement in net debt

	2013 £'000	2012 £'000
Increase/(decrease) in cash in the year	(194)	832
Cash balance of subsidiary acquired in the year	-	(5)
	<hr/>	<hr/>
	(194)	827
Movement in bank loans	(51)	4,512
Movement in other loans	146	68
	<hr/>	<hr/>
Movement in net debt in the year	(99)	5,406
Opening net debt	(191)	(5,597)
	<hr/>	<hr/>
Closing net debt	(290)	(191)
	<hr/>	<hr/>

c) Reconciliation of net cash flow to the movement in net debt

	2012 £'000	Cash flow £'000	Other £'000	2013 £'000
Cash at bank and in hand	1,071	220	-	1,291
Bank overdrafts	(91)	(414)	-	(505)
	<hr/>	<hr/>	<hr/>	<hr/>
	980	(194)	-	786
Debt falling due within one year	(320)	(51)	-	(371)
Debt falling due after more than one year	(851)	146	-	(705)
	<hr/>	<hr/>	<hr/>	<hr/>
	(191)	(99)	-	(290)
	<hr/>	<hr/>	<hr/>	<hr/>