

PARENT ACCOUNTS
VANIR CONSULTANTS
LTD
6727584

Ingleby (1879) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2013



Company Registration No 07795097

Ingleby (1879) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Barrow
P Brooks
M E Kennedy
M E Tung

SECRETARY

M E Kennedy

REGISTERED OFFICE

EMAC House
Southmere Court
Crewe Business Park
Crewe
Cheshire
CW1 6GU

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG

Ingleby (1879) Limited

STRATEGIC REPORT (continued)

for the year ended 31 December 2013

REVIEW OF THE BUSINESS

The Group's balance sheet shows a satisfactory position with shareholders' funds amounting to £3,780,564 (2012 - £2,771,726)

The company's key measurement of financial effectiveness of its operations is reviewing its operating profitability. For the year ended 31 December 2013, the profit for the year, after taxation, amounted to £1,008,838 (2012 - £536,725)

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face next year.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Group as a whole, these being turnover, gross margin and operating profit and are as follows:

	12 months ended 31 December 2013 £	15 months ended 31 December 2012 £
Turnover	7,379,163	6,802,883
Gross profit	3,823,486	3,601,630
Operating profit	2,372,239	2,103,884

The business had a successful year with turnover increasing by 22% (on the equivalent 12 months for 2012) despite competition in the market. The strong increase being attributed to the growth in the national car park and the increased effort by management and staff to provide a strong product suite and high service levels backed up by continual innovation. Attention during the year has been focussed on developing the staff, improving customer service levels, continuing the high standards of delivery and making further investment in the system development.

The operating results of the Group for this period have left the Group in a good financial position at the end of the year and in line with our expectations, it is well placed for the coming financial year in continuing to develop the business ahead of the competition.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The non-financial Key Performance Indicators of the Group are changing as the Group grows, but aim to provide growth of shareholder value, customer and employee satisfaction whilst ensuring the liquidity of the Group. Within the sales team, performance is measured using indicators such as turnover per sales representative, revenue per sales plan, cost per sales plan and performance against target.

As for many businesses of our size, the business environment in which we operate continues to challenge and be competitive. Margins are controlled to ensure price competitiveness balanced with greater volume of unit sales, ensuring growth.

With these risks and uncertainties in mind, we are investing in the system development to reduce increased forward spend in headcount and are creating efficiencies where there are opportunities to refine the service offering of the business. The Group manages the competitive risks by providing added value services to its customers, having fast response times and by maintaining strong relationships with customers.

We are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

The financial risk management objectives and policies of the group are:

Currency risk

As the Group does little business outside the UK, currency risk is not a significant issue in risk management.

Ingleby (1879) Limited
STRATEGIC REPORT (continued)
for the year ended 31 December 2013

Fair value interest risk

The Group has interest rate swap arrangements in place to hedge its interest rate risk

Price risk

The Group uses a range of suppliers for each area of provision to ensure that market prices for purchases are achieved

Credit risk

The Group mainly trades with long standing customers. The nature of these relationships assists management in controlling its credit risk

Liquidity

Management control and monitor the Group's cash flow on a regular basis, including forecasting future cash flows

By order of the board



M E Kennedy
Company Secretary



Date 

Ingleby (1879) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Ingleby (1879) Limited for the year ended 31 December 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the period under review is as a holding company

The Group's principal activities are to administer, support and manage service plans which are sold through a growing network of motor dealers and manufacturers either at point of or post the sale of a vehicle

The group operates a branch in Ireland the results of which are consolidated into Emac Limited which is turn is consolidated into Ingleby (1879) Limited

There have not been any significant changes in the Group's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the next year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,008,838. The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

A M Barrow
P Brooks
T E Chaloner
M E Kennedy
M E Tung

On 26 September 2013, M E Tung was appointed as a director and T E Chaloner retired as a director

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

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

By order of the board



M E Kennedy
Company Secretary

Date



Ingleby (1879) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 INGLEBY (1879) LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 7 to 24 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and 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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept 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

Baker Tilly UK Audit LLP

STELLA COOPER (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

West Yorkshire

LS1 4HG

Date

14/4/14

Ingleby (1879) Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

		Year to 31 Dec 13 £	Period from 3 Oct 11 to 31 Dec 12 £
	<i>Notes</i>		
TURNOVER	2	7,379,163	6,802,883
Cost of sales		(3,555,677)	(3,201,253)
Gross profit		3,823,486	3,601,630
Administrative expenses		(1,451,247)	(1,497,746)
OPERATING PROFIT	3	2,372,239	2,103,884
Interest receivable		65,060	53,579
		2,437,299	2,157,463
Interest payable and similar charges	6	(720,576)	(811,010)
Loan redemption premium		(368,604)	(430,033)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,348,119	916,420
Taxation	7	(339,281)	(379,695)
PROFIT FOR THE FINANCIAL YEAR	21	<u>1,008,838</u>	<u>536,725</u>

The profit for the year arises from the group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Ingleby (1879) Limited
CONSOLIDATED BALANCE SHEET
31 December 2013

	<i>Notes</i>	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	7,377,594	7,609,411
Tangible assets	10	168,512	174,166
		<u>7,546,106</u>	<u>7,783,577</u>
CURRENT ASSETS			
Debtors	12	1,080,416	804,280
Cash at bank and in hand	14	26,387,718	12,593,622
		<u>27,468,134</u>	<u>13,397,902</u>
CREDITORS			
Amounts falling due within one year	15	(25,290,039)	(10,984,720)
NET CURRENT ASSETS		<u>2,178,095</u>	<u>2,413,182</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,724,201</u>	<u>10,196,759</u>
CREDITORS			
Amounts falling due after more than one year	16	(5,943,637)	(7,425,033)
		<u>3,780,564</u>	<u>2,771,726</u>
CAPITAL AND RESERVES			
Called up share capital	20	5,570	5,570
Share premium account	21	2,229,431	2,229,431
Profit and loss account	21	1,545,563	536,725
SHAREHOLDERS' FUNDS	22	<u>3,780,564</u>	<u>2,771,726</u>


The financial statements on pages 7 to 24 were approved by the board of directors and authorised for issue on ~~14 March~~ 2014 and are signed on their behalf by


A M Barrow
Director

Ingleby (1879) Limited
BALANCE SHEET
31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	11	<u>11,123,576</u>	<u>11,123,576</u>
CURRENT ASSETS			
Debtors due within one year	12	1,438,084	1,369,278
Debtors due after one year	12	932,924	932,924
Cash at bank and in hand		55,533	1,265,159
		<u>2,426,541</u>	<u>3,567,361</u>
CREDITORS			
Amounts falling due within one year	15	(7,520,056)	(6,176,079)
NET CURRENT LIABILITIES		<u>(5,093,515)</u>	<u>(2,608,718)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,030,061</u>	<u>8,514,858</u>
CREDITORS			
Amounts falling due after more than one year	16	(5,943,637)	(7,425,033)
		<u>86,424</u>	<u>1,089,825</u>
CAPITAL AND RESERVES			
Called up share capital	20	5,570	5,570
Share premium account	21	2,229,431	2,229,431
Profit and loss account	21	(2,148,577)	(1,145,176)
SHAREHOLDERS' FUNDS		<u>86,424</u>	<u>1,089,825</u>

The financial statements on pages 7 to 24 were approved by the board of directors and authorised for issue on ~~11 March 2014~~ 2014 and are signed on their behalf by


A M Barrow
Director

Ingleby (1879) Limited
CONSOLIDATED CASH FLOW
for the year ended 31 December 2013

		Year to 31 Dec 13 £	Period from 3 Oct 11 to 31 Dec 12 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	Notes 23 a	16,997,932	7,189,257
Returns on investments and servicing of finance	23 b	(655,516)	(757,431)
Taxation	23 b	(499,594)	(246,829)
Capital expenditure and financial investment	23 b	(188,469)	(64,964)
Acquisitions and disposals		–	(1,691,838)
CASH INFLOW BEFORE FINANCING		<u>15,654,353</u>	<u>4,428,195</u>
Financing	23 b	(1,850,000)	8,155,170
INCREASE IN CASH IN THE PERIOD		<u>13,804,353</u>	<u>12,583,365</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2013 £	2012 £
Increase in cash in the period		13,804,353	12,583,365
Net cash outflow from/(inflow) from debenture loans		1,250,000	(4,195,000)
Net cash outflow from/(inflow) from bank loans		600,000	(3,400,000)
Change in net funds	23 c	<u>15,654,353</u>	<u>4,988,365</u>
Net funds at the beginning of the year	23 c	4,988,365	–
Net funds at the end of the year	23 c	<u>20,642,718</u>	<u>4,988,365</u>

Ingleby (1879) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

GOING CONCERN

The company was incorporated to facilitate a management buyout in November 2011. To fund the acquisition of Emac Limited the company issued loan stock of £4,195,000 and received a bank loan of £4,000,000. Emac Limited as the trading entity has generated sufficient cash flows to fund the capital repayments on the bank loan during the period.

The company balance sheet has net current liabilities of £5,093,515 at 31 December 2013 (2012 - £2,608,718) and has received confirmation of continued support from its subsidiary Emac Limited. The group overall has a strong balance sheet with net assets of £3,780,564 (2012 - £2,771,726).

The directors have prepared detailed forecasts for the group and are confident that the group will continue to generate sufficient cash flows to meet the group's liabilities as they fall due. On this basis the financial statements have been prepared on a going concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Vanir Consultants Limited is exempt from audit by virtue of section 479A of the Companies Act 2006. ✓

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary nature of business. Turnover is shown net of Value Added Tax.

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off in the year in which it is incurred.

GOODWILL

Goodwill representing the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of net assets acquired is capitalised and written off evenly over between three and twenty years as in the opinion of the directors this represents the periods over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Ingleby (1879) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES *(continued)*

AMORTISATION

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - over 3 to 20 years on a straight line basis

FIXED ASSETS

All fixed assets are initially recorded at cost

INVESTMENTS

Long term investments are classified as fixed assets

Fixed asset investments are stated at cost in the balance sheet. Provision is made for any impairment in the value of fixed asset investments

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Short leasehold	- over the term of the lease
Computer software	- 33% on a straight line basis
Equipment and furniture	- 20% on a straight line basis
Computer equipment	- 20% to 33% on a straight line basis

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

PENSION COSTS

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account

DEFERRED TAXATION

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

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

Ingleby (1879) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

LOAN STOCK REDEMPTION PREMIUMS

Redemption premiums payable on the repayment of the loan stock are accrued over the term of the loan stock and accrued as an interest expense in the profit and loss account.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
United Kingdom	<u>7,379,163</u>	<u>6,802,883</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Amortisation of intangible assets	431,817	460,444
Depreciation of owned fixed assets	94,123	87,019
Auditor's remuneration for statutory audit	15,000	15,000
Auditor's remuneration for other services	12,450	18,825
Operating lease costs		
- Other	101,142	92,166
Net profit on foreign currency translation	<u>-</u>	<u>(506)</u>

Ingleby (1879) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Audit	15,000	15,000
Accountancy	4,600	4,650
Taxation	7,850	14,175
	<u>27,450</u>	<u>33,825</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year was

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	No	No
Number of Directors	3	4
Number of Commercial staff	60	48
Number of Administrative staff	11	10
	<u>74</u>	<u>62</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Wages and salaries	2,244,786	1,971,265
Social security costs	223,236	217,705
Other pension costs	26,705	25,280
	<u>2,494,727</u>	<u>2,214,250</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Remuneration receivable	382,236	249,456
Value of company pension contributions to money purchase schemes	13,500	13,069
	<u>395,736</u>	<u>262,525</u>

Ingleby (1879) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

5 DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Total remuneration (excluding pension contributions)	223,676	178,955
Value of company pension contributions to money purchase schemes	13,500	13,069
	<u>237,176</u>	<u>192,024</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
On bank loans and overdrafts	207,699	189,958
On other loans	512,877	621,052
Loan stock redemption premium	368,604	430,033
	<u>1,089,180</u>	<u>1,241,043</u>

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 23.5% (2012 – 24.5%)	491,368	492,197
Over provision in prior year	(84,948)	(15,914)
Total current tax	<u>406,420</u>	<u>476,283</u>
Deferred tax		
Origination and reversal of timing differences	(67,139)	(96,588)
Tax on profit on ordinary activities	<u>339,281</u>	<u>379,695</u>

Ingleby (1879) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.5% (2012 – 24.5%), as explained below

	Year to 31 Dec 13 £	Period from 3 Oct 11 to 31 Dec 12 £
Profit on ordinary activities before taxation	<u>1,348,119</u>	<u>916,420</u>
Profit on ordinary activities by rate of tax	316,808	219,941
Effects of		
Expenses not deductible for tax purposes	148,921	270,263
Capital allowances for period in excess of depreciation	(8,349)	1,993
Short term timing differences	86,361	-
Tax chargeable at lower rates	(51,937)	-
Adjustments to tax charge in respect of previous periods	(84,948)	(15,914)
Sundry tax adjusting items	(436)	-
Total current tax (note 7(a))	<u>406,420</u>	<u>476,283</u>

8 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £1,003,401 (2012 - £1,145,176)

9 INTANGIBLE FIXED ASSETS

Group	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2013	8,080,791	(10,936)	8,069,855
Additions	200,000	-	200,000
At 31 December 2013	<u>8,280,791</u>	<u>(10,936)</u>	<u>8,269,855</u>
Amortisation			
At 1 January 2013	471,380	(10,936)	460,444
Charge for the year	431,817	-	431,817
At 31 December 2013	<u>903,197</u>	<u>(10,936)</u>	<u>892,261</u>
Net book value			
At 31 December 2013	<u>7,377,594</u>	<u>-</u>	<u>7,377,594</u>
At 31 December 2012	<u>7,609,411</u>	<u>-</u>	<u>7,609,411</u>

On 19 August 2013 Emac Limited acquired trade and assets of a business for an initial consideration of £100,000 and deferred consideration of £100,000, which is based on trading results in the 12 months following acquisition. The goodwill on the acquisition has been included in the company's balance sheet based on the consideration payable less the fair value of the assets acquired.

Ingleby (1879) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

10 TANGIBLE FIXED ASSETS

Group	Short Leasehold £	Computer software £	Equipment and furniture £	Computer equipment £	Total £
Cost					
At 1 January 2013	114,273	26,361	23,815	87,233	251,682
Additions	–	32,915	15,035	40,519	88,469
At 31 December 2013	<u>114,273</u>	<u>59,276</u>	<u>38,850</u>	<u>127,752</u>	<u>340,151</u>
Depreciation					
At 1 January 2013	35,882	13,221	2,854	25,559	77,516
Charge for the year	30,756	15,481	12,043	35,843	94,123
At 31 December 2013	<u>66,638</u>	<u>28,702</u>	<u>14,897</u>	<u>61,402</u>	<u>171,639</u>
Net book value					
At 31 December 2013	<u>47,635</u>	<u>30,574</u>	<u>23,953</u>	<u>66,350</u>	<u>168,512</u>
At 31 December 2012	<u>78,391</u>	<u>13,140</u>	<u>20,961</u>	<u>61,674</u>	<u>174,166</u>

11 INVESTMENTS

Company	Group companies £
Cost	
At 1 January 2013 and 31 December 2013	<u>11,123,576</u>
Net book value	
At 31 December 2013 and 31 December 2012	<u>11,123,576</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company				
Emac Limited	England	Ordinary shares	100%	Motor related products
Vanir Consultants Limited	England	Ordinary shares	100%	Non trading

Ingleby (1879) Limited
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12 DEBTORS

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Trade debtors	792,190	639,395	—	—
Loan stock	—	—	2,113,122	2,113,122
Loan stock redemption premium	—	—	90,172	90,172
Other debtors	14,943	—	—	—
Deferred taxation (Note 13)	170,404	103,265	167,714	98,908
Prepayments and accrued income	102,879	61,620	—	—
	<u>1,080,416</u>	<u>804,280</u>	<u>2,371,008</u>	<u>2,302,202</u>

The debtors above include the following amounts falling due after more than one year

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Loan stock	—	—	913,122	913,122
Loan stock redemption premium	—	—	19,802	19,802
	<u>—</u>	<u>—</u>	<u>932,924</u>	<u>932,924</u>

The loan stock included in Ingleby (1879) Limited matures as follows

£1,270,370 Secured loan stock- due to mature on 31 October 2013 and agreed to be rolled over
£619,802 Secured B loan stock - matures on 28 January 2015
£313,122 Unsecured C loan stock - matures on 24 October 2016

Interest due on the loan notes from Vanir Consultants Limited, a 100% owned subsidiary, has been waived by Ingleby (1879) Limited

13 DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12	Year to 31 Dec 13	Period from 3 Oct 11 to 31 Dec 12
	£	£	£	£
Asset brought forward	103,265	—	98,908	—
Increase in asset	67,139	103,265	68,806	98,908
Asset carried forward	<u>170,404</u>	<u>103,265</u>	<u>167,714</u>	<u>98,908</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Short term timing differences	170,404	—	103,265	—
	<u>170,404</u>	<u>—</u>	<u>103,265</u>	<u>—</u>

Ingleby (1879) Limited
NOTES TO THE FINANCIAL STATEMENTS
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13 DEFERRED TAXATION *(continued)*

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Short term timing differences	<u>167,714</u>	<u>-</u>	<u>98,908</u>	<u>-</u>

14 CASH AT BANK AND IN HAND

As at 31 December 2013, cash at bank and in hand included £22,850,311 due to dealers in respect of services plans. These funds are not a resource of the company.

15 CREDITORS amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	600,000	610,257	600,000	600,000
Trade creditors	112,454	281,134	-	-
Amounts due on service plans	22,850,311	8,735,727	-	-
Amounts owed to group undertakings	-	-	6,879,747	5,531,388
Corporation tax	132,520	225,694	-	-
Other taxation and social security	390,193	312,020	-	-
Other creditors	123,529	42,572	-	-
Accruals and deferred income	<u>1,081,032</u>	<u>777,316</u>	<u>40,309</u>	<u>44,691</u>
	<u>25,290,039</u>	<u>10,984,720</u>	<u>7,520,056</u>	<u>6,176,079</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

Ingleby (1879) Limited
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16 CREDITORS amounts falling due after more than one year

	2013	Group	2013	Company
	£	2012	£	2012
		£		£
Debenture loans	2,945,000	4,195,000	2,945,000	4,195,000
Bank loans	2,200,000	2,800,000	2,200,000	2,800,000
Loan stock redemption premium	798,637	430,033	798,637	430,033
	<u>5,943,637</u>	<u>7,425,033</u>	<u>5,943,637</u>	<u>7,425,033</u>

The bank loan and loan stock instruments are secured by way of charges over the assets of the group

Debenture loans

The loan stock consists of the following instrument

£2,945,000 secured A loan stock 2016

The instruments are repayable in full on 25 October 2016 Interest is accruing on the A loan stock at a rate of 16.91 per cent per annum

The A loan stock also attracts a loan redemption premium of £1,843,000 repayable in full on 25 October 2016 This cost is being accrued over the 5 year period of the loan and £368,604 is recognised as a charge in the period

Interest is accruing on the B loan stock at a rate of 0.5 per cent per annum and does not attract a redemption premium

Bank loans

The bank loan is split as follows

Term A loan	£3,000,000
Term B loan	£1,000,000

The term A loan is repayable over 4 years in instalments of £150,000 per quarter £600,000 has been paid during the period to 31 December 2013

Interest is accruing on Term A loan at 3.75 per cent above LIBOR plus the lenders mandatory cost rate The Term B loan is repayable in full on 31 December 2016

Interest is accruing on the Term B loan at 4 per cent above LIBOR plus the lenders mandatory cost rate

The maturity of the bank loans is

	Group	Company
	£	£
Repayable within 1 year	600,000	600,000
Repayable within 1-2 years	600,000	600,000
Repayable within 2-5 years	1,600,000	1,600,000
	<u>2,800,000</u>	<u>2,800,000</u>

Ingleby (1879) Limited

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16 CREDITORS amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Debenture loans	2,945,000	4,195,000	2,945,000	4,195,000
Bank loans	2,200,000	2,800,000	2,200,000	2,800,000
	<u>5,145,000</u>	<u>6,995,000</u>	<u>5,145,000</u>	<u>6,995,000</u>

The bank loan and debenture loans are secured by way of charges over the assets of the group

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 1 year	-	27,785	-	-
Within 2 to 5 years	124,600	16,546	101,493	-
	<u>124,600</u>	<u>44,331</u>	<u>101,493</u>	<u>-</u>

18 FINANCIAL INSTRUMENTS

The group does not apply Financial Reporting Standard 26 - Fair value accounting (FRS 26) to its financial instruments as the company has not elected to use the fair value of derivatives option under the Companies Act. The following disclosures have been made in relation to its interest rate swap

The group's interest rate risk management policy is designed to reduce volatility in cash flows and earnings. Of particular importance is the reduction of potential increases in net interest payable (as a result of adverse movements in short and long term interest rates) to an acceptable level. The size and maturity of debt is matched and hedged using a combination of various interest rate hedge instruments.

The company had hedge instruments in place at the year end. The notional principal amounts outstanding regarding interest rate swap contracts at 31 December 2013 were £1,800,000 (2012 - £2,550,000) and £1,000,000 (2012 - £1,000,000) which carried net present values of £45,230 (2012 - £86,394) and £18,642 (2012 - £58,116) respectively.

The fair value of the interest rate swap has been determined by discounting the cash flows at prevailing interest rates and has been derived from the group's bankers' proprietary models.

As at the 31 December 2013, the fixed interest rates vary from 2.70% to LIBOR less 35 basis points and the floating interest rates are LIBOR.

Ingleby (1879) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

19 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption under Financial Reporting Standard No 8 Related Party transactions not to disclose transactions with other group entities

Included within administrative expenses is an amount of £39,204 (2012 - £37,954) and included within interest payable is an amount of £512,877 (2012 - £493,107) payable to Mobeus Income and Growth VCT PLC. Mobeus Income and Growth VCT PLC is related to Ingleby (1879) Limited through common shareholdings. No balances are owed at the year end

20 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
360,000 Ordinary shares of £0.01 each	3,600	3,600
180,000 Ordinary A shares of £0.01 each	1,800	1,800
1,690,000 Ordinary B shares of £0.0001 each	169	169
5,000 Ordinary C shares of £0.0001 each	1	1
	<u>5,570</u>	<u>5,570</u>

There are no dividend rights for Ordinary, Ordinary A and Ordinary B shares. Ordinary C shares will have dividend rights as from the accounting period current or ending on 31 December 2017

The capital rights for all classes of shares are pari passu. Upon return of capital the holders of Ordinary C Shares are entitled to an aggregate sum equal to the acquisition cost. Thereafter the surplus remaining will be distributed pari passu among the other classes of shares

Ordinary and Ordinary A shares are entitled to one vote per share held. Ordinary B and Ordinary C shares have no voting rights

21 RESERVES

Group	Share premium account £	Profit and loss account £
Balance brought forward	2,229,431	536,725
Profit for the year	–	1,008,838
Balance carried forward	<u>2,229,431</u>	<u>1,545,563</u>
Company	Share premium account £	Profit and loss account £
Balance brought forward	2,229,431	(1,145,176)
Loss for the year	–	(1,003,401)
Balance carried forward	<u>2,229,431</u>	<u>(2,148,577)</u>

Ingleby (1879) Limited
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22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	1,008,838	536,725
New equity share capital subscribed	–	5,570
Premium on new share capital subscribed	–	2,229,431
Net addition to shareholders' funds	1,008,838	2,771,726
Opening shareholders' funds	2,771,726	–
Closing shareholders' funds	3,780,564	2,771,726

23 CASH FLOWS

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

	Year to	Period from
	31 Dec 13	3 Oct 11 to
	£	£
Operating profit	2,372,239	2,103,884
Amortisation	431,817	460,444
Depreciation	94,123	87,019
Increase in debtors	(208,997)	3,987,025
Increase in creditors	14,308,750	550,885
Net cash inflow from operating activities	16,997,932	7,189,257

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	Year to	Period from
	31 Dec 13	3 Oct 11 to
	£	£
Interest received	65,060	53,579
Interest paid	(720,576)	(811,010)
Net cash outflow from returns on investments and servicing of finance	(655,516)	(757,431)

Ingleby (1879) Limited
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23 CASH FLOWS (continued)

Taxation

	Year to	Period from
	31 Dec 13	3 Oct 11 to
	£	£
Taxation	<u>(499,594)</u>	<u>(248,231)</u>

Capital expenditure

	Year to	Period from
	31 Dec 13	3 Oct 11 to
	£	£
Payments to acquire intangible fixed assets	(100,000)	–
Payments to acquire tangible fixed assets	<u>(88,469)</u>	<u>(64,964)</u>
Net cash outflow from capital expenditure	<u>(188,469)</u>	<u>(64,964)</u>

Financing

	Year to	Period from
	31 Dec 13	3 Oct 11 to
	£	£
Issue of equity share capital	–	560,170
(Repayment of)/increase in debenture loans	(1,250,000)	4,195,000
(Repayment of)/increase in bank loans	<u>(600,000)</u>	<u>3,400,000</u>
Net cash (outflow)/inflow from financing	<u>(1,850,000)</u>	<u>8,155,170</u>

c Analysis of net funds

	At 1 Jan 2013	Cash flows	Other changes	At 31 Dec 2013
	£	£	£	£
Cash in hand and at bank	12,593,622	13,794,096	–	26,387,718
Overdrafts	<u>(10,257)</u>	<u>10,257</u>	–	–
	12,583,365	13,804,353	–	26,387,718
Debt due within 1 year	<u>(600,000)</u>	<u>1,850,000</u>	<u>(1,850,000)</u>	<u>(600,000)</u>
Debt due after 1 year	<u>(6,995,000)</u>	–	<u>1,850,000</u>	<u>(5,145,000)</u>
	<u>(7,595,000)</u>	<u>1,850,000</u>	–	<u>(5,745,000)</u>
Total	<u>4,988,365</u>	<u>15,654,353</u>	–	<u>20,642,718</u>

24 CONTROL

The group is controlled by A M Barrow by virtue of her majority shareholding