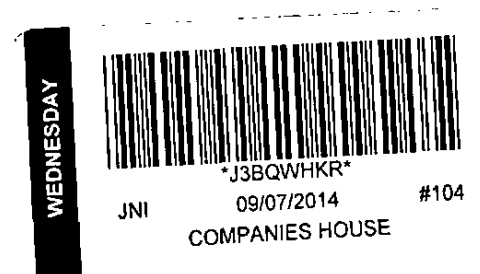


COMPANY REGISTRATION NUMBER NI008366



A.B. DISTRIBUTORS LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER 2013

# **A.B. DISTRIBUTORS LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2013**

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**A.B. DISTRIBUTORS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	Richard Broderick Michael Dwan Frank Murphy
<b>Company secretary</b>	Leslie Burgess
<b>Registered office</b>	2 Cromac Place The Gasworks Ormeau Road Belfast BT7 2JB
<b>Auditor</b>	Grant Thornton Chartered Accountants & Statutory Auditor 24 - 26 City Quay Dublin 2 Ireland
<b>Bankers</b>	Ulster Bank Limited 14/16 Market Street Lurgan Craigavon Co. Armagh

# **A.B. DISTRIBUTORS LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 2013**

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

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year consisted of the wholesale of household appliances and related products.

The level of business and the year-end financial position were satisfactory.

### **RESULTS AND DIVIDENDS**

The results for the year are set out in the company profit and loss account on page 7. The directors have not recommended a dividend.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### **Economic risk:**

The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the group and its principal customers.

These risks are managed by innovative product sourcing and strict control of costs.

#### **Competition risk:**

The directors of the company and subsidiaries manage competition risk through close attention to customer service levels and product innovation.

#### **Financial risk:**

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators used by management include turnover and gross profit per brand.

#### **People in our business:**

The continued success of the company has been achieved by the people working in it. The company although managed separately reflects the group philosophy and ethos. There are many long serving members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner. Their continued loyalty and hard work is much appreciated.

### **DIRECTORS**

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

Richard Broderick  
Michael Dwan  
Frank Murphy

The company is a wholly owned subsidiary of the ultimate parent Convest Limited, being a company incorporated in the Republic of Ireland. The interests of the directors and secretary in the ultimate parent are not disclosed as Convest Limited is incorporated outside Great Britain.

## A.B. DISTRIBUTORS LIMITED

### DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2013

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#### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements 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 company will continue in business.

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

#### AUDITOR

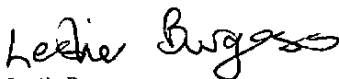
Grant Thornton are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and

each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



Leslie Burgess  
Company Secretary

Approved by the directors on 31st MARCH 2014

# **A.B. DISTRIBUTORS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO A.B. DISTRIBUTORS LIMITED**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet and the related notes, together with the financial statements of A.B. Distributors Limited for the year ended 31st December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### **OPINION**


In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

#### **OTHER INFORMATION**

On 31<sup>st</sup> March 2014 we reported as auditor to the members of the company on the full financial statements prepared under Section 396 of the Companies Act 2006 and our report is reproduced on pages 5 to 6 of these financial statements.

24 - 26 City Quay  
Dublin 2  
Ireland

31<sup>st</sup> March 2014

  
NOEL DELANEY (Senior Statutory Auditor)  
For and on behalf of  
GRANT THORNTON  
Chartered Accountants  
& Statutory Auditor

## **A.B. DISTRIBUTORS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A.B. DISTRIBUTORS LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2013**

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We have audited the financial statements of A.B. Distributors Limited for the year ended 31st December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 shareholders, 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 shareholders 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 shareholders 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 3, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited 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 company's affairs as at 31st December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

## **A.B. DISTRIBUTORS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A.B. DISTRIBUTORS LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2013 *(continued)***

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#### **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.



NOEL DELANEY (Senior Statutory Auditor)  
For and on behalf of  
GRANT THORNTON  
Chartered Accountants  
& Statutory Auditor

24 - 26 City Quay  
Dublin 2  
Ireland

31<sup>st</sup> March 2014



**A.B. DISTRIBUTORS LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>		4,454,812	4,523,261
Cost of Sales and Other operating income		(3,485,605)	(3,588,120)
Distribution costs		(291,906)	(258,277)
Administrative expenses		(635,566)	(626,729)
<b>OPERATING PROFIT</b>	<b>2</b>	<u>41,735</u>	<u>50,135</u>
Interest receivable		19,026	24,061
Interest payable and similar charges	<b>5</b>	(71)	(23)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>60,690</u>	<u>74,173</u>
Tax on profit on ordinary activities	<b>6</b>	(3,805)	(4,812)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>56,885</u></u>	<u><u>69,361</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 14 form part of these abbreviated accounts.

# A.B. DISTRIBUTORS LIMITED

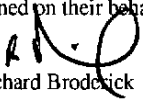
## ABBREVIATED BALANCE SHEET

31ST DECEMBER 2013

	Note	2013 £	£	2012 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		45,824		70,394
<b>CURRENT ASSETS</b>					
Debtors	8	2,398,079		2,725,993	
Cash at bank and in hand		983,095		629,601	
		<u>3,381,174</u>		<u>3,355,594</u>	
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>513,990</u>		<u>569,865</u>	
<b>NET CURRENT ASSETS</b>			<u>2,867,184</u>		<u>2,785,729</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,913,008</u>		<u>2,856,123</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	12		20,000		20,000
Profit and loss account	13		2,893,008		2,836,123
<b>SHAREHOLDERS' FUNDS</b>	14		<u>2,913,008</u>		<u>2,856,123</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 31ST MARCH 2014 and are signed on their behalf by:

  
Richard Broderick  
Director

Company Registration Number: NI008366

The notes on pages 9 to 14 form part of these abbreviated accounts.

# **A.B. DISTRIBUTORS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2013**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Cash flow statement**

The directors have availed of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

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

Fixtures & Fittings	-	Straight line basis at 25% per annum
Motor Vehicles	-	Straight line basis at 25% per annum
Showrooms	-	Straight line basis at 25% per annum

#### **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.

#### **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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

# A.B. DISTRIBUTORS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST 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 either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	27,129	27,211
Auditor's remuneration		
- as auditor	3,300	2,177
Net (profit)/loss on foreign currency translation	<u>(50,269)</u>	<u>17,020</u>

### 3. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 5 (2012 - 6).

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	152,138	170,004
Social security costs	18,240	18,219
Other pension costs	3,250	3,250
	<u>173,628</u>	<u>191,473</u>

### 4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013 £	2012 £
Remuneration receivable	<u>-</u>	<u>9,500</u>

# A.B. DISTRIBUTORS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2013

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable on bank borrowing	71	23

### 6. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK Corporation tax based on the results for the year at 20/20% (2012 - 20/21 %)	3,805	4,812
Total current tax	3,805	4,812

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2012 - 21%).

	2013 £	2012 £
Profit on ordinary activities before taxation	60,690	74,173
Profit on ordinary activities by rate of tax	12,138	15,576
Timing differences between capital allowances and depreciation	754	(350)
Expenses not deductible for tax purposes	21,412	1,273
Provisions tax adjustments	-	704
Losses carried forward	-	(12,150)
Difference in tax arising on profits chargeable at 20%	-	(241)
Sundry tax adjusting items	(30,499)	-
Total current tax (note 6(a))	3,805	4,812

# A.B. DISTRIBUTORS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2013

### 7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Showroom £	Total £
<b>COST</b>				
At 1st January 2013	257,247	51,797	20,817	329,861
Additions	2,559	—	—	2,559
<b>At 31st December 2013</b>	<u>259,806</u>	<u>51,797</u>	<u>20,817</u>	<u>332,420</u>
<b>DEPRECIATION</b>				
At 1st January 2013	238,712	19,425	1,330	259,467
Charge for the year	8,975	12,950	5,204	27,129
<b>At 31st December 2013</b>	<u>247,687</u>	<u>32,375</u>	<u>6,534</u>	<u>286,596</u>
<b>NET BOOK VALUE</b>				
<b>At 31st December 2013</b>	<u>12,119</u>	<u>19,422</u>	<u>14,283</u>	<u>45,824</u>
At 31st December 2012	<u>18,535</u>	<u>32,372</u>	<u>19,487</u>	<u>70,394</u>

### 8. DEBTORS

	2013 £	2012 £
Trade debtors	577,747	710,556
Amounts owed by group undertakings	1,809,867	2,001,557
Prepayments and accrued income	10,465	13,880
	<u>2,398,079</u>	<u>2,725,993</u>

A.B. Distributors Limited had an unrecognised deferred tax asset of £48,408 (2012: £81,611) as at 31 December 2013.

### 9. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Overdrafts	20,941	—
Trade creditors	14,994	27,335
Corporation tax	3,805	4,812
PAYE and social security	4,499	4,819
VAT	244,966	313,532
Accruals and deferred income	224,785	219,367
	<u>513,990</u>	<u>569,865</u>

# A.B. DISTRIBUTORS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2013

### 10. PENSIONS

The company contributes to one defined contribution pension scheme. The company's contributions are charged against profit in the year in which they are incurred. During the year the company made contributions to this scheme in the sum of £3,250 (2012: £3,250).

### 11. COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
After more than 5 years	<u>14,000</u>	<u>14,000</u>

### 12. SHARE CAPITAL

#### Authorised share capital:

	2013	2012
	£	£
25,000 Type A ordinary shares at £1 each	25,000	25,000
25,000 Type B ordinary shares at £1 each	<u>25,000</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,000</u>

#### Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Type A ordinary shares at £1 each	10,000	10,000	10,000	10,000
Type B ordinary shares at £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

### 13. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	2,836,123	2,766,762
Profit for the financial year	<u>56,885</u>	<u>69,361</u>
Balance carried forward	<u>2,893,008</u>	<u>2,836,123</u>

## **A.B. DISTRIBUTORS LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2013**

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#### **14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	56,885	69,361
Opening shareholders' funds	2,856,123	2,786,762
Closing shareholders' funds	<u>2,913,008</u>	<u>2,856,123</u>

#### **15. ULTIMATE PARENT COMPANY**

The company is a subsidiary of Gowan Investments Limited, a company incorporated in the United Kingdom. Its ultimate parent undertaking is Convest Limited, a company incorporated in Ireland. Group financial statements of Convest Limited are filed with the Companies Registration Office. Accordingly related party transactions are not separately disclosed in these financial statements.