NI016887

Cross Refrigeration (N.I.) Limited

Abbreviated financial statements for the year ended 31 October 2013

Registered Number: 16887

(abbreviated in accordance with the provisions of the Companies Act 2006).

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COMPANIES HOUSE

Noel Conn & Company
Chartered Accountants
& Registered Auditors

Contents

Directors and advisers

Directors	Mr J Keating Mr R Walsh Mr K Keating Mr A Nesbitt (Managing Director) Mr M O'Leary Mr J Conway Mr R McAllister
Secretary and registered office	Mr M O'Leary 58 Hamiltonsbawn Road Armagh County Armagh BT60 1HW
Registered auditors	Noel Conn & Company 7 Seven Houses English Street Armagh BT61 7LA
Bankers	Danske Bank 78 Scotch Street Armagh BT61 7DJ
Solicitors	Blair and Hanna 2 Seven Houses English Street Armagh BT61 7LA

Directors' report for the year ended 31 October 2013

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

Principal activities

The profit and loss account for the year is set out on page 7.

The principal activities of the company are the assembly, supply, installation and maintenance of industrial and commercial refrigeration and the manufacture of power pack systems for refrigeration.

Review of business

Both the level of business and the year end financial position were satisfactory. The directors recognise both the more competitive and the depressed market place and have reduced overheads to compensate for lower turnover and gross profit margin.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for the year. The profit for the year after taxation of £232,627 has been transferred to reserves.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 11 to the financial statements.

Close Company Status

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Statements of disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors

The directors of the company at 31 October 2013 are listed on page 2.

Directors responsibility statement

The directors are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year. The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 October 2013. The directors also confirm the applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

Special provisions relating to medium companies

This report has been prepared in accordance with the special provisions in section 445(3) of the Companies Act in regards to medium-sized companies.

Auditors

A resolution to re-appoint the auditors, Noel Conn & Company, will be proposed at the annual general meeting.

On behalf of the board

Mr M O'Leary
Secretary

13 March 2014

Independent Auditor's Report to the directors of Cross Refrigeration (N.I.) Limited

We have audited the financial statements of Cross Refrigeration (N.I.) Limited for the year ended 31 October 2013 which comprise 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 members, as a body, in accordance with Sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 4), the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

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 and judgements made by the directors; and the overall preparation 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. 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 at 31 October 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

The Company is entitled to deliver abbreviated accounts in accordance with section 445(3) of the Companies Act 2006 and that they have been properly prepared in accordance with the regulations made by the Secretary of State; as the case may be.

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 company's 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 Conn

Noel Conn (Senior statutory auditor)

For and on behalf of Noel Conn & Company, Statutory Auditor
7 Seven Houses
English Street
Armagh
BT61 7LA

13 March 2014

Abbreviated profit and loss account for the year ended 31 October 2013

	Notes	2013	2012
		£	£
Turnover	2	**10,873,222**	7,751,811
Cost of Sales		**9,291,081**	6,342,835
Gross profit		**1,582,141**	1,408,976
Net operating expenses	3	**1,269,272**	1,358,798
Operating profit	4	**312,869**	50,178
Interest payable and similar charges	7	**7,467**	9,056
Profit on ordinary activities before taxation		**305,402**	41,122
Tax on ordinary activities	9	**72,775**	7,391
Profit on ordinary activities after taxation		**232,627**	33,731
Dividends	10	**-**	-
Retained Profit for the year	19	**232,627**	33,731

All amounts above relate to continuing operations of the company.

The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

Balance sheet as at 31 October 2013

	Notes	2013	2012
		£	£
Fixed assets			
Tangible assets	11	**158,652**	162,909
Current assets			
Stocks	12	**83,061**	93,003
Debtors	13	**1,251,570**	1,930,995
Cash at bank and in hand		**2,001,690**	796,630
		3,336,321	2,820,628
Current liabilities			
Creditors: amounts falling due within one year	14	**2,217,247**	1,934,835
Net current assets		**1,119,074**	885,793
Total assets less current liabilities		**1,277,726**	1,048,702
Creditors: amounts falling due after more than one year	15	**4,020**	10,455
Provision for liabilities and charges	16	**10,256**	7,424
Net assets		**1,263,450**	1,030,823
Capital and reserves			
Called up share capital	17	**30,000**	30,000
Profit and loss account	19	**1,233,450**	1,000,823
Equity shareholders funds	18	**1,263,450**	1,030,823

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

The board of directors approved the abbreviated financial statements on pages 7 to 19 on 13 March 2014 and were signed on its behalf by:

A Nesbitt

Mr A Nesbitt
Director

Cash flow statement as at 31 October 2013

	2013		2012	
	£	£	£	£
Net cash (outflow) from operating activities - (Note 24)		1,236,160		(108,198)
Returns on investments and servicing of finance				
Interest paid		(7,467)		(9,056)
Taxation		(9,583)		(4,655)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(16,247)		(107,956)	
Purchase of intangible fixed assets	-		-	
Sale of tangible fixed assets	2,197		38,852	
		(14,050)		(69,104)
Equity dividends paid		-		-
Net cash (outflow) before management of liquid resources and financing		1,205,060		(191,012)
Management of liquid resources		-		-
Financing		-		
Increase/(Decrease) in cash (Note 25)		1,205,060		(191,012)

Notes to the abbreviated financial statements for the year ended 31 October 2013

Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards. The particulars of material departures with reasons are as follows:

1. Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost, or valuation of tangible fixed assets, with the exception of freehold land and buildings, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%	
Fixtures and fittings	20	reducing balance basis
Vans	25	reducing balance basis
Motor cars	25	reducing balance basis

Stocks

Stocks are stated at the lower of cost and net realisable value by the application of appropriate margins. Where necessary, provision is made for obsolete, slow moving and defective stocks. In the case of finished goods and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable portion of direct production overhead based on a normal level of activity. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

Government Grants

Grants that relate to specific capital expenditure are treated as deferred income, which is then credited to the profit and loss account over the related asset's useful life. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Research and Development

Development expenditure relating to specific projects intended for commercial exploitation is carried forward. Such expenditure is amortised over the periods expected to benefit from it commencing with the period in which related sales are first made. Expenditure on pure and applied research is written off as incurred.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives with the corresponding lease or hire purchase obligation being capitalised as a liability. The interest element of the finance lease rentals are charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Pension costs

Pension benefits for directors and employees are met by payment into defined benefit schemes. The pension costs in respect of defined benefit schemes are charged to the profit and loss account on a systematic basis, based on the actuary's calculations over the service lives of the employees. Pension benefits are funded by payments to trustee administered funds.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the month of the transaction or at a contracted rate.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or the contracted rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against foreign equity investments. These differences being taken directly to reserves together with the exchange difference on the carrying amount of the related investment.

Turnover

Turnover is stated net of trade discounts, VAT and similar taxes and derives from the provision of goods falling within the company's ordinary activities.

Deferred taxation

Provision is made for deferred taxation, using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2. Turnover

A geographical analysis of turnover is not disclosed, as in the opinion of the directors this would be prejudicial to the business.

3. Net operating expenses

	2013	2012
Continuing operation:	**£**	£
Establishment	**138,834**	147,888
Administrative	**1,141,279**	1,192,652
Selling	**-**	38,957
Interest received	**(10,841)**	(20,699)
	1,269,272	1,358,798

4. Operating profit

	2013	2012
Operating profit is stated after charging:	£	£
Depreciation/amortisation:		
Tangible owned fixed assets	14,172	22,677
Intangible fixed assets	-	-
Loss on disposal of fixed assets	4,135	9,555
Auditors remuneration:		
Audit services	6,800	6,800
Other non-audit services	1,880	1,250
Directors emoluments	266,838	217,767

5. Directors emoluments

	2013	2012
Emoluments (including pension contributions	£	£
and benefits in kind)	299,622	243,948

Emoluments (excluding pension contributions) include amounts paid to:

The chairman	136,185	135,909
The highest-paid director	136,185	135,909

6. Employee Information

	2013	2012
	Number	Number
By activity:		
Selling, distribution and maintenance	19	19
Administration	8	9
	27	28

	2013	2012
	£	£
Staff costs (for the above persons):		
Wages and salaries	913,023	998,659
Social security costs	96,670	102,756
Pension costs	40,470	30,065
	1,050,163	1,131,480

7. Interest payable and similar charges

	2013	2012
On bank loans and overdrafts repayable within 5 years	£	£
not by Instalments	7,467	9,056
On finance lease	-	-
	7,467	9,056

8. Investment income, other interest receivable and similar income

	2013	2012
	£	£
Interest received	10,841	20,699

9. Tax on ordinary activities

	2013	2012
United Kingdom corporation tax	£	£
at 2013 23.4% (2012: 20%)		
Current - current year	69,943	-
- prior year	-	9,583
Deferred- current year	2,832	-
- prior year	-	(2,192)
	72,775	7,391

10. Dividends

	2013	2012
	£	£
Ordinary dividend	-	-

11. Tangible fixed assets

	Land	Fixtures and fittings	Vans	Motor cars	Total
Cost	£	£	£	£	£
At 1 November 2012	100,000	57,004	38,600	27,450	223,054
Additions	-	16,247	-	-	16,247
Disposals	-	-	-	(27,450)	(27,450)
At 31 October 2013	100,000	73,251	38,600	-	211,851
Depreciation					
At 1 November 2012	-	23,430	16,450	20,265	60,145
Charge for the year	-	8,373	4,946	853	14,172
Disposals	-	-	-	(21,118)	(21,118)
At 31 October 2013	-	31,803	21,396	-	53,199
Net Book Value					
At 31 October 2013	**100,000**	**41,448**	**17,204**	**-**	**158,652**
At 31 October 2012	100,000	33,574	22,150	7,185	162,909

Lease/Hire Purchase

Assets held under finance lease or hire purchase agreements included in the above note are:

	Vans	Motor Cars	Total
	£	£	£
Net Book Values:			
At 1 November 2012	38,600	12,500	51,100
At 31 October 2013	38,600	-	38,600
Depreciation charge for the year:			
To 31 October 2012	6,368	8,618	14,986
To 31 October 2013	4,946	-	4,946

12. Stock

	2013	2012
	£	£
Stock	83,061	93,003
	83,061	93,003

13. Debtors

	2013	2012
Amounts falling due within one year	£	£
Trade debtors	1,131,641	1,859,294
Sundry Debtors	9,388	14,787
Value added tax - Republic of Ireland	14,778	-
Prepayments and accrued income	95,763	56,914
	1,251,570	1,930,995

14. Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank overdraft	-	-
Value added tax - United Kingdom	292,467	142,810
Trade creditors and accruals	1,762,289	1,710,826
Corporation tax	69,943	9,583
Finance lease	4,199	11,704
Other taxation and social security costs	88,349	59,912
	2,217,247	1,934,835

15. Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Finance lease	4,020	10,455

The net finance lease obligations to which the company is committed are:-

	2012	2011
	£	£
In one year or less	4,199	11,704
Between two and five years	4,020	10,455
	8,219	22,159

16. Provisions for liabilities and charges

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows. An analysis of the provision, all of which has been provided, is as follows:

	Amount Provided 2013 £	Full Potential Liability 2013 £	Amount Provided 2012 £	Full Potential Liability 2012 £
Tax effect of timing difference because of:				
Accelerated capital allowances	**10,256**	**10,256**	7,424	7,424
Other	-	-	-	-
	10,256	**10,256**	7,424	7,424

17. Share capital

	2013 £	2012 £
Authorised		
500,000 ordinary shares of £1 each	**500,000**	500,000
Allotted, called up and fully paid		
30,000 ordinary shares of £1 each	**30,000**	30,000

18. Reconciliation of movement in shareholders funds

	2013 £	2012 £
Opening shareholders funds	**1,030,823**	997,092
Profit for the year	**232,627**	33,731
Closing shareholders funds	**1,263,450**	1,030,823

19. Profit and Loss Account

	2013 £	2012 £
At 1 November 2012	**1,000,823**	967,092
Profit for the year	**232,627**	33,731
At 31 October 2013	**1,233,450**	1,000,823

20. Related party transactions

None of the directors have director's current or loan accounts with the company.

At the balance sheet date the balances with associated companies were as follows:

	2013	2012
	£	£
Debtors		
Cross Refrigeration Limited	**42,724**	65,813
Cross Hire Limited	**10,383**	1,196
Fridge Rentals Limited	**31,146**	23,526
	84,253	90,535
Creditors		
Coolair Limited	-	7,899
	-	7,899

All transactions with associated companies are on an arms length basis.

21. Controlling Party

The company is a wholly owned subsidiary of Krossbow Holdings Limited, a company incorporated in the Republic of Ireland who is the ultimate controlling party of the company as they hold all of the company's equity share capital.

22. Pension costs

Pension costs:

	2013	2012
	£	£
Pension scheme - employers contributions	40,470	33,563

The company operates two defined benefit pension schemes (one for directors; one for employees), providing benefits based on final pensionable pay. The assets of both schemes are held separately from those of the company, being invested with insurance companies. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuations were as at 1 November 2008 for the Directors' Scheme, and as at 31 October 2009 for the Employees' Scheme. The assumptions that have the most significant effect on the results of the valuations are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that the investment returns would be 5.8 per cent per year for the Directors' Scheme and 7 per cent per year for the Employees' Scheme; that salary increases would average 3.5 per cent per year for the Directors' Scheme and 4 per cent per year for the Employees' Scheme, and that the present and future pensions would increase at the rate of 3.5% per cent per year for the Directors' Scheme and 3.0 per cent per year for the Employees' Scheme.

The pension charge for the year was £40,470 (2012: £33,563).

In 2013 the relevant members of the Employee Scheme were paid the value of their funds and the Employee Scheme commenced the process of amalgamation into the Directors Scheme as from the 31 January 2014.

The most recent actuarial valuation showed that the market value of the Directors' Scheme's assets was £644,000 (at 1 Nov 2008), and £344,468 (at 31 Oct 2009) for the Employees' Scheme, and that the actuarial value of those assets represented 88 per cent of the benefits that had accrued to members of the Directors' Scheme, and 101 per cent for the Employees' Scheme, after allowing for expected future increases in earnings.

Liabilities

FRS 17 Accounting for Pension Scheme Liabilities, states "the surplus/deficit in a defined benefit pension scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The employer should recognise an asset to the extent that it is able to recover a surplus either through reduced contributions in the future or through refunds from the scheme. The employer should recognise a liability to the extent that it reflects its legal or constructive obligation".

In the opinion of the directors there is no legal or constructive liabilities for either, the directors or the employees defined benefit scheme at the 31 October 2013. The directors have as at the 31 October 2013 been unable to compute accurate values of surpluses at the 31 October 2013 for either the directors or the employees defined benefit pension scheme. The directors consider that the non statement of such assets as required by FRS 17 does not detract from the accounts showing a true and fair view of the company's balance sheet as at the 31 October 2013.

24. Reconciliation of operating profit to net cash flow from operating activities

	2013	2012
	£	£
Operating profit	**312,869**	50,178
Depreciation of tangible fixed assets	**14,172**	22,677
Profit on disposal of fixed assets	**4,135**	9,555
Decrease in stocks	**9,942**	19,956
Decrease/(Increase) in debtors	**679,425**	(318,681)
Increase in creditors	**215,617**	108,117
Net cash flow from operating activities	**1,236,160**	(108,198)

25. Reconciliation of net cash flow movement in net debt

	2013	2012
	£	£
Increase/(Decrease) in cash in the year	**1,205,060**	(191,012)
Movement in net funds	**1,205,060**	(191,012)
Net funds at 1 November 2012	**796,630**	987,642
Net funds at 31 October 2013	**2,001,690**	796,630

26. Analysis of net debt

	1 November 2012	Cash flow	31 October 2013
	£	£	£
Net cash			
Cash at bank and in hand	796,630	1,205,060	**2,001,690**
Bank overdraft	-	-	-
	796,630	1,205,060	**2,001,690**
Debt	-	-	-
Net funds	796,630	1,205,060	**2,001,690**