Cross Refrigeration (N.I.) Limited

Abbreviated financial statements for the year ended 31 October 2014

Registered Number: 16887

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

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 2014

The directors present their report and the audited financial statements for the year ended 31 October 2014.

Principal activities

The profit and loss account for the year is set out on page 8.

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.

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 £392,048 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

In the opinion of the directors the company is a close company within the meaning of Section 414 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 2014, all of whom have been directors for the whole of the year ended on that date, are as listed on page 2.

Statement of 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 period. 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 to 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.

Directors' interests in the shares of the company

The directors did not have any interests in the shares of the company at 31 October 2014

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.

By Order of the board

Mr M O'Leary
Secretary

5 May 2015

Strategic Report to the members of Cross Refrigeration (NI) Limited

Review of Business

The company increased its turnover this year from £10,873,22 in 2013 to £17,389,905, an increase of £6,516,683 (see profit and loss account on page 8). This is mainly contributed from the continuing increase in contracts and in particular the contracts regarding the company's banana ripening technologies.

The gross profit of the company has increased this year from £1,582,141 in 2013 to £2,439,897 due to the increase in company's sales during the year.

Net operating expenses have increased from £1,269,272 in 2013 to £1,930,369 in 2014. This increase is firstly due to the increase in wages costs during the year by £354,612 and the increase in motor and travel costs.

The company's net assets at the year end have increased from £1,263,450 in 2013 to £1,655,498 with Cash at bank alone increasing from £2,001,690 in 2013 to £3,921,708 in 2014.

By Order of the board

Mr M O'Leary
Secretary

5 May 2015

Independent auditors report to the members of Cross Refrigeration (N.I.) Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 3 to 5 and 8 to 20, together with the financial statements of Cross Refrigeration (NI) Limited for the year ended 31 October 2014, prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditors

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 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.

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 and to identify any information that is apparently materially incorrect based on, or materiality 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

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.

Mr. Noel Conn FCA (Senior statutory auditor)
For and on behalf of Noel Conn & Company, Statutory Auditor(s)
7 Seven Houses
English Street
Armagh
BT61 7LA

5 May 2015

Abbreviated profit and loss account for the year ended 31 October 2014

	Notes	2014	2013
		£	£
Turnover	2	**17,389,905**	10,873,222
Cost of Sales		**14,950,008**	9,291,081
Gross profit		**2,439,897**	1,582,141
Net operating expenses	3	**1,930,369**	1,269,272
Operating profit	4	**509,528**	312,869
Interest payable and similar charges	7	**8,899**	7,467
Profit on ordinary activities before taxation		**500,629**	305,402
Tax on ordinary activities	9	**108,581**	72,775
Profit on ordinary activities after taxation		**392,048**	232,627
Dividends	10	-	-
Retained Profit for the year	19	**392,048**	232,627

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 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	11	**145,989**	158,652
Current assets			
Stocks	12	**100,399**	83,061
Debtors	13	**1,307,351**	1,251,570
Cash at bank and in hand		**3,921,708**	2,001,690
		5,329,458	3,336,321
Current liabilities			
Creditors: amounts falling due within one year	14	**3,812,566**	2,217,247
Net current assets		**1,516,892**	1,119,074
Total assets less current liabilities		**1,662,881**	1,277,726
Creditors: amounts falling due after more than one year	15	**-**	4,020
Provision for liabilities and charges	16	**7,383**	10,256
Net assets		**1,655,498**	1,263,450
Capital and reserves			
Called up share capital	17	**30,000**	30,000
Profit and loss account	19	**1,625,498**	1,233,450
Equity shareholders funds	18	**1,655,498**	1,263,450

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 8 to 20 on 5 May 2015 and were signed on its behalf by:

Mr M O'Leary
Director

Mr A Nesbitt
Director

Cash flow statement as at 31 October 2014

	2014		2013	
	£	£	£	£
Net cash from operating activities - (Note 24)		**2,003,433**		1,236,160
Returns on investments and servicing of finance				
Interest paid		**(8,899)**		(7,467)
Taxation		**(69,943)**		(9,583)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	**(4,573)**		(16,247)	
Purchase of intangible fixed assets	**-**		-	
Sale of tangible fixed assets	**-**		2,197	
		(4,573)		(14,050)
Equity dividends paid		**-**		-
Net cash before management of liquid resources and financing		**1,920,018**		1,205,060
Management of liquid resources		**-**		-
Financing		**-**		
Increase in cash (Note 25)		**1,920,018**		1,205,060

Notes to the abbreviated financial statements for the year ended 31 October 2014

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

	2014	2013
Continuing operation:	**£**	£
Establishment	**171,536**	138,834
Administrative	**1,730,281**	1,141,279
Selling	**40,552**	-
Interest received	**(12,000)**	(10,841)
	1,930,369	1,269,272

4. Operating profit

	2014	2013
Operating profit is stated after charging:	£	£
Depreciation/amortisation:		
Tangible owned fixed assets	**10,785**	14,172
Intangible fixed assets	-	-
Loss on disposal of fixed assets	**6,451**	4,135
Auditors remuneration:		
Audit services	**6,800**	6,800
Other non-audit services	**2,320**	1,880
Directors emoluments	**261,744**	266,838

5. Directors emoluments

	2014	2013
Emoluments (including pension contributions	£	£
and benefits in kind)	**295,573**	299,622

Emoluments (excluding pension contributions) include amounts paid to:

The chairman	**135,827**	136,185
The highest-paid director	**135,827**	136,185

6. Employee Information

	2014 Number	2013 Number
By activity:		
Selling, distribution and maintenance	**34**	22
Administration	**9**	8
	43	30

	2014	2013
	£	£
Staff costs (for the above persons):		
Wages and salaries	**1,247,551**	913,023
Social security costs	**112,705**	96,670
Pension costs	**55,392**	40,470
	1,415,648	1,050,163

7. Interest payable and similar charges

	2014	2013
On bank loans and overdrafts repayable within 5 years	£	£
not by Instalments	**8,899**	7,467
On finance lease	-	-
	8,899	7,467

8. Investment income, other interest receivable and similar income

	2014	2013
	£	£
Interest received	**12,000**	10,841

9. Tax on ordinary activities

	2014	2013
United Kingdom corporation tax	**£**	£
at 2014 21.8% (2013: 23.4%)		
Current - current year	**111,454**	-
- prior year	**-**	69,943
Deferred- current year	**(2,873)**	-
- prior year	**-**	2,832
	108,581	72,775

10. Dividends

	2014	2013
	£	£
Ordinary dividend	**-**	-

11. Tangible fixed assets

	Land	Fixtures and fittings	Vans	Total
Cost	**£**	**£**	**£**	**£**
At 1 November 2013	100,000	73,251	38,600	211,851
Additions	-	4,573	-	4,573
Disposals	-	(9,026)	-	(9,026)
At 31 October 2014	100,000	68,798	38,600	207,398
Depreciation				
At 1 November 2013	-	31,803	21,396	53,199
Charge for the year	-	6,943	3,842	10,785
Disposals	-	(2,575)	-	(2,575)
At 31 October 2014	-	36,171	25,238	61,409
Net Book Value				
At 31 October 2014	**100,000**	**32,627**	**13,362**	**145,989**
At 31 October 2013	100,000	41,448	17,204	158,652

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 2013	38,600	-	38,600
At 31 October 2014	38,600	-	38,600
Depreciation charge for the year:			
To 31 October 2013	4,946	-	4,946
To 31 October 2014	3,842	-	3,842

12. Stock

	2014	2013
	£	£
Stock	**100,399**	83,061
	100,399	83,061

13. Debtors

	2014	2013
Amounts falling due within one year	£	£
Trade debtors	**1,156,545**	1,131,641
Sundry Debtors	**2,930**	9,388
Value added tax - Republic of Ireland	-	14,778
Prepayments and accrued income	**147,876**	95,763
	1,307,351	1,251,570

14. Creditors: amounts falling due within one year

	2014	2013
	£	£
Value added tax - Republic of Ireland	**16,144**	-
Value added tax - United Kingdom	**403,781**	292,467
Trade creditors and accruals	**3,139,667**	1,762,289
Corporation tax	**111,454**	69,943
Finance lease	-	4,199
Other taxation and social security costs	**141,520**	88,349
	3,812,566	2,217,247

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

	2014	2013
	£	£
Finance lease	-	4,020

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

	2014	2013
	£	£
In one year or less	-	4,199
Between two and five years	-	4,020
	-	8,219

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 2014 £	Full Potential Liability 2014 £	Amount Provided 2013 £	Full Potential Liability 2013 £
Tax effect of timing difference because of:				
Accelerated capital allowances	7,383	7,383	10,256	10,256
Other	-	-	-	-
	7,383	7,383	10,256	10,256

17. Share capital

	2014 £	2013 £
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

	2014 £	2013 £
Opening shareholders funds	1,263,450	1,030,823
Profit for the year	392,048	232,627
Closing shareholders funds	1,655,498	1,263,450

19. Profit and Loss Account

	2014 £	2013 £
At 1 November 2013	1,233,450	1,000,823
Profit for the year	392,048	232,627
At 31 October 2014	1,625,498	1,233,450

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:

	2014	2013
	£	£
Debtors		
Cross Refrigeration Limited	7,210	42,724
Cross Hire Limited	4,844	10,383
Fridge Rentals Limited	20,084	31,146
	32,138	84,253
Creditors		
Coolair Limited	-	-
	-	-

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:

	2014	2013
	£	£
Pension scheme - employers contributions	55,392	40,470

The company had operated two defined benefit pension schemes (one for directors; one for employees) since April 2000, providing benefits based on final pensionable pay. 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 assets of both schemes where transferred to one pension scheme called the Cross Group Benefit Scheme for Cross Refrigeration (NI) Limited and are held separately to those of the company, being invested with insurance companies. Contributions to the scheme 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 valuation was as at 1 November 2008. 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' and 7 per cent per year for the Employees'; that salary increases would average 3.5 per cent per year for the Directors' and 4 per cent per year for the Employees', and that the present and future pensions would increase at the rate of 3.5% per cent per year for the Directors' and 3.0 per cent per year for the Employees'.

The pension charge for the year was £55,392 (2013: £40,470).

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 2014. The directors have as at the 31 October 2014 been unable to compute accurate values of surpluses at the 31 October 2014 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 2014.

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

	2014	2013
	£	£
Operating profit	**509,528**	312,869
Depreciation of tangible fixed assets	**10,785**	14,172
Profit on disposal of fixed assets	**6,451**	4,135
(Increase)/Decrease in stocks	**(17,338)**	9,942
(Increase)/Decrease in debtors	**(55,781)**	679,425
Increase in creditors	**1,549,788**	215,617
Net cash flow from operating activities	**2,003,433**	1,236,160

25. Reconciliation of net cash flow movement in net debt

	2014	2013
	£	£
Increase in cash in the year	**1,920,018**	1,205,060
Movement in net funds	**1,920,018**	1,205,060
Net funds at 1 November 2013	**2,001,690**	796,630
Net funds at 31 October 2014	**3,921,708**	2,001,690

26. Analysis of net debt

	1 November 2013 £	Cash flow £	31 October 2014 £
Net cash			
Cash at bank and in hand	2,001,690	1,920,018	**3,921,708**
Bank overdraft	-	-	**-**
	2,001,690	1,920,018	**3,921,708**
Debt	-	-	**-**
Net funds	2,001,690	1,920,018	**3,921,708**