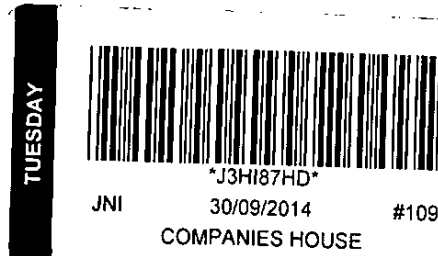


Aghareany Limited

Directors' report and consolidated financial statements for the period ended 31 December 2013

Registration No: N1060161 (Northern Ireland)



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Directors and advisors

Directors

Aidan O'Neill
Martin O'Neill
Paul O'Neill
Mary Turkington
Olive McCluggage

Company Secretary

Aidan O'Neill

Registered Office

12 Torrent Business Centre
Donaghmore
Dungannon

Registered Auditors

ASM (M) Ltd
Chartered Accountants
The Diamond Centre
Market Street
Magherafelt

Bankers

Ulster Bank Limited
11-16 Donegall Square East
Belfast

Solicitors

McCluggage & Co Limited
12 Torrent Business Centre
Donaghmore

Strategic report

Principal activities

The principal activity of the Group is the manufacture of crawler track systems.

Review of business and future developments

Both the level of business and the period end financial position were considered satisfactory and the directors expect that the current level of activity will be sustained for the foreseeable future.

Future outlook

The directors remain confident that the current level of performance will be maintained in the future and it is the Directors' intention to continue to develop the present activities of the Company.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Group are increasing raw material costs and maintaining sales levels.

The Group's management endeavour to mitigate these risks by implementing regular strategic and operational reviews.

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit, liquidity and foreign exchange risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group.

Credit risk

The Group has implemented policies through its credit control procedures to ensure appropriate credit checks are performed on potential customers before sales are made. The Group has credit insurance in place to hedge against this risk.

Liquidity risk

The Group actively maintains a mixture of long term and short term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

Foreign exchange risk

While operations of the Group are mainly in the United Kingdom the Group is exposed to foreign exchange risk in the normal course of business principally on sales and purchases denominated in Euro and US Dollars. The Group operates Euro and US Dollar denominated bank accounts and fixed rate foreign exchange contracts to hedge its foreign exchange risk.

Strategic report (continued)

Key performance indicators

The Group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

By order of the Board



Martin O'Neill
Director

25 September 2014

Directors' report

The directors present their report and the audited consolidated financial statements for the period ended 31 December 2013.

Results

The consolidated profit and loss account is set out on page 8.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2013. The profit for the period has been transferred to reserves.

Directors

The directors of the Company at 31 December 2013, who have all been directors for the whole of the period ended on that date, are listed on page 1.

Changes in fixed assets

The movements in fixed assets during the period are set out in notes 12, 13 and 14 to the consolidated financial statements.

Taxation status

The Company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial period.

Research and development

The Group is involved in the development of new crawler track systems for future commercial production.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. 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 the affairs of the Company and Group and the profit or loss of the Company and Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures, disclosed and explained in the financial statements;

Directors' report (continued)

Directors' responsibilities statement (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company and the Group auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's and the Group's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

The auditors, ASM (M) Ltd, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the Board



Martin O'Neill
Director

25 September 2014

Independent auditors' report to the members of Aghareany Limited

We have audited the consolidated financial statements of Aghareany Limited for the period ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Company and Group Balance Sheets, the Consolidated Cash Flow Statement 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 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 opinion we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the directors are responsible for the preparation of the consolidated 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 consolidated 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 consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 and Group 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 consolidated 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 consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the Company and Group's affairs as at 31 December 2013 and of its profit for the period 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.

Independent auditors' report to the members of Aghareany Limited (continued)

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 period for which the consolidated financial statements are prepared is consistent with the consolidated 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated 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 of the information and explanations we require for our audit.

Mark McNeill

Mark McNeill (Senior Statutory Auditor)

**For and on behalf of:
ASM (M) Ltd
Chartered Accountants and Statutory Auditors**

**The Diamond Centre
Market Street
Magherafelt**

25 September 2014

Consolidated profit and loss account

	Notes	2013 (17 months) £	2012 (12 months) £
Turnover	1, 2	66,906,872	51,062,642
Cost of sales		<u>(60,272,588)</u>	<u>(44,246,980)</u>
Gross profit/(loss)		6,634,284	6,815,662
Net operating expenses	3	<u>(3,569,672)</u>	<u>(1,386,346)</u>
Operating profit/(loss)		3,064,612	5,429,316
Exceptional charges	4	<u>(292,921)</u>	<u>(725,050)</u>
Investment income		134,574	67,325
Other income		<u>76,795</u>	<u>-</u>
Profits/(loss) on ordinary activities before interest payable		2,983,060	4,771,591
Interest payable and similar charges	7	<u>(103,535)</u>	<u>(146,068)</u>
Profit/(loss) on ordinary activities before taxation	8	2,879,525	4,625,523
Taxation	9	<u>(467,906)</u>	<u>(1,129,526)</u>
Profit/(loss) for the period	21, 22	<u>2,411,619</u>	<u>3,495,997</u>

All amounts above relate to continuing operations of the Group.

The Group has no recognised gains or losses other than the profits/(losses) above and therefore no separate consolidated statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the period stated above and their historical cost equivalents.

Balance sheets

	Notes	Group		Company	
		2013	2012	2013	2012
		£	£	£	£
Fixed assets					
Intangible fixed assets	12	-	-	-	-
Tangible fixed assets	13	109,140	29,826	-	-
Investments	14	-	-	3,097,028	3,097,028
		<u>109,140</u>	<u>29,826</u>	<u>3,097,028</u>	<u>3,097,028</u>
Current assets					
Stock	15	8,266,870	8,147,525	-	-
Debtor	16	9,869,718	15,366,005	912,460	1,022,381
Cash at bank		7,801,793	3,740,936	5,325,503	2,930,550
		<u>25,938,381</u>	<u>27,254,466</u>	<u>6,237,963</u>	<u>3,952,931</u>
Creditors: amounts falling due within one year	17	<u>14,755,197</u>	<u>18,417,045</u>	<u>3,654,882</u>	<u>1,877,831</u>
Net current assets/(liabilities)		<u>11,183,184</u>	<u>8,837,421</u>	<u>2,583,081</u>	<u>2,075,100</u>
Total assets less current liabilities		<u>11,292,324</u>	<u>8,867,247</u>	<u>5,680,109</u>	<u>5,172,128</u>
Creditors: amounts falling due after one year	18	<u>169,431</u>	<u>169,431</u>	<u>169,431</u>	<u>169,431</u>
Provisions for liabilities	19	<u>13,458</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>182,889</u>	<u>169,431</u>	<u>169,431</u>	<u>169,431</u>
Net assets		<u>11,109,435</u>	<u>8,697,816</u>	<u>5,510,678</u>	<u>5,002,697</u>
Capital and reserves					
Called up share capital	20	5	5	5	5
Share premium account	21	999,995	999,995	999,995	999,995
Profit and loss account	21	10,109,435	7,697,816	4,510,678	4,002,697
Total equity shareholders' funds	22	<u>11,109,435</u>	<u>8,697,816</u>	<u>5,510,678</u>	<u>5,002,697</u>

The consolidated financial statements on pages 8 to 22 were approved and authorised for issue by the Board of Directors on 25 September 2014 and were signed on its behalf by:



Martin O'Neill
Director

Registration Number: NI060161

The notes on pages 12 to 22 form part of these consolidated financial statements

ASM

Consolidated cash flow statement for the period ended 31 December 2013

	2013 (17 months) £	2012 (12 months) £
Net cash inflow/(outflow) from operating activities (page 11)	10,206,062	1,613,857
Returns on investments and servicing of finance		
Interest paid	(103,535)	(146,068)
Bank compensation	76,795	-
Interest received	134,574	67,325
	<u>107,834</u>	<u>(78,743)</u>
Taxation	(1,490,980)	(484,774)
Capital expenditure		
Purchase of tangible fixed assets	(127,515)	-
Proceeds on sale of tangible fixed assets	-	-
Net cash outflow for capital expenditure	(127,515)	-
Financing		
Bank loan repayment	-	-
Net cash outflow for financing	-	-
Increase/(decrease) in cash and cash equivalents	8,695,401	1,050,340

The notes on pages 12 to 22 form part of these consolidated financial statements

Consolidated cash flow statement for the period ended 31 December 2013

Reconciliation of operating profit to net cash inflow from operating activities

	2013 (17 months) £	2012 (12 months) £
Operating profit (page 8)	3,064,612	5,429,316
Depreciation of tangible fixed assets	48,201	25,911
(Increase)/decrease in stocks	(119,345)	(2,684,624)
(Increase)/decrease in trade debtors	6,126,309	(4,748,846)
Increase/(decrease) in trade creditors	(3,550,027)	3,215,192
(Increase)/decrease in other debtors and prepayments	344,101	293,539
(Increase)/decrease in related party debt	(392,595)	94,836
Increase/(decrease) in other creditors and accruals	4,548,633	343,370
Increase/(decrease) in other taxation and social security	136,173	(354,837)
Net cash inflow/(outflow) from continuing operating activities	10,206,062	1,613,857

Analysis of changes in net debt

	2013 (17 months) £	2012 (12 months) £
Opening balance	(2,221,233)	(3,271,573)
Net cash flow	8,695,401	1,050,340
Closing balance	6,474,168	(2,221,233)

	2013 (17 months) £	2012 (12 months) £	Change in the year £
Analysis of balances			
Cash at bank and in hand	7,801,793	3,740,936	4,060,857
Bank overdraft	-	-	-
Commercial finance	(1,327,625)	(5,962,169)	4,634,544
	6,474,168	(2,221,333)	8,695,401

	Bank loans £
Analysis of changes in financing	
At 1 August 2012	-
Loan repayments	-
At 31 December 2013	-

The notes on pages 12 to 22 form part of these consolidated financial statements

Notes to the consolidated financial statements

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below.

Basis of accounting

The consolidated financial statements are prepared in accordance with the historical cost convention.

Going concern

The Group made a profit during the period ended 31 December 2013 and, at that date, the Group's assets exceeded its liabilities.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the Company and its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation.

Turnover

Turnover represents amounts receivable for goods and services net of value added taxation and trade discounts.

Investment income

Income from deposits is included, together with the related tax credit, in the profit and loss account on an accruals basis.

Parent company profit and loss

The Company is exempt from publishing its profit and loss account under Section 408 of the Companies Act 2006.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, net of amortisation and any provision for impairment.

Goodwill arising on the acquisition of subsidiaries and other purchased goodwill is eliminated by amortisation through the profit and loss account on a straight line basis over its useful economic life. The principal rates used for this purpose are as follows:

	%
Goodwill arising on consolidation	20

The carrying values of goodwill are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at their purchase cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

	%
Leasehold improvements	10
Plant and machinery	10 – 25
Computer equipment	25 – 50
Fixtures and fittings	25
Motor vehicles	25

The cost of freehold land is not depreciated.

Investments

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

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. All exchange differences are taken to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and direct costs. Net realisable value is based on estimated selling price less further costs expected to be incurred on completion or disposal. Provision is made for any slow moving or obsolete stock.

Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

Deferred taxation

Deferred taxation is stated on a full liability basis on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are not recognised in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

2. Turnover

No analysis of turnover by activity or geographical area has been provided as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Company and Group.

3. Net operating expenses

	2013 (17 months) £	2012 (12 months) £
Administrative expenses	<u>3,569,672</u>	<u>1,386,346</u>

4. Exceptional charges

	2013 (17 months) £	2012 (12 months) £
Write off of related Company debt	292,921	685,050
Other	-	40,000
	<u>292,921</u>	<u>725,050</u>

5. Directors' emoluments

	2013 (17 months) £	2012 (12 months) £
Salary and other benefits in kind	<u>324,369</u>	<u>182,355</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>142,106</u>	<u>50,739</u>
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6. Employees

The average number of persons (including executive directors) employed by the Group during the period was:

	2013 (17 months) Number	2012 (12 months) Number
By activity		
Administration	26	22
Sales	5	4
Production	26	26
	<u>57</u>	<u>52</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,999,866	1,269,298
Social security costs	210,534	175,193
Other pension costs	250,000	250,000
	<u>2,460,400</u>	<u>1,694,491</u>

Notes to the consolidated financial statements (continued)

7. Interest payable and similar charges

	2013 (17 months) £	2012 (12 months) £
On bank overdrafts and loans:		
Repayable in instalments within five years	103,535	146,068
	<u>103,535</u>	<u>146,068</u>

8. Profit/(loss) on ordinary activities before taxation

	2013 (17 months) £	2012 (12 months) £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	9,500	9,500
Depreciation of tangible fixed assets	48,201	25,911
Amortisation of intangible fixed assets	-	-
Exceptional charges	<u>292,921</u>	<u>725,050</u>
And after crediting:		
Other income	76,795	-
Investment income	<u>134,574</u>	<u>67,325</u>

9. Taxation

(a) Analysis of the charge for the period

	2013 (17 months) £	2012 (12 months) £
Corporation tax		
UK corporation tax on the profit/(loss) for the period	453,008	1,129,526
Adjustments in respect of prior years	<u>1,440</u>	<u>-</u>
Total corporation tax	<u>454,448</u>	<u>1,129,526</u>
Deferred tax		
Origination and reversal of timing differences	13,458	-
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Total deferred tax	<u>13,458</u>	<u>-</u>
Total tax charge	<u>467,906</u>	<u>1,129,526</u>

Notes to the consolidated financial statements (continued)

9. Taxation (continued)

(b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom (23%). The difference is explained as follows:

	2013 (17 months) £	2012 (12 months) £
Profit/(loss) on ordinary activities before taxation	<u>2,879,528</u>	<u>4,625,523</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012: 24%)	662,291	1,110,126
Effects of:		
Capital allowances for the year in excess of depreciation	(22,089)	2,375
Expenses not deductible for tax purposes	69,539	165,576
Research and development tax allowance	(265,769)	(208,000)
Change in rate of corporation tax	9,036	59,449
	<u>453,008</u>	<u>1,129,526</u>

10. Profit/(loss) for the financial year

Aghareany Limited has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The amount of consolidated profit for the financial period dealt with in the accounts of the holding company is **£507,981** (2012: £1,549,016).

11. Dividend

	2013 (17 months) £	2012 (12 months) £
Ordinary dividend	-	-
Interim dividend of £Nil (2012:£Nil) per Ordinary £0.01 Share	-	-

Notes to the consolidated financial statements (continued)

12. Intangible fixed assets

Group	Goodwill arising on consolidation £
Cost	
At 1 August 2012	2,121,528
Additions	-
Disposals	-
At 31 December 2013	2,121,528
Amortisation	
At 1 August 2012	2,121,528
Charge for the period	-
Disposals	-
At 31 December 2013	2,121,528
Net book value	
At 31 December 2013	-
At 31 July 2012	-

Goodwill arising on consolidation consists solely of goodwill arising on the purchase of the share capital of Strickland Tracks Limited, a Company registered in England and Wales, on 9 December 1997.

Company

The Company had no intangible fixed assets at the 31 December 2013 or at 31 July 2012.

13. Tangible fixed assets

Group	Leasehold improvements £	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 August 2012	42,125	294,860	95,138	49,507	3,500	485,130
Additions	-	91,166	36,349	-	-	127,515
Disposals	-	-	-	-	-	-
At 31 December 2013	42,125	386,026	131,487	49,507	3,500	612,645
Depreciation						
At 1 August 2012	36,492	270,937	95,138	49,507	3,230	455,304
Charge for the year	3,167	40,466	4,298	-	270	48,201
Disposals	-	-	-	-	-	-
At 31 December 2013	39,659	311,403	99,436	49,507	3,500	503,505
Net book value						
At 31 December 2013	2,466	74,623	32,051	-	-	109,140
At 31 July 2012	5,633	23,923	-	-	270	29,826

Company

The Company had no tangible fixed assets at 31 December 2013 or at 31 July 2012.

Notes to the consolidated financial statements (continued)

14. Fixed assets investments

Group

The Group had no fixed asset investments at 31 December 2013 or at 31 July 2012.

Company

	Interests in group undertakings £
Cost	
At 1 August 2012	3,097,028
Additions	-
At 31 December 2013	3,097,028
Depreciation	
At 1 August 2012	-
Charge for the period	-
At 31 December 2013	-
Net book value	
At 31 December 2013	3,097,028
At 31 July 2012	3,097,028

Investments do not include any investments listed on a recognised stock exchange.

Interests in group undertakings

Interest in Group undertakings are analysed as follows:

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held	
			Group %	Company %
Strickland Tracks Limited	Great Britain	Ordinary £1 Shares	100	100

The principal activity of the above Company is the manufacture and sale of crawler track systems.

The above Company operated principally in its country of incorporation.

The financial performance and net asset value at the end of the last statement of account for the group undertaking listed above was:

Name of undertaking	Latest financial statements Period ended	Period of account months	Profit/(loss) after taxation £	Net assets/ (liabilities) £
Strickland Tracks Limited	31 December 2013	17	3,160,672	8,695,785

Notes to the consolidated financial statements (continued)

15. Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials	7,262,146	7,301,357	-	-
Finished goods	1,004,724	846,168	-	-
	<u>8,266,870</u>	<u>8,147,525</u>	<u>-</u>	<u>-</u>

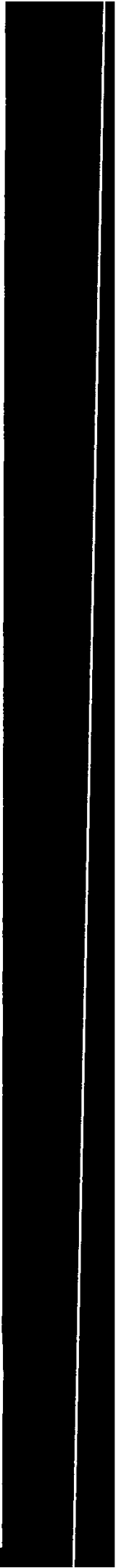
There is no material difference in the replacement costs of stock and their balance sheet amounts.

16. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due within one year				
Trade debtors	8,392,425	14,518,734	-	-
Prepayments	68,634	28,823	-	-
Corporation tax	209,615	-	-	-
Other debtors	15,470	398,526	-	-
Interest receivable	11,960	12,816	11,960	12,816
Owed by related undertakings (note 25)	1,171,614	407,106	900,500	10,500
	<u>9,869,718</u>	<u>15,366,005</u>	<u>912,460</u>	<u>23,316</u>
Amounts falling due after one year				
Owed by group undertakings (note 25)	-	-	-	999,065
	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,065</u>
	<u>9,869,718</u>	<u>15,366,005</u>	<u>912,460</u>	<u>1,022,381</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Commercial finance	1,327,625	5,962,169	-	-
Trade creditors	4,406,899	7,956,926	-	-
Corporation tax	-	826,917	121,021	541,031
Owed to related undertakings (note 25)	1,660,580	995,746	500,519	392,375
Owed to directors	887,136	673,562	886,342	672,425
Value added taxes payable	128,782	4,527	-	-
Payroll taxes	55,914	43,996	-	-
Accruals and deferred income	6,053,403	1,689,722	2,147,000	272,000
Other creditors	234,858	263,480	-	-
	<u>14,755,197</u>	<u>18,417,045</u>	<u>3,654,882</u>	<u>1,877,831</u>



Notes to the consolidated financial statements (continued)

18. Creditors: amounts falling due after one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Owed to related undertakings (note 25)	169,431	169,431	169,431	169,431
	<u>169,431</u>	<u>169,431</u>	<u>169,431</u>	<u>169,431</u>

Commercial finance facilities are secured by a fixed charge over the Group's assets, an all monies debenture incorporating full fixed and floating charge over the assets of Aghareany Limited and a full intercompany cross guarantee with Strickland Tracks Limited and Carmont Limited.

Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	Group 2013 £	2012 £	Company 2013 £	2012 £
Tax effect of timing differences because of:				
Accelerated capital allowances	13,458	-	-	-
	<u>13,458</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement in the provision during the period

	Group (17 months) £	Company £
At 1 August 2012	-	-
Transfer from/(to) the profit and loss account (note 9)	13,458	-
At 31 December 2013	<u>13,458</u>	<u>-</u>

19. Called up share capital

	Group 2013 £	2012 £	Company 2013 £	2012 £
Allotted, called up and fully paid 500 Ordinary Shares of £0.01 each	5	5	5	5

Notes to the consolidated financial statements (continued)

20. Reserves

	Group		Company	
	Share premium account	Profit and loss account	Share premium account	Profit and loss account
	£	£	£	£
At 1 August 2012	999,995	7,697,816	999,995	4,002,697
Profit/(loss) for the period	-	2,411,619	-	507,981
Equity dividends paid (note 11)	-	-	-	-
At 31 December 2013	<u>999,995</u>	<u>10,109,435</u>	<u>999,995</u>	<u>4,510,678</u>

21. Reconciliation of the movement in equity shareholders' funds

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Opening shareholders' funds	8,697,816	5,201,819	5,002,697	3,453,681
Profit/(loss) for the period	2,411,619	3,495,997	507,981	1,549,016
Equity dividends paid (note 11)	-	-	-	-
Closing shareholders' funds	<u>11,109,435</u>	<u>8,697,816</u>	<u>5,510,678</u>	<u>5,002,697</u>

22. Contingent liabilities

Warranty

The Group provides for warranty claims on its products, depending on the type of product/component. The warranty period varies depending upon sales agreements reached with each customer. Provision has been made for warranty costs based on actual and anticipated claims.

VAT

The Company is included within a group VAT registration scheme. As such the Company is jointly and severally liable for the amounts owed by the other VAT group companies at the balance sheet date. At the balance sheet date this amounted to **£30,735** (2012: £90,934).

Other

The Company and Group had no other contingent liabilities at 31 December 2013 or at 31 July 2012.

23. Capital commitments

The Company and Group had no capital commitments at 31 December 2013 or at 31 July 2012.

Notes to the consolidated financial statements (continued)

24. Related party transactions

Group undertakings

The Company has taken advantage of the exemption under Financial Reporting Standard No.8 "Related Party Transactions" not to disclose transactions with group undertakings as the companies are 100% subsidiaries.

Related undertakings

Carmont Limited, a company established in Northern Ireland, Annaghbeg Limited, a company established in Northern Ireland, Strickland Direct Limited, a company established in England and Wales, Ballyliffan Limited, a company established in Northern Ireland, Acker Developments Limited, a company established in Northern Ireland, Mid-Ulster Reproductions Limited, a company established in Northern Ireland, Blackrock MFG Limited, a company established in Northern Ireland, Tullymore Limited, a company established in Northern Ireland, Nevache Limited, a company established in Northern Ireland, Wuxi Strickland Co Limited, a company established in China and Drumbearn Limited, a company established in Northern Ireland are considered to be related parties as defined by Financial Reporting Standard No 8 "Related Party Transactions" on the basis that all of these companies are under common control.

The transactions during the period with these related undertakings and the amounts owed by/(to) these undertakings at the start and end of the financial period are analysed as follows:

Related undertaking	At 1 August 2012 £	Loan advances/ (repayments) £	Amounts written off £	At 31 December 2013 £
Carmont Limited	(169,431)	-	-	(169,431)
Annaghbeg Limited	(167,335)	-	-	(167,335)
Strickland Direct Limited	(324,910)	(688,387)	-	(1,013,297)
Mid-Ulster Reproductions Limited	40,693	(31,735)	-	8,958
Ballyliffan Limited	(188,501)	-	-	(188,501)
Acker Developments Limited	(315,000)	88,553	-	(226,447)
Blackrock MFG Limited	73,500	(138,500)	-	(65,000)
Drumbearn Limited	292,913	(292,913)	-	-
Tullymore Limited	-	600,000	-	600,000
Nevache Limited	-	290,000	-	290,000
Wuxi Strickland Tracks Co Limited	-	272,656	-	272,656
	<u>(758,071)</u>	<u>99,674</u>	<u>-</u>	<u>(658,397)</u>

25. Ultimate controlling party

The ultimate controlling party is Pat O'Neill, who holds 85% of the Company's equity share capital.

