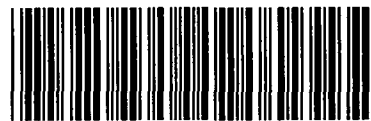


**ADHESIVE SPECIALITIES LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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COMPANIES HOUSE

# **ADHESIVE SPECIALITIES LTD**

## **COMPANY INFORMATION**

### **DIRECTORS**

Mr P L Parsons  
Mr S W Gibson  
Mr A M Nicholson

### **COMPANY SECRETARY**

Mr P L Parsons

### **REGISTERED NUMBER**

00957040

### **REGISTERED OFFICE**

Tickitape House  
31 Bone Lane  
Newbury  
Berkshire  
RG14 5SH

# **ADHESIVE SPECIALITIES LTD**

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## **ADHESIVE SPECIALITIES LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

The Directors present their report and the financial statements for the year ended 31 March 2014.

#### **DIRECTORS**

The Directors who served during the year were:

Mr P L Parsons  
Mr S W Gibson  
Mr A M Nicholson

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic Report, 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 judgments 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.

#### **RESULTS**

The profit for the year, after taxation, amounted to £282,990 (2013 - £90,046).

#### **FUTURE DEVELOPMENTS**

The Director's intention in the next years is to strive to increase the turnover and profitability and results for the current year to date are encouraging.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**ADHESIVE SPECIALITIES LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

**AUDITOR**

The auditor, James Cowper LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P L Parsons', written over a dotted line.

**Mr P L Parsons**  
Director

Date: 22/7/14

## ADHESIVE SPECIALITIES LTD

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

#### BUSINESS REVIEW

The year was a year of consolidation and stability. Pre tax profit for the year at £357,423 (2013: £221,512) was greatly increased over the previous year and there were no exceptional items to reduce this figure.

Overall sales for the year showed a reduction of 3% over the previous year which considering the tough trading condition in the UK is quite pleasing. Export Sales grew by 3% in the year and accounted for nearly 25% of total sales. Overall margin for the year increased by over 1%. The new financial year has started very well and we hope this continues.

During the year we have purchased some new production equipment to ensure we are able to deliver customer demand efficiently on both home and export markets. We have also replaced some of our computer equipment to ensure a speedy response to our customers.

On 11th June 2012 the Company entered into a new lease agreement in respect of the Newbury premises. Included in this lease agreement was an incentive to sign the lease in the form of a reduction of rent for the first two years. No adjustment has been included in the financial statements in respect of this reduced rent as required by UITF 28 – Operating Lease Incentives. The effect of this accounting standard would have been to increase the rent charged in the accounts in the current year by £48,167 (2013: £71,896), and the accounts for the following 10 years reduced by these amounts proportionately. The Directors believe that applying this recommendation would show an incorrect position in each of the 12 years both as regards profits and liabilities and have therefore decided not to comply with this accounting recommendation.

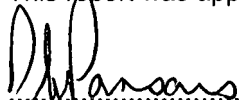
#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to a variety of financial risks.

A high percentage of the Company's raw materials are imported from Europe and the Far East which exposes the operations to currency fluctuations. Such fluctuations are taken into account when pricing products.

The Company is exposed to credit risk. Policies are in force to ensure that credit checks on potential customers are made before sales are made. The amount of exposure to any individual customer is subject to a limit which is reassessed periodically by the Directors.

This report was approved by the board on 22<sup>ND</sup> JULY 2014 and signed on its behalf.



Mr P L Parsons  
Director

## **ADHESIVE SPECIALITIES LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADHESIVE SPECIALITIES LTD**

We have audited the financial statements of Adhesive Specialities Ltd for the year ended 31 March 2014, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the Directors' Responsibilities Statement, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **QUALIFIED OPINION ON FINANCIAL STATEMENTS**

On 11 June 2012 the company entered into a new lease agreement in respect of its premises. Included in this lease agreement was an incentive to sign the lease in the form of a reduction of rent for the first 3 years. No adjustment has been included in the financial statements in respect of this reduced rent as required by UITF 28, Operating Lease Incentives. In our opinion UITF 28 should have been applied to this operating lease.

Accordingly, accruals, retained earnings and net assets have been overstated by the cumulative amount of £120,063. The profit for the year should be reduced by £48,167.

As documented above, the accounts will be submitted with a qualified opinion as a result of incorrect accounting treatment on the lease agreement.

In our opinion, except for the effects of the matters described in the above paragraph, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

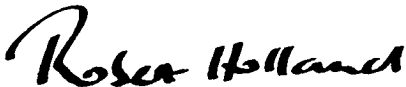
**ADHESIVE SPECIALITIES LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADHESIVE SPECIALITIES LTD**

**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.



Robert Holland BSc FCA (Senior Statutory Auditor)

for and on behalf of  
**James Cowper LLP**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
RG14 5UX

Date:

**22-7-14**



# ADHESIVE SPECIALITIES LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>6,779,801</b>	6,895,661
Cost of sales		<u>(4,517,598)</u>	<u>(4,727,634)</u>
<b>GROSS PROFIT</b>		<b>2,262,203</b>	2,168,027
Distribution costs		<u>(207,477)</u>	<u>(236,996)</u>
Administrative expenses		<u>(1,694,193)</u>	<u>(1,706,353)</u>
<b>OPERATING PROFIT</b>	3	<b>360,533</b>	224,678
<b>EXCEPTIONAL ITEMS</b>			
Net profit/(loss) on sale of tangible fixed assets	7	<u>-</u>	<u>(85,000)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>360,533</b>	139,678
Interest payable and similar charges	6	<u>(3,110)</u>	<u>(3,166)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>357,423</b>	136,512
Tax on profit on ordinary activities	8	<u>(74,433)</u>	<u>(46,466)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<u><b>282,990</b></u>	<u>90,046</u>

All amounts relate to continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

**ADHESIVE SPECIALITIES LTD**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2014**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>282,990</b>	<b>90,046</b>
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(53,009)
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>282,990</b>	<b>37,037</b>
	<hr/>	<hr/>

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

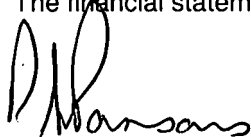
The notes on pages 9 to 17 form part of these financial statements.

**ADHESIVE SPECIALITIES LTD**  
**REGISTERED NUMBER: 00957040**

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	2013 £
<b>FIXED ASSETS</b>				
Tangible assets	9		360,883	300,400
<b>CURRENT ASSETS</b>				
Stocks	10	607,004		790,658
Debtors	11	3,424,681		3,195,065
Cash at bank		68,325		71,862
		<u>4,100,010</u>		<u>4,057,585</u>
<b>CREDITORS:</b> amounts falling due within one year	12	(2,369,558)		(2,409,475)
<b>NET CURRENT ASSETS</b>			<u>1,730,452</u>	<u>1,648,110</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,091,335</u>	<u>1,948,510</u>
<b>CREDITORS:</b> amounts falling due after more than one year	13		(28,710)	-
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	14		(30,862)	(49,737)
<b>NET ASSETS</b>			<u><u>2,031,763</u></u>	<u><u>1,898,773</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	15		1,200,000	1,200,000
Profit and loss account	16		831,763	698,773
<b>SHAREHOLDERS' FUNDS</b>	17		<u><u>2,031,763</u></u>	<u><u>1,898,773</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Mr P L Parsons**  
 Director

Date: 22/7/14

The notes on pages 9 to 17 form part of these financial statements.

## ADHESIVE SPECIALITIES LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Plant & Machinery and in accordance with applicable accounting standards.

##### 1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	5% to 20% p.a. on a straight line basis
Motor vehicles	-	25% p.a. on a straight line basis
Fixtures & fittings	-	20% p.a. on a straight line basis
Computer equipment	-	20% p.a. on a straight line basis

##### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a cash basis. This treatment is contrary to UITF 28, Operating Lease Incentives, but in the opinion of the directors is required to show a true and fair view of the company's performance. To account for the reduction in rent would require the inclusion of a liability on the balance sheet which, in the opinion of the directors, would be misleading to the users of these accounts because it would not represent a true liability.

##### 1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

## ADHESIVE SPECIALITIES LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

##### 1.10 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

#### 2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	5,108,607	5,267,966
Overseas	1,671,194	1,627,695
	<u>6,779,801</u>	<u>6,895,661</u>

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	107,923	114,923
Auditor's remuneration	11,500	11,500
Operating lease rentals:		
- other operating leases	209,255	157,887
Difference on foreign exchange	3,351	2,009
Profit/loss on sale of tangible assets	(18,686)	1,382
	<u>          </u>	<u>          </u>

### 4. STAFF COSTS

Staff costs, including Directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	898,919	945,481
Social security costs	75,996	68,651
Other pension costs	66,045	59,240
	<u>          </u>	<u>          </u>
	1,040,960	1,073,372
	<u>          </u>	<u>          </u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2014 No.	2013 No.
Production staff	14	16
Selling and distribution staff	20	17
Office and administrative staff	15	13
	<u>          </u>	<u>          </u>
	49	46
	<u>          </u>	<u>          </u>

### 5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	144,504	153,977
	<u>          </u>	<u>          </u>
Company pension contributions to defined contribution pension schemes	34,560	34,560
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 3 Directors (2013 - 3) in respect of defined contribution pension schemes.

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 6. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	190	166
On other loans	1,315	1,312
On finance leases and hire purchase contracts	1,605	1,688
	<u>3,110</u>	<u>3,166</u>

### 7. EXCEPTIONAL ITEMS

	2014 £	2013 £
Loss on sale of tangible fixed assets	-	85,000
	<u>-</u>	<u>85,000</u>

### 8. TAXATION

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	93,821	73,273
Adjustments in respect of prior periods	(513)	-
<b>Total current tax</b>	<u>93,308</u>	<u>73,273</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,196)	(23,592)
Effect of tax rate change on opening balance	(4,959)	(3,189)
Adjustments in respect of prior periods	(11,720)	(26)
<b>Total deferred tax</b> (see note 14)	<u>(18,875)</u>	<u>(26,807)</u>
<b>Tax on profit on ordinary activities</b>	<u>74,433</u>	<u>46,466</u>

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 8. TAXATION (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>357,423</u>	<u>136,512</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	82,207	32,763
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,240	2,166
Capital allowances for year in excess of depreciation	183	23,425
Adjustments to tax charge in respect of prior periods	(513)	-
Other timing differences leading to an increase (decrease) in taxation	199	-
Other differences leading to an increase (decrease) in the tax charge	(513)	1,193
Group relief	-	(2,405)
Marginal relief	(2,495)	(4,269)
Fixed asset differences	-	20,400
<b>Current tax charge for the year (see note above)</b>	<u><u>93,308</u></u>	<u><u>73,273</u></u>



# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2013	740,478	144,832	177,524	269,061	1,331,895
Additions	35,767	133,925	-	28,155	197,847
Disposals	(8,933)	(119,860)	(21,599)	(36,670)	(187,062)
At 31 March 2014	<u>767,312</u>	<u>158,897</u>	<u>155,925</u>	<u>260,546</u>	<u>1,342,680</u>
<b>Depreciation</b>					
At 1 April 2013	497,948	96,403	168,142	269,002	1,031,495
Charge for the year	57,745	36,572	9,382	4,224	107,923
On disposals	(8,933)	(90,419)	(21,599)	(36,670)	(157,621)
At 31 March 2014	<u>546,760</u>	<u>42,556</u>	<u>155,925</u>	<u>236,556</u>	<u>981,797</u>
<b>Net book value</b>					
At 31 March 2014	<u>220,552</u>	<u>116,341</u>	<u>-</u>	<u>23,990</u>	<u>360,883</u>
At 31 March 2013	<u>242,530</u>	<u>48,429</u>	<u>9,382</u>	<u>59</u>	<u>300,400</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Motor vehicles	114,800	-
Computer equipment	21,060	-
	<u>135,860</u>	<u>-</u>

### 10. STOCKS

	2014 £	2013 £
Raw materials	90,815	98,315
Work in progress	115,437	127,060
Finished goods and goods for resale	400,752	565,283
	<u>607,004</u>	<u>790,658</u>

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 11. DEBTORS

	2014 £	2013 £
Trade debtors	1,217,562	1,114,890
Amounts owed by group undertakings	2,151,976	2,015,916
Other debtors	1,668	13,156
Prepayments and accrued income	53,475	51,103
	<u>3,424,681</u>	<u>3,195,065</u>

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

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	53,999	-
Trade creditors	1,007,100	1,144,490
Corporation tax	93,821	73,273
Other taxation and social security	110,548	84,513
Other creditors	984,395	1,000,625
Accruals and deferred income	119,695	106,574
	<u>2,369,558</u>	<u>2,409,475</u>

Included within other creditors is an amount of £960,787 (2013: £959,880) relating to the factoring of trade debts. The factoring agreement is secured by a fixed charge over the book debts and a floating charge over the assets and undertakings of the company.

### 13. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>28,710</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>28,710</u>	<u>-</u>

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 14. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	49,737	76,544
Released during year (P&L)	(18,875)	(26,807)
At end of year	<u>30,862</u>	<u>49,737</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	32,056	50,910
Short term timing differences	(1,194)	(1,173)
	<u>30,862</u>	<u>49,737</u>

### 15. SHARE CAPITAL

	2014 £	2013 £
Authorised, allotted, called up and fully paid		
1,200,000 Ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>

### 16. RESERVES

	Profit and loss account £
At 1 April 2013	698,773
Profit for the financial year	282,990
Dividends: Equity capital	(150,000)
At 31 March 2014	<u>831,763</u>

### 17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,898,773	1,861,736
Profit for the financial year	282,990	90,046
Dividends (Note 18)	(150,000)	-
Other recognised gains and losses during the year	-	(53,009)
Closing shareholders' funds	<u>2,031,763</u>	<u>1,898,773</u>

# ADHESIVE SPECIALITIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 18. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>150,000</u>	<u>-</u>

### 19. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £66,045 (2013: £59,240). Contributions totaling £7,125 (2013: £6,080) were payable to the fund at the balance sheet date and are included in creditors.

### 20. OPERATING LEASE COMMITMENTS

At 31 March 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Within 1 year	-	-	-	10,288
Between 2 and 5 years	-	-	3,815	-
After more than 5 years	<u>258,083</u>	<u>207,083</u>	<u>-</u>	<u>-</u>

### 21. RELATED PARTY TRANSACTIONS

Transactions with the parent company have not been disclosed. This is because the company has taken advantage of the exemption available under FRS8 in respect of 100% owned subsidiaries.

### 22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company at the balance sheet date was A S Tapes Limited.

The parent of the smallest and largest group for which group accounts including Adhesive Specialities Limited are drawn up is A S Tapes Limited. Copies of these accounts may be obtained from the registered office.

In the opinion of the directors, there is no controlling party of the company.