REGISTRAR'S COPY

Financial Statements Ronson Limited

For the year ended 31 December 2011

SATURDAY

A1IHXWW3

A44 29/09/2012 #73

COMPANIES HOUSE

Company No. 1907889

Company information

Company registration number:	1907889
Registered office:	Station Works Station Road LONG BUCKBY Northamptonshire NN6 7PF
Director:	Bardia Panahy
Auditor:	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

Index to the financial statements

Report of the director

The director presents his report together with the financial statements for the year ended 31 December 2011

Principal activity

The group is principally engaged in the sourcing, marketing, sales, distribution and licensing of branded goods

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements and are discussed further in the business review below

The group has not paid any dividends during the year

Business and review

The company is the holding company for Ronson International Limited and Ronson Incorporated Limited There was a loss for the year after taxation amounting to £572,776 (2010 - £197,072)

Qualifying third party indemnity provision

During the financial year, a qualifying third party indemnity provision for the benefit of the director was in force

The director

Bardia Panahy is the sole director of the company He holds no shares in the company or its parent undertaking

Statement of director's responsibilities

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently
- make judgments and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Statement of director's responsibilities (continued)

The director is 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 He is 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

In so far the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

Small company exemption

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

ON BEHALF OF THE BOARD

B Panahy
Director
25/9/2012

Grant Thornton

Report of the independent auditor to the members of Ronson Limited

(registered number 1907889)

We have audited the financial statements of Ronson Limited for the year ended 31 December 2011 which comprise the principal accounting policies, consolidated profit and loss account, group and parent company balance sheets, the consolidated cash flow 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 opinions we have formed

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on pages 3 and 4, the director is 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 (APB'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 APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's loss 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

Grant Thornton

Report of the independent auditor to the members of Ronson Limited

(registered number 1907889)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the 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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

John Corbishley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

28 September 2012.

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice)

The group's accounting policies are unchanged compared with the prior year

Basis of preparing the financial statements – going concern

The financial statements have been prepared on a going concern basis, which assumes the group will continue to trade for the foreseeable future Further details are set out in note 25 to the financial statements

Basis of consolidation

The group financial statements include the consolidation of the company and each of its subsidiary undertakings All intra-group transactions have been eliminated on consolidation A separate profit and loss account for the parent company is not presented with the group financial statements as permitted by section 408 of the Companies Act 2006 The company's loss after tax for the year was £3,726,055

Turnover

Turnover is the revenue arising from the sales of goods and services It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms

Revenue from services provided by the group is recognised when the group has performed its obligations and in exchange obtained the right to consideration

Intangible assets

Goodwill

Purchased goodwill arising on acquisitions is the difference between the fair value of the purchase consideration and the fair value of the group's share of the identifiable assets and liabilities of the acquired business at the date of acquisition Goodwill arising on acquisition was written off against reserves

Any goodwill arising from future acquisitions will be capitalised and classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years Goodwill will be reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable

Intangible assets (continued)

Research and development
Research and development expenditure is charged to profits in the period in which it is incurred Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects All other development costs are written off in the year of expenditure

Tangible fixed assets and depreciation

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

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives The periods generally applicable are

Equipment, fixtures and fittings	15% - 33% per annum

Investments

Investments are included at cost less provision for impairment

The group as lessee

Operating lease agreements
Leases where substantially all of the risks and rewards of ownership are not transferred to the group are treated as operating leases Rentals under operating leases are charged against profits on a straight-line basis over the period of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items, based on historical experience of utilisation on a category-by-category basis

Net realisable value is the estimated selling price less all further costs to complete and all costs to be incurred in marketing, selling and distribution

Current tax

The current tax charge is based on the result for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

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

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

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

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

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, except where the transaction is to be settled using a contracted rate, in which case that rate is used Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date

Foreign exchange gains and losses are credited or charged to the profit and loss account as they arise

Group accounts

The financial statements of foreign subsidiaries and the related goodwill are translated at the closing exchange rate at the balance sheet date

Retirement benefits

Defined contribution pension scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period The group accounts for its contributions to the group pension schemes as a defined contribution scheme

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Consolidated profit and loss account

	Note		2011		2010
		£'000	£'000	£'000	£'000
Turnover	1				
- Continuing operations		3,633		4,480	
- Discontinued operations		372		439	
			4,005		4,919
Cost of sales			(3,122)		(3,567)
Gross profit			883		1,352
Other operating income and charges	2		(1,235)		(1,329)
Operating profit/(loss) before interest and taxation					
- Continuing operations		(352)		(35)	
- Discontinued operations		2		58	
			(350)		23
Net interest	3		(220)		(220)
Loss on ordinary activities before taxation	1		(570)		(197)
Tax on loss on ordinary activities	5		(3)		-
Loss for the financial year transferred from reserves	16		(573)		(197)

There were no recognised gains or losses other than the loss for the financial year

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	Group 2011 £'000	Group 2010 £'000	Company 2011 £'000	Company 2010 £'000
Fixed assets					
Tangible assets	8	-	1	-	-
Investments	9	25	25	2,350	5,750
		25	26	2,350	5,750
Current assets					
Stocks	10	664	653	-	-
Debtors	11	447	823	200	200
Cash at bank and in hand		60	150	1	1
		1,171	1,626	201	201
Creditors amounts falling due within one year	12	(2,552)	(2,410)	(1,955)	(1,629)
Net current liabilities		(1,381)	(784)	(1,754)	(1,428)
Total assets less current liabilities		(1,356)	(758)	596	4,322
Creditors amounts due after more than one year	13	(1,420)	(1,420)	(1,420)	(1,420)
		(2,776)	(2,178)	(824)	2,902
Capital and reserves					
Called up share capital	14	479	479	479	479
Share premium account	15	1,989	1,989	1,989	1,989
Profit and loss account	15	(5,244)	(4,646)	(3,292)	434
Shareholders' funds	16	(2,776)	(2,178)	(824)	2,902

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

The financial statements were approved and authorised for issue by the Director on 25/09/2012

B Panahy
Director

Company registration number 1907889

The accompanying accounting policies and notes form part of these financial statements.

Consolidated cash flow statement

	Note	2011 £'000	2010 £'000
Net cash outflow/(inflow) from operating activities	17	**275**	(177)
Returns on investments and servicing of finance			
Interest paid		**(3)**	-
Net cash outflow from returns on investments and servicing of finance			-
Capital expenditure and financial investment			
Purchase of tangible fixed assets			-
Net cash outflow from capital expenditure and financial investment			-
Cash inflow before financing		**272**	(177)
Financing			
Receipt/(repayment) of borrowings		**(362)**	177
Net cash inflow from financing		**(362)**	177
Decrease in cash in the year	18	**(90)**	-

Notes to the financial statements

1 Turnover and loss on ordinary activities before taxation

A geographical analysis of turnover by destination is given below

	2011 £'000	2010 £'000
United Kingdom	2,628	3,495
Rest of Europe	1,223	1,301
Rest of the World	154	123
	4,005	4,919

The loss on ordinary activities before taxation is stated after

	2011 £'000	2010 £'000
Depreciation		
Tangible fixed assets, owned	1	19
Auditor's remuneration		
Audit services	20	20
Non-audit services	10	8
Research and development expenditure	34	38
Operating leases	57	38
Other	-	-

The audit fee includes £5,000 (2010 - £5,000) in respect of the company

2 Other operating charges

	Continuing £'000	Discontinued £'000	2011 Total £'000	Continuing £'000	Discontinued £'000	2010 Total £'000
Distribution costs	285	20	305	522	20	542
Administration expenses	867	63	930	698	89	787
	1,152	83	1,235	1,220	109	1,329

3 Net interest

	2011 £'000	2010 £'000
Interest payable and similar charges		
On bank loans and overdrafts	1	1
Finance charge on shares classed as financial liabilities	219	219
	220	220

4 Director and employees

Staff costs during the year were as follows

	2011 £'000	2010 £'000
Wages and salaries	248	271
Social security costs	20	25
Other pension costs	4	6
	272	302

The average monthly number of employees (including the director) employed by the group during the year was 9 (2010 – 11)

Remuneration in respect of director was as follows

	2011 £'000	2010 £'000
Fees	38	38

During the year no directors (2010 – no directors) participated in money purchase pension schemes

5 Taxation on loss on ordinary activities

The tax charge represents

	2011 £'000	2010 £'000
UK corporation tax on result for the period and current tax charge for the year	3	-
Deferred tax	-	-
Tax on loss on ordinary activities	3	-

Taxation on loss on ordinary activities (continued)

Factors affecting the tax charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26 49% (2010 – 28%) The differences can be explained as follows

	2011 £'000	2010 £'000
Loss on ordinary activities before tax	**(570)**	(197)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 – 28 5%)	**(151)**	(55)
Effect of		
Income not subject to tax	**-**	(2)
Expenses not deductible for tax purposes	**70**	62
Differences between capital allowances and depreciation	**(9)**	(6)
Other timing differences	**8**	1
Tax losses arising/(utilisation) of tax losses	**85**	-
Current tax charge for the year	**3**	-

It is estimated that the group has taxable losses of approximately £17m carried forward and available for offset against future trading profits subject to HM Revenue and Customs agreement

6 Dividends

Dividends on shares classed as financial liabilities

	2011 £	2010 £
Accrued at the year end		
Dividends on 8% convertible cumulative redeemable preference shares	**220**	220

7 Loss for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements The group loss for the year includes a loss of £3,726k (2010 – profit £3 141m) which is dealt with in the financial statements of the company

8 Tangible fixed assets

The group

	Equipment, fixtures and fittings £'000
Cost	
At 1 January 2011	945
Additions	0
At 31 December 2011	945
Depreciation	
At 1 January 2011	944
Charge for year	1
At 31 December 2011	945
Net book value at 31 December 2011	-
Net book value at 31 December 2010	1

The company
The net book value of tangible fixed assets is £nil (2010 - £nil)

9 Fixed asset investments

The group

	£'000
Cost and net book amount	
At 1 January 2011 and 31 December 2011	**25**

The company

	2011 £'000	2010 £'000
At cost		
At 1 January 2011 and 31 December 2011	**28,651**	28,651
Provision for impairment brought forward at 1 January 2011	**(22,901)**	(26,301)
Impairment charge	**(3,400)**	-
Reversed in year	**-**	3,400
Net book value at 31 December 2011/2010	**2,350**	5,750

The historical cost of investments is £28,651,000 (2010 - £28,651,000)

The company's investments consist of interests in group undertakings

Fixed asset investments (continued)

The details of the company's principal trading subsidiary undertakings are set out below

Name of undertaking	Principal activity	Description of shares held
Ronson International Limited	Sourcing, marketing, sales, distribution licensing of branded goods	Ordinary 5p shares
Ronson Polska SP z o o	Sourcing, marketing, sales, distribution licensing of branded goods	Ordinary 100 Zlotty shares
EMHOL Limited	Holding company	Ordinary £1 shares
Ronson Incorporated Limited	Non trading	Ordinary £1 shares

Ronson International Limited operating in the United Kingdom and is incorporated in England and Wales and is a wholly owned subsidiary included in the consolidated financial statements The shares in Ronson International Limited are wholly owned by Ronson Limited

Ronson Polska z o o is incorporated and operates in Poland and is a wholly owned subsidiary included in the consolidated financial statements The shares are wholly owned by Ronson International Limited It has been decided that this subsidiary is to close and the business transferred to Ronson International Limited

Ronson Incorporated Limited is incorporated in England and Wales and is a wholly owned subsidiary included in the consolidated financial statements The shares in Ronson Incorporated Limited are wholly owned by Ronson Limited

The group also holds 33% of the ordinary £1 shares in Aerosol Limited, a company registered in England through its shareholding in EMHOL Limited

EMHOL Limited incorporated in England and Wales and has been excluded from the consolidated financial statements as it is not considered to be material The shares in EMHOL Limited are nominally owned by Ronson International Limited

Aerosol Limited operates in the United Kingdom and is incorporated in England and Wales 33% of the shares in the company are owned by EMHOL Limited The company has been excluded from the consolidated financial statements as its results are considered to be immaterial to the group

10 Stocks

The group

	2011 £'000	2010 £'000
Finished goods and goods for resale	**664**	653

The company
There are no stocks held by the company

11 Debtors

	The group		The company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year				
Trade debtors	**415**	798	**-**	-
Amounts due from group undertakings	**-**	-	**200**	200
Other debtors	**16**	-	**-**	-
Prepayments and accrued income	**16**	25	**-**	-
	447	823	**200**	200

Included within trade debtors are factored debts with a value of £381k (2010 - £804k)

12 Creditors: amounts falling due within one year

	The group		The company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Other loans	**403**	765	**200**	200
Trade creditors	**573**	339	**-**	-
Amounts owed to group undertakings	**80**	80	**498**	391
Other taxation and social security	**10**	33	**-**	-
Other creditors	**-**	-	**-**	-
Accruals and deferred income	**1,486**	1,193	**1,257**	1,037
	2,552	2,410	**1,955**	1,628

Bank loans are secured by a fixed and floating charge over the undertaking and all property and assets
Included in other loans is £203,075 (2010 - £564,645) relating to factored debts

13 Creditors: amounts falling due after more than one year

The group and the company

	The group		The company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Other loans	**-**	-	**-**	-
Shares classed as financial liabilities	**1,420**	1,420	**1,420**	1,420
	1,420	1,420	**1,420**	1,420
Shares classed as financial liabilities				
8% convertible cumulative redeemable preference shares of £10,000 each	**1,420**	1,420	**1,420**	1,420

14 Share capital

	2011 £'000	2010 £'000
Authorised		
1,314,611 ordinary shares of £10 each	**13,146**	13,146
47,387,817 deferred shares of 4 99p each	**2,365**	2,365
183,877,060 'A' deferred shares of 0 01p each	**18**	18
200 8% convertible cumulative redeemable preference shares of £10,000 each	**2,000**	2,000
	17,529	17,529
Allotted, called up and fully paid		
46,108 ordinary shares of £10 each	**461**	461
183,864,224 'A' deferred shares of 0 01p each	**18**	18
142 8% convertible cumulative redeemable preference shares of £10,000 each	**1,420**	1,420
	1,899	1,899
Equity shares		
46,108 ordinary shares of £10 each	**461**	461
183,864,224 'A' deferred shares of 0 01p each	**18**	18
	479	479
Shares classed as financial liabilities		
142 8% convertible cumulative redeemable preference shares of £10,000 each	**1,420**	1,420

The 'A' deferred shares and deferred shares are non-voting, do not rank for dividend payments and will receive a repayment of nominal amounts paid up on such shares in the event of a winding-up after repayment of capital plus £10m per share paid up on the ordinary and the convertible shares

The holders of the 8% convertible cumulative redeemable preference shares are entitled to be paid a fixed cumulative preferential dividend at the rate of 8% payable annually in arrears In the event of the preference dividend not being paid an additional sum of 2% per annum of the outstanding sum becomes due There is no further right to participate in the company's profits On a return of capital the holders of these shares are entitled, in preference to other payments to shareholders, arrears of preferential dividend, repayment of capital and a premium of 7% of nominal value Failure by the company to redeem the shares on the due dates (being one third on 15 September 2008, 2009 and 2010) entitles the shareholder to convert the sums due into fully paid ordinary shares at the rate of £37 50 per ordinary share The company did not redeem the first tranche of the preference shares on 15 September 2008 or the second tranche on 15 September 2009 or the third tranche on 2010 but the company has received no indication from the preference shareholders that they wish to convert the preference shares into ordinary shares The holders of the preference shares are entitled to attend and vote at a general meeting when dividend payments are six months in arrears or the meeting is to consider a resolution to wind up the company

15 Reserves

The group

	Share premium account £'000	Profit and loss account £'000
At 1 January 2011	1,989	(4,646)
Loss for the year	-	(573)
Foreign exchange loss	-	(25)
At 31 December 2011	**1,989**	**5,244**

The company

	Share premium account £'000	Profit and loss account £'000
At 1 January 2011	1,989	434
Loss for the year	-	(3,726)
At 31 December 2011	**1,989**	**(3,292)**

16 Reconciliation of movements in shareholders' funds

The group

	2011 £'000	2010 £'000
Loss for the year	**(573)**	(197)
Exchange differences	**(25)**	-
Net decrease in shareholders' funds	**(598)**	(197)
Opening shareholders' funds	**(2,178)**	(1,981)
Closing shareholders' funds	**(2,776)**	(2,178)

The company

	2011 £'000	2010 £'000
Loss for the year and net decrease in shareholder funds	**(3,726)**	3,141
Opening shareholder funds	**2,902**	(239)
Closing shareholders' funds	**(824)**	2,902

17 Net cash inflow from operating activities

	2011 £'000	2010 £'000
Operating profit	(350)	23
Depreciation of tangible fixed assets	-	19
Increase in stocks	(11)	(14)
Decrease/(increase) in debtors	376	(235)
Increase in creditors	284	30
Foreign exchange losses	(24)	-
Net cash inflow/(outflow) from operating activities	275	(177)

18 Reconciliation of net cash flow to movement in net debt

	2011 £'000	2010 £'000
Decrease in cash in the year	(90)	-
Cash outflow from decrease in debt	362	(177)
Change in net cash resulting from cash flows	272	(177)
Net debt at 1 January 2011	(2,035)	(1,858)
Net debt at 31 December 2011	(1,763)	(2,035)

19 Analysis of changes in net debt

	At 1 January 2011 £'000	Cash flow £'000	At 31 December 2011 £'000
Cash at bank and in hand	150	(90)	60
Overdrafts	-	-	-
	150	(90)	60
Debt due within one year - other loans	(565)	362	(203)
Debt due after more than one year	(1,420)	-	(1,420)
Total	(1,835)	272	(1,563)

20 Capital commitments

The company had no capital commitments at 31 December 2011 or 31 December 2010

21 Contingent liabilities

Group undertakings have provided guarantees to H M Revenue and Customs totalling £5,000 (2010 - £10,000)

The company has provided unlimited guarantees for the borrowing of its subsidiary undertakings As at 31 December 2011, subsidiary undertakings had borrowings of £203,075 which were subject to this guarantee (2010 - £564,645)

22 Commitments under operating leases

Operating lease payments amounting to £18,000 (2010 - £nil) are due within one year The leases to which these amounts relate expire as follows

	Other	
	2011	2010
	£'000	£'000
Operating leases which expire		
Within one year	**18**	-
Between one and five years	**-**	-

23 Transactions with related parties

The group
During the year the group purchased services from Acela Limited to the value of £325,024 (2010 -£267,620) At 31 December 2011 the group owed £59,779 (2010 - £20,145) to Acela Limited K Jahanshad is a director of both Ronson International Limited and Acela Limited

The company
During the year ended 31 December 2006 Ronson Limited issued 100 £10,000 cumulative redeemable preference shares, classified as debt, to Mitchell (UK) Limited At the year end there was £775,000 of interest accrued relating to this (2010 - £625,000) Mitchell (UK) Limited is a related party due to its shareholding in Ronson Limited

There exists a consultancy contract, dated 1 March 2004, between AMY Holdings Limited and Ronson Limited at a cost to the company of £10,000 per annum (2010 - £10,000 per annum) The charge for the year was £10,000 (2010 - £10,000) Either party can terminate this agreement with two months' written notice

At 31 December 2011 £1,000 (2010 - £979) was due from the group to AMY Holdings Limited A further £80,000 (2010 - £80,000) is due in relation to a loan made in 2003

During the year ended 31 December 2005 Ronson Limited issued 42 £10,000 cumulative convertible redeemable preference shares, classified as debt, to AMY Holdings Limited At the year end there was £471k (2010 - £395k) accrued interest relating to this

The company has taken advantage of the exemption in FRS 8 that transactions with wholly owned subsidiaries do not need to be disclosed

During 2009, the company received a loan of £200,000 from Mitchell (UK) Limited At 31 December 2011, this remains unpaid

24 Ultimate parent company

The director regards AMY Holdings Limited, a company registered in England and Wales, as the ultimate parent company by virtue of shareholding In the opinion of the director, there is no controlling related party of that company

25 Going concern basis

The financial statements have been prepared on a going concern basis, which assumes that the group will continue to trade for the foreseeable future

The group made an operating loss of £350k and a net loss before taxation of £570k for the year ended 31 December 2011 At that date the group had net liabilities of £2,776k The group continues to rely on the support of other group companies and that of its preference shareholders which has enabled it to meet its liabilities as they fall due

The directors have considered the working capital needs of the group for the next 12 months and, based on the continued support referred to above, they have concluded that the group will continue in operational existence for the foreseeable future Accordingly the directors consider it appropriate to prepare the financial statements on the going concern basis