

Financial Statements

Ronson Limited

For the year ended 31 December 2013

Registered number: 01907889



Company Information

Registered number 01907889

Registered office Station Works
Station Road
LONG BUCKBY
Northamptonshire
NN6 7PF

Director Bardia Panahy

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
202 Silbury Boulevard
MILTON KEYNES
MK9 1LW

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Director's Report

For the year ended 31 December 2013

The director presents his report and the financial statements for the year ended 31 December 2013.

Director's responsibilities statement

The director is responsible for preparing the Director's report 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 law). 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 of the company and the group and of the profit or loss of the group 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

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

In the prior year, the group closed its Polish subsidiary, Ronson Polska Sp z o.o., which resulted in an exceptional gain in that year of £160,682.

Results and dividends

The loss for the year, after taxation, amounted to £341 thousand (2012 - loss £291 thousand).

The company is the holding company for Ronson International Limited and Ronson Incorporated Limited. As disclosed in the financial statements, the director considers it appropriate to prepare the financial statements on a going concern basis.

The group has not paid any dividends during the year.

Director

The director who served during the year was:

Bardia Panahy

Mr Panahy holds no shares in the company nor its parent undertaking.

Director's Report

For the year ended 31 December 2013

Qualifying third party indemnity provisions

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

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- he 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 and the group's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on

29/5/14

and signed on its behalf.



Bardia Panahy
Director

Independent Auditor's Report to the Members of Ronson Limited

We have audited the financial statements of Ronson Limited for the year ended 31 December 2013, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt 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, 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 Financial Reporting Council'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 of the parent company's affairs as at 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Grant Thornton

Independent Auditor's Report to the Members of Ronson Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Chartered Accountants

Statutory Auditor

MILTON KEYNES

Date: *2 June 2014.*

Consolidated Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	1,2		
Continuing operations		1,983	2,331
Discontinued operations		-	169
		<u>1,983</u>	<u>2,500</u>
Cost of sales	3	<u>(1,556)</u>	<u>(1,920)</u>
Gross profit		427	580
Distribution costs	3	(127)	(261)
Administrative expenses	3	<u>(421)</u>	<u>(550)</u>
Operating loss	4		
Continuing operations		(121)	(223)
Discontinued operations		-	(8)
		<u>(121)</u>	<u>(231)</u>
Exceptional items			
Other exceptional items	8	-	160
Loss on ordinary activities before interest		(121)	(71)
Interest payable and similar charges	7	<u>(220)</u>	<u>(220)</u>
Loss on ordinary activities before taxation		(341)	(291)
Tax on loss on ordinary activities	9	-	-
Loss for the financial year	18	<u><u>(341)</u></u>	<u><u>(291)</u></u>

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Investments	12		25		25
Current assets					
Stocks	13	293		301	
Debtors	14	197		155	
Cash at bank		73		7	
		<u>563</u>		<u>463</u>	
Creditors: amounts falling due within one year	15	<u>(2,733)</u>		<u>(2,292)</u>	
Net current liabilities			<u>(2,170)</u>		<u>(1,829)</u>
Total assets less current liabilities			<u>(2,145)</u>		<u>(1,804)</u>
Creditors: amounts falling due after more than one year	16		<u>(1,420)</u>		<u>(1,420)</u>
Net liabilities			<u><u>(3,565)</u></u>		<u><u>(3,224)</u></u>
Capital and reserves					
Called up share capital	17		479		479
Share premium account	18		1,989		1,989
Profit and loss account	18		<u>(6,033)</u>		<u>(5,692)</u>
Shareholders' deficit	19		<u><u>(3,565)</u></u>		<u><u>(3,224)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/5/14



Bardia Panahy
Director

The notes on pages 9 to 21 form part of these financial statements.

Company Balance Sheet

As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Investments	12		2,350		2,350
Current assets					
Debtors	14	200		200	
Cash at bank		1		1	
		<u>201</u>		<u>201</u>	
Creditors: amounts falling due within one year	15	<u>(2,481)</u>		<u>(2,217)</u>	
Net current liabilities			<u>(2,280)</u>		<u>(2,016)</u>
Total assets less current liabilities			<u>70</u>		<u>334</u>
Creditors: amounts falling due after more than one year	16		<u>(1,420)</u>		<u>(1,420)</u>
Net liabilities			<u><u>(1,350)</u></u>		<u><u>(1,086)</u></u>
Capital and Reserves					
Called up share capital	17		479		479
Share premium account	18		1,989		1,989
Profit and loss account	18		<u>(3,818)</u>		<u>(3,554)</u>
Shareholders' deficit	19		<u><u>(1,350)</u></u>		<u><u>(1,086)</u></u>

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

Bardia Panahy
Director



The notes on pages 9 to 21 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	20	33	152
Returns on investments and servicing of finance	21	(1)	(2)
Cash inflow before financing		32	150
Financing	21	34	(203)
Increase/(Decrease) in cash in the year		66	(53)

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 December 2013

	2013 £000	2012 £000
Increase/(Decrease) in cash in the year	66	(53)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(34)	203
Movement in net debt in the year	32	150
Net debt at 1 January 2013	(1,613)	(1,763)
Net debt at 31 December 2013	(1,581)	(1,613)

The notes on pages 9 to 21 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Ronson Limited and all of its subsidiary undertakings ('subsidiaries').

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 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Research and development expenditure is charged to profits in the year 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.

1.5 Tangible fixed assets and depreciation

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

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

1.6 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.8 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.

1.9 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

A geographical analysis of turnover is as follows:

	2013 £000	2012 £000
United Kingdom	836	1,493
Rest of European Union	683	947
Rest of world	464	60
	<u>1,983</u>	<u>2,500</u>

The whole of the turnover and profit before taxation from continuing activities is attributable to the company's principal activities. The turnover and profit before taxation from discontinued activities arose from trading by Ronson Polska Sp z o.o. up to its closure in 2012.

3. Analysis of operating loss

	2013		2012	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	1,983	-	2,331	169
Cost of sales	(1,556)	-	(1,785)	(135)
Gross profit	427	-	546	34
Distribution costs	(127)	-	(250)	(11)
Administrative expenses	(421)	-	(519)	(31)
	<u>(121)</u>	<u>-</u>	<u>(223)</u>	<u>(8)</u>

Notes to the Financial Statements

For the year ended 31 December 2013

4. Operating loss

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

	2013 £000	2012 £000
Auditor's remuneration	19	23
Difference on foreign exchange	7	(1)
	<u> </u>	<u> </u>

5. Staff costs

Staff costs, including director's remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	114	180
Social security costs	7	12
Other pension costs	2	3
	<u> </u>	<u> </u>
	<u>123</u>	<u>195</u>

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

	2013 No.	2012 No.
	6	7
	<u> </u>	<u> </u>

6. Director's remuneration

	2013 £000	2012 £000
Fees	38	38
	<u> </u>	<u> </u>

During the year, no directors participated in money purchase pension schemes.

7. Interest payable

	2013 £000	2012 £000
On bank loans and overdrafts	1	1
Finance charges on shares classed as financial liabilities	219	219
	<u> </u>	<u> </u>
	<u>220</u>	<u>220</u>

Notes to the Financial Statements

For the year ended 31 December 2013

8. Exceptional items

	2013 £000	2012 £000
Realised gain on closure of Ronson Polska SP.z.o.o.	-	160

9. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(341)	(291)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(79)	(71)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	51	54
Capital allowances for year in excess of depreciation	(5)	(6)
Other timing differences leading to an increase (decrease) in taxation	-	2
Tax losses arising / (utilisation) of tax losses	33	21
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

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.

Notes to the Financial Statements

For the year ended 31 December 2013

10. Intangible fixed assets

Group	Develop- ment £000
Cost	
At 1 January 2013 and 31 December 2013	210
Amortisation	
At 1 January 2013 and 31 December 2013	210
Net book value	
At 31 December 2013	-
At 31 December 2012	-

11. Tangible fixed assets

Group	Fixtures and fittings £000
Cost	
At 1 January 2013 and 31 December 2013	943
Depreciation	
At 1 January 2013 and 31 December 2013	943
Net book value	
At 31 December 2013	-
At 31 December 2012	-

12. Fixed asset investments

Group	Unlisted investments £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	51
Impairment	
At 1 January 2013 and 31 December 2013	26
Net book value	
At 31 December 2013	25
At 31 December 2012	25

Notes to the Financial Statements

For the year ended 31 December 2013

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Ronson International Limited	Ordinary 5p shares	100%
EMHOL Limited	Ordinary £1 shares	100%
Ronson Incorporated Limited	Ordinary £1 shares	100%

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	28,651
Impairment	
At 1 January 2013 and 31 December 2013	26,301
Net book value	
At 31 December 2013	2,350
At 31 December 2012	2,350

Details of the principal subsidiaries can be found under note number 26.

13. Stocks

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Finished goods and goods for resale	293	301	-	-

Notes to the Financial Statements

For the year ended 31 December 2013

14. Debtors

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	141	111	-	-
Amounts owed by group undertakings	-	-	200	200
Other debtors	46	42	-	-
Prepayments and accrued income	10	2	-	-
	<u>197</u>	<u>155</u>	<u>200</u>	<u>200</u>

Included in trade debtors are factored debts with a value of £141k (2012: £110k).

15. Creditors:

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	234	200	200	200
Trade creditors	527	399	-	-
Amounts owed to group undertakings	84	80	585	541
Other taxation and social security	11	14	-	-
Other creditors	86	-	-	-
Accruals and deferred income	1,791	1,599	1,696	1,476
	<u>2,733</u>	<u>2,292</u>	<u>2,481</u>	<u>2,217</u>

There is a fixed charge over all present freehold and leasehold property, with a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, as well as a floating charge over all assets and undertakings both present and future.

16. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Share capital treated as debt (Note 17)	<u>1,420</u>	<u>1,420</u>	<u>1,420</u>	<u>1,420</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 17.

Notes to the Financial Statements

For the year ended 31 December 2013

16. Creditors:

Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2013	Group	2013	Company
	£000	2012	£000	2012
		£000		£000
Repayable other than by instalments	<u>1,420</u>	<u>1,420</u>	<u>1,420</u>	<u>1,420</u>

17. Share capital

	2013	2012
	£000	£000
Shares classified as capital		
Authorised		
1,314,611 ordinary shares of £10 each	13,146	13,146
47,387,817 deferred shares of £0.0499 each	2,365	2,365
183,877,060 "A" deferred shares of £0.0001 each	18	18
	<u>15,529</u>	<u>15,529</u>
Allotted, called up and fully paid		
46,108 ordinary shares of £10 each	461	461
183,877,060 "A" deferred shares of £0.0001 each	18	18
	<u>479</u>	<u>479</u>
Shares classified as debt		
Authorised		
200 8% convertible cumulative redeemable preference shares of £10000 each	2,000	2,000
Allotted, called up and fully paid		
142 8% convertible cumulative redeemable preference shares of £10000 each	<u>1,420</u>	<u>1,420</u>

Notes to the Financial Statements

For the year ended 31 December 2013

17. Share capital (continued)

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 2012 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.

18. Reserves

	Share premium account £000	Profit and loss account £000
Group		
At 1 January 2013	1,989	(5,692)
Loss for the financial year		(341)
At 31 December 2013	1,989	(6,033)
	Share premium account £000	Profit and loss account £000
Company		
At 1 January 2013	1,989	(3,554)
Loss for the financial year		(264)
At 31 December 2013	1,989	(3,818)

Notes to the Financial Statements

For the year ended 31 December 2013

19. Reconciliation of movement in shareholders' deficit

	2013 £000	2012 £000
Group		
Opening shareholders' deficit	(3,224)	(2,776)
Loss for the financial year	(341)	(291)
Exchange differences	-	(157)
Closing shareholders' deficit	<u>(3,565)</u>	<u>(3,224)</u>
Company		
Opening shareholders' deficit	(1,086)	(824)
Loss for the financial year	(264)	(262)
Closing shareholders' deficit	<u>(1,350)</u>	<u>(1,086)</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £264 thousand (2012 - £-262 thousand).

20. Net cash flow from operating activities

	2013 £000	2012 £000
Operating loss	(121)	(231)
Decrease in stocks	8	340
(Increase)/decrease in debtors	(42)	270
Increase/(decrease) in creditors	188	(221)
Foreign exchange losses	-	(6)
Net cash inflow from operating activities	<u>33</u>	<u>152</u>

21. Analysis of cash flows for headings netted in cash flow statement

	2013 £000	2012 £000
Returns on investments and servicing of finance		
Interest paid	<u>(1)</u>	<u>(2)</u>

Notes to the Financial Statements

For the year ended 31 December 2013

21. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £000	2012 £000
Financing		
Repayment of loans	-	(203)
Other new loans	34	-
Net cash inflow/(outflow) from financing	34	(203)

22. Analysis of changes in net debt

	1 January 2013 £000	Cash flow £000	Other non-cash changes £000	31 December 2013 £000
Cash at bank and in hand	7	66	-	73
Debt:				
Debts due within one year	(200)	(34)	-	(234)
Debts falling due after more than one year	(1,420)	-	-	(1,420)
Net debt	(1,613)	32	-	(1,581)

23. Contingent liabilities

Group undertakings have provided guarantees to HM Revenue and Customs totalling £5,000 (2012: £5,000).

The company has provided unlimited guarantees for the borrowing of its subsidiary undertakings. As at 31 December 2013, subsidiary undertakings had borrowings of £nil (2012: £203,075) which were subject to this guarantee.

Notes to the Financial Statements

For the year ended 31 December 2013

24. Related party transactions

The group

During the year the group purchased services from Acela Limited to the value of £265,519 (2012 - £248,780). At 31 December 2013 the group owed £127,358 (2012 - £9,547) 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 £ of interest accrued relating to this (2012 - £925,000). 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 (2012 - £10,000 per annum). The charge for the year was £10,000 (2012 - £10,000). Either party can terminate this agreement with two months' written notice.

At 31 December 2013 £4,000 (2012 - £2,000) was due from the group to AMY Holdings Limited. A further £80,000 (2012 - £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 £602k (2012 - £539k) accrued interest relating to this.

During 2009, the company received a loan of £200,000 from Mitchell (UK) Limited. At 31 December 2013, this remains unpaid.

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

25. Ultimate parent undertaking and controlling party

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.

26. Principal subsidiaries

Company name	Percentage Shareholding	Description
Ronson International Limited	100	Sourcing, marketing, sales, distribution, licensing of branded goods
EMHOL Limited	100	Dormant holding company
Ronson Incorporated Limited	100	Non trading
Ronson Polska	0	

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.

Notes to the Financial Statements

For the year ended 31 December 2013

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.

Ronson Polska Sp.z.o.o. was closed in the prior year resulting in a gain of £160k recognised in profit and loss.

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

27. 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 £120k (2012 -£231k) and a net loss before taxation of £341k (2012 -£291k) for the year ended 31 December 2013. At that date the group had net liabilities of £3,565k (2012 -£3,224k). 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