

**151 PRODUCTS LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

TUESDAY



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29/09/2015

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COMPANIES HOUSE

**TLP AUDIT LIMITED**  
Chartered Accountants & Statutory Auditor  
3 Greengate  
Cardale Park  
Harrogate  
HG3 1GY

**151 PRODUCTS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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**151 PRODUCTS LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2014**


The principal activity of the company continues to be that of wholesaling branded domestic products.

The company has traded well, and as expected throughout the year. Turnover has increased by £3.61m in 2014 with gross profit margins remaining very similar at 24-26%. The directors have monitored the distribution and administration costs to ensure the company remains profitable.

The company has a strong balance sheet with £7.6m in reserves at the year end. The company will use the reserves to build future growth and sustain the profitability achieved in past years.

The risk and uncertainty in the market is still present, but the directors feel that the company is in a strong position to build on this year's success and continue to trade well in future years.

Signed by order of the directors



MR S M SHONN  
Company Secretary

Approved by the directors on 18 September 2015

**151 PRODUCTS LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,435,801. The directors have not recommended a dividend.

**FINANCIAL INSTRUMENTS**

Details of the company's financial risk management objectives and policies are included in note 15 to the accounts.

**DIRECTORS**

The directors who served the company during the year were as follows:

Mr R Shonn  
Mr S M Shonn  
Mr J S Shonn  
Mr D Shonn  
Mr I P George

Mr R Shonn, Mr S M Shonn, Mr J S Shonn, Mr D Shonn and Mr I P George are directors of the company's parent, Eurostation limited.

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**151 PRODUCTS LIMITED**  
**DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2014**

**AUDITOR**

TLP Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
The Old School House  
39 Bengal Street  
Manchester  
M4 6AF

Signed by order of the directors



MR S M SHONN  
Company Secretary

Approved by the directors on 18 September 2015

# **151 PRODUCTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 151 PRODUCTS LIMITED**

### **YEAR ENDED 31 DECEMBER 2014**

We have audited the financial statements of 151 Products Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 2, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

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

# **151 PRODUCTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 151 PRODUCTS LIMITED *(continued)***

### **YEAR ENDED 31 DECEMBER 2014**

#### **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.

3 Greengate  
Cardale Park  
Harrogate  
HG3 1GY

18 September 2015

PAUL LAND ACA (Senior Statutory  
Auditor)  
For and on behalf of  
TLP AUDIT LIMITED  
Chartered Accountants  
& Statutory Auditor

**151 PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	<b>2</b>	<b>38,667,940</b>	<b>35,054,528</b>
Cost of sales		<u>(29,408,829)</u>	<u>(26,072,565)</u>
<b>GROSS PROFIT</b>		<b>9,259,111</b>	<b>8,981,963</b>
Distribution costs		(3,264,741)	(3,162,036)
Administrative expenses		(4,119,548)	(4,377,771)
Other operating income		<u>43,500</u>	<u>-</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>1,918,322</b>	<b>1,442,156</b>
Interest receivable and similar income		496	(1)
Interest payable and similar charges	<b>6</b>	<u>(158,468)</u>	<u>(155,540)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,760,350</b>	<b>1,286,615</b>
Tax on profit on ordinary activities	<b>7</b>	<u>(324,549)</u>	<u>24,568</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>1,435,801</u></b>	<b><u>1,311,183</u></b>

All of the activities of the company are classed as continuing.

The notes on pages 10 to 24 form part of these financial statements.

# 151 PRODUCTS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
Profit for the financial year attributable to the shareholders	1,435,801	1,311,183
Unrealised profit on revaluation of certain fixed assets	—	344,142
Total gains and losses recognised since the last annual report	<u>1,435,801</u>	<u>1,655,325</u>

The notes on pages 10 to 24 form part of these financial statements.

# 151 PRODUCTS LIMITED

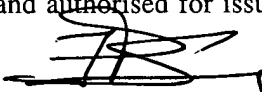
## BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>3,377,642</u>	<u>3,297,187</u>
<b>CURRENT ASSETS</b>			
Stocks	9	5,289,127	5,594,832
Debtors	10	7,770,692	7,513,361
Cash at bank and in hand		<u>588,911</u>	<u>31,396</u>
		13,648,730	13,139,589
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(6,854,422)</u>	<u>(7,635,419)</u>
<b>NET CURRENT ASSETS</b>		<u>6,794,308</u>	<u>5,504,170</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,171,950</u>	<u>8,801,357</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	(2,379,938)	(2,527,108)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	14	<u>(136,724)</u>	<u>(54,762)</u>
		<u>7,655,288</u>	<u>6,219,487</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	1,000	1,000
Revaluation reserve	20	344,142	344,142
Profit and loss account	21	7,310,146	5,874,345
<b>SHAREHOLDERS' FUNDS</b>	22	<u>7,655,288</u>	<u>6,219,487</u>

These accounts were approved by the directors and authorised for issue on 18 September 2015, and are signed on their behalf by:

  
MR S M SHONN

  
MR I P GEORGE

Company Registration Number: 2149608

The notes on pages 10 to 24 form part of these financial statements.

**151 PRODUCTS LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	23	1,875,770	(252,009)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	(157,972)	(155,541)
TAXATION	23	(100,477)	(428,853)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23	(225,373)	(151,716)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>1,391,948</u>	<u>(988,119)</u>
FINANCING	23	(1,030,038)	633,205
INCREASE/(DECREASE) IN CASH	23	<u>361,910</u>	<u>(354,914)</u>

The notes on pages 10 to 24 form part of these financial statements.

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and financial instruments and in accordance with applicable accounting standards.

**Turnover**

Turnover comprises the invoiced cost of goods sold during the year, excluding value added tax and net of trade discounts.

The company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods have been passed to the buyer.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% on cost
Plant & Machinery	- 33% on cost
Fixtures & Fittings	- 33% on cost
Motor Vehicles	- 25% on cost
Equipment	- 33% on cost

**Stocks**

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

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**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.

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 using an average exchange rate which remains the same throughout the year. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

**Investments**

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

**Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

**Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

**Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

**Employer-financed retirement benefit scheme (efrbs)**

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.  
 An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	34,721,614	32,013,696
Overseas	3,946,326	3,040,832
	<u>38,667,940</u>	<u>35,054,528</u>

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	139,418	206,539
Depreciation of assets held under hire purchase agreements	49,000	20,150
Profit on disposal of fixed assets	(43,500)	-
Auditor's remuneration		
- as auditor	10,000	10,000
- for other services	9,088	8,000
Operating lease costs:		
- Other	<u>121,635</u>	<u>125,002</u>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2014 No	2013 No
Number of production staff	39	39
Number of administrative staff	48	45
	<u>87</u>	<u>84</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	2,561,379	2,846,322
Social security costs	236,947	254,861
Other pension costs	109,924	75,510
	<u>2,908,250</u>	<u>3,176,693</u>

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**5. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	388,464	376,517
Value of company pension contributions to money purchase schemes	<u>60,000</u>	<u>54,600</u>
	<u>448,464</u>	<u>431,117</u>

**Remuneration of highest paid director:**

	2014 £	2013 £
Total remuneration (excluding pension contributions)	156,956	152,767
Value of company pension contributions to money purchase schemes	<u>12,000</u>	<u>12,000</u>
	<u>168,956</u>	<u>164,767</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>3</u>	<u>3</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £	2013 £
Interest payable on bank borrowing	78,690	70,689
Finance charges	12,000	12,000
Other similar charges payable	<u>67,778</u>	<u>72,851</u>
	<u>158,468</u>	<u>155,540</u>

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**7. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21% (2013 - 24%)	276,189	139,362
Over/under provision in prior year	<u>(33,602)</u>	<u>(93,360)</u>
Total current tax	242,587	46,002
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	<u>81,962</u>	<u>(70,570)</u>
Tax on profit on ordinary activities	<u>324,549</u>	<u>(24,568)</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2013 - 24%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,760,350</u>	<u>1,286,615</u>
Profit on ordinary activities by rate of tax	369,674	308,788
Tax disallowables	(49,137)	148,339
Excess capital allowances	(4,476)	(5,236)
Group relief	-	(298,287)
Over provision in prior period	(33,602)	(93,360)
Rate difference	<u>(39,872)</u>	<u>(14,242)</u>
Total current tax (note 7(a))	<u>242,587</u>	<u>46,002</u>

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**8. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
<b>COST OR VALUATION</b>						
At 1 Jan 2014	3,100,000	322,200	363,944	2,300	17,702	3,806,146
Additions	–	215,282	6,015	–	47,576	268,873
Disposals	–	(55,000)	–	(2,300)	–	(57,300)
At 31 Dec 2014	<u>3,100,000</u>	<u>482,482</u>	<u>369,959</u>	<u>–</u>	<u>65,278</u>	<u>4,017,719</u>
<b>DEPRECIATION</b>						
At 1 Jan 2014	–	175,200	321,321	2,300	10,138	508,959
Charge for the year	59,910	65,427	41,402	–	21,679	188,418
On disposals	–	(55,000)	–	(2,300)	–	(57,300)
At 31 Dec 2014	<u>59,910</u>	<u>185,627</u>	<u>362,723</u>	<u>–</u>	<u>31,817</u>	<u>640,077</u>
<b>NET BOOK VALUE</b>						
At 31 Dec 2014	<u>3,040,090</u>	<u>296,855</u>	<u>7,236</u>	<u>–</u>	<u>33,461</u>	<u>3,377,642</u>
At 31 Dec 2013	<u>3,100,000</u>	<u>147,000</u>	<u>42,623</u>	<u>–</u>	<u>7,564</u>	<u>3,297,187</u>

The freehold property was revalued on 4 March 2013 by Sanderson Weatherall, Chartered Surveyors, at open market value. The directors consider this valuation to be the current market value of the property at the balance sheet date.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2014 £	2013 £
<b>Historical cost</b>	<u>2,995,498</u>	<u>2,995,498</u>
<b>Depreciation:</b>		
At 1 Jan 2014	239,640	179,730
Charge for year	59,910	59,910
At 31 Dec 2014	<u>299,550</u>	<u>239,640</u>
<b>Net historical cost value:</b>		
At 31 Dec 2014	<u>2,695,948</u>	<u>2,755,858</u>
At 1 Jan 2014	<u>2,755,858</u>	<u>2,815,768</u>

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**8. TANGIBLE FIXED ASSETS** *(continued)*

**Hire purchase agreements**

Included within the net book value of £3,377,642 is £98,000 (2013 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £49,000 (2013 - £20,150).

**9. STOCKS**

	2014 £	2013 £
Stock	<u>5,289,127</u>	<u>5,594,832</u>

**10. DEBTORS**

	2014 £	2013 £
Trade debtors	5,699,081	6,095,005
Amounts owed by group undertakings	1,054,056	742,073
Other debtors	807,240	495,858
Prepayments and accrued income	<u>210,315</u>	<u>180,425</u>
	<u>7,770,692</u>	<u>7,513,361</u>

**11. CREDITORS: Amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts	2,220,015	2,915,159
Trade creditors	2,311,097	1,881,041
Other creditors including taxation and social security:		
Corporation tax	156,472	14,362
PAYE and social security	116,403	94,091
VAT	315,063	385,249
Hire purchase agreements	30,672	22,791
Other creditors	29,598	74,485
Directors current accounts	<u>312,518</u>	<u>464,358</u>
	960,726	1,055,336
Accruals and deferred income	<u>1,362,584</u>	<u>1,783,883</u>
	<u>6,854,422</u>	<u>7,635,419</u>

The company enters into short term "import loan" agreements with the bank, whereby the funds borrowed are secured on the stock purchased.

The bank overdraft is secured by a debenture in favour of HSBC Bank plc, by way of a fixed and floating charge over the assets and undertakings of the business.

**151 PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. CREDITORS: Amounts falling due within one year** *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2014	2013
	£	£
Bank loans and overdrafts	2,220,015	2,915,159
Hire purchase agreements	30,672	22,791
	<u>2,250,687</u>	<u>2,937,950</u>

**12. CREDITORS: Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans	2,306,116	2,512,440
Other creditors:		
Hire purchase agreements	73,822	14,668
	<u>2,379,938</u>	<u>2,527,108</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014	2013
	£	£
Bank loans	2,306,116	2,512,440
Hire purchase agreements	73,822	14,668
	<u>2,379,938</u>	<u>2,527,108</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2014	2013
	£	£
Bank loans	<u>1,742,933</u>	<u>1,873,765</u>

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**13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2014 £	2013 £
Amounts payable within 1 year	30,672	22,791
Amounts payable between 1 and 2 years	73,822	14,668
	<u>104,494</u>	<u>37,459</u>
Hire purchase agreements are analysed as follows:		
Current obligations	30,672	22,791
Non-current obligations	73,822	14,668
	<u>104,494</u>	<u>37,459</u>

**14. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	54,762	125,332
Profit and loss account movement arising during the year	81,962	(70,570)
Provision carried forward	<u>136,724</u>	<u>54,762</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	136,724	54,762
	<u>136,724</u>	<u>54,762</u>

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**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company has a simple capital structure and its principal asset is stock and debtors.

The company's objective when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal return for shareholders and to maintain an efficient capital structure to reduce the cost of capital.

In order to maintain or realign the capital structure, the company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company's financial instruments comprise borrowings, cash and liquid resources and various other items, such as debtors and creditors that arise directly from its operations. The main purposes of these are to finance the company's operations.

The principal financial risks faced by the company are liquidity/funding, interest rate, foreign currency and credit risks.

The liquidity / funding risk are managed by the company by a mix of various types of funding from HSBC offering the flexibility and cost effectiveness to match the company's requirements.

The interest and foreign currency risk is in relation the sterling, US dollar and euro accounts are managed by the company by entering into forward contracts and import loans at favourable rates.

The company monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations.

**16. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	41,444	-	66,807
Within 2 to 5 years	90,000	156,933	90,000	128,365
	<u>90,000</u>	<u>198,377</u>	<u>90,000</u>	<u>195,172</u>

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**17. CONTINGENCIES**

The company has given an unlimited cross company guarantee in favour of a related company, Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances. Also at 31 December 2014 the company has given a guarantee in favour of HM Revenue and Customs for £30,000 (2013: £30,000).

**18. RELATED PARTY TRANSACTIONS**

The company has claimed the exemption available under Financial Reporting Standard 8 "Related Party Disclosures", from disclosing transactions with other group entities where all subsidiaries that are party to the transaction are 90% or more owned by a member of the group.

During the year the company received goods and services on a normal commercial basis from companies connected to the directors by virtue of common directorship or ownership as follows:

	2014 £	2013 £
Invoiced from Shonn Brothers (Manchester) Limited	39,366	46,055
Invoiced to Shonn Brothers (Manchester) Limited	668,371	855,844
Invoiced from Creative Distributors Limited	6,904,953	7,276,603

At 31 December 2014 the amounts outstanding with connected companies were as follows:

	£	£
Due from Shonn Brothers (Manchester) Limited	591,806	441,415
Due from Creative Distributions Limited	23,713	102,056
Due from DP Branco Limited	127,000	-
Due from Doff Portland Limited	927,056	-
Due from Overna Limited	100,000	-

**19. SHARE CAPITAL**

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**20. REVALUATION RESERVE**

	2014 £	2013 £
Balance brought forward	344,142	-
Revaluation of fixed assets	-	344,142
Balance carried forward	<u>344,142</u>	<u>344,142</u>

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**21. PROFIT AND LOSS ACCOUNT**

	2014 £	2013 £
Balance brought forward	5,874,345	4,563,162
Profit for the financial year	<u>1,435,801</u>	<u>1,311,183</u>
Balance carried forward	<u>7,310,146</u>	<u>5,874,345</u>

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Profit for the financial year	1,435,801	1,311,183
Other net recognised gains and losses	<u>–</u>	<u>344,142</u>
Net addition to shareholders' funds	1,435,801	1,655,325
Opening shareholders' funds	<u>6,219,487</u>	<u>4,564,162</u>
Closing shareholders' funds	<u>7,655,288</u>	<u>6,219,487</u>

**23. NOTES TO THE CASH FLOW STATEMENT**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW)  
FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	1,918,322	1,442,156
Depreciation	188,418	226,689
Profit on disposal of fixed assets	(43,500)	–
Decrease/(increase) in stocks	305,705	(132,930)
Increase in debtors	(257,331)	(2,312,399)
(Decrease)/increase in creditors	<u>(235,844)</u>	<u>524,475</u>
Net cash inflow/(outflow) from operating activities	<u>1,875,770</u>	<u>(252,009)</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2014 £	2013 £
Interest received	496	(1)
Interest paid	(146,468)	(143,540)
Interest element of hire purchase	<u>(12,000)</u>	<u>(12,000)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(157,972)</u>	<u>(155,541)</u>

**TAXATION**

	2014 £	2013 £
Taxation	<u>(100,477)</u>	<u>(428,853)</u>

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**23. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**CAPITAL EXPENDITURE**

	2014 £	2013 £
Payments to acquire tangible fixed assets	(268,873)	(151,840)
Receipts from sale of fixed assets	<u>43,500</u>	<u>124</u>
Net cash outflow from capital expenditure	<u>(225,373)</u>	<u>(151,716)</u>

**FINANCING**

	2014 £	2013 £
(Repayment of)/increase in bank loans	(1,097,073)	655,398
Capital element of hire purchase	<u>67,035</u>	<u>(22,193)</u>
Net cash (outflow)/inflow from financing	<u>(1,030,038)</u>	<u>633,205</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2014 £	2013 £
Increase/(decrease) in cash in the period	361,910	(354,914)
Net cash outflow from/(inflow) from bank loans	1,097,073	(655,398)
Cash outflow in respect of hire purchase	<u>(67,035)</u>	<u>22,193</u>
	<u>1,391,948</u>	<u>(988,119)</u>
Change in net debt	1,391,948	(988,119)
Net debt at 1 January 2014	<u>(5,433,662)</u>	<u>(4,445,543)</u>
Net debt at 31 December 2014	<u>(4,041,714)</u>	<u>(5,433,662)</u>

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**23. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Net cash:			
Cash in hand and at bank	31,396	557,515	588,911
Overdrafts	<u>(1,823,221)</u>	<u>(195,605)</u>	<u>(2,018,826)</u>
	<u>(1,791,825)</u>	<u>361,910</u>	<u>(1,429,915)</u>
Debt:			
Debt due within 1 year	(1,091,938)	890,749	(201,189)
Debt due after 1 year	(2,512,440)	206,324	(2,306,116)
Hire purchase agreements	<u>(37,459)</u>	<u>(67,035)</u>	<u>(104,494)</u>
	<u>(3,641,837)</u>	<u>1,030,038</u>	<u>(2,611,799)</u>
Net debt	<u>(5,433,662)</u>	<u>1,391,948</u>	<u>(4,041,714)</u>

**24. ULTIMATE PARENT COMPANY**

The ultimate parent company is Eurostation Limited, company number 4307712. The company is registered in England and Wales and copies of its financial statements are available from Companies House.