Clytha Holdings Limited

Directors' report and consolidated financial statements

Registered Number 2543555

30 June 2014

Contents

Company information

Directors:	SOL Jonsson SJ Wightman D Fletcher M Wadsworth K Jonsson (appointed 28/03/2014)
Company secretary:	J Hopkins
Registered office:	Eland Road Denaby Main Doncaster South Yorkshire DN12 4HA
Registered number:	2543555 (England and Wales)
Auditor:	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Bankers:	Lloyds Banking Group P O Box 85 14 Church Street Sheffield S1 1HP
Solicitors:	HLW Commercial House Commercial Street Sheffield S1 2AT

Strategic report

Principal activities

The company's principal activity is that of a holding company. Through its subsidiary undertakings, it carries on the business of specialist aluminium product design and development, aluminium and hardware stockholders, electrostatic powder coating, toughening of glass and manufacture of IGU.

Business review

Market conditions remained stable for the group during the financial year. Although the construction industry is recovering in some areas the commercial sector, where the group finds most of its work, remained reasonably flat.

The group saw an increase in sales of 2.7% and an improvement on profit before tax of 3.8%. Sales could have been better had the new products that are still in development been ready for general release. During the year substantial efforts and money has been invested in these new products. The Directors expect to start to see the benefits of the new products in the next financial year.

During the year two new Directors where appointed at the operating companies. Michelle Damms was appointed as Operations Director at Senior Glass Systems and James Keeling-Heane was appointed Sales Director at Senior Architectural Systems. This strengthening of the respective Boards is already showing some positive benefits for the companies and the group.

Principal risks and uncertainties

The greatest risk for the group is the financial weakness of the UK construction industry. With many main contractors struggling to make a profit and with tight cash-flows the subcontractors (who are the group's main customers) are taking much of the strain. Bad debt risk is a major factor in the industry and remains a large cost to the group. There has also been some new competition coming in to the market, who are reducing prices and margin to win new business. Changing building regulations is further putting a strain on the design department to ensure that the companies keep up with current and future legislation.

Environment

The Directors take their environmental responsibilities seriously and during the year all the lighting has been replaced with LED lights to reduce power consumption. At Senior Architectural Systems a new biomass boiler has been ordered to heat the warehouse and reduce gas consumption. The biomass boiler will be fuelled with waste packaging timber that the company will recycle into wood shavings. The company has also invested in two electric cars to evaluate their feasibility. If they prove successful further electric vehicles will be procured to replace traditionally fuelled vehicles.

Future developments

The Directors expect to see a major impact on turnover and profit from new products being released during the next financial year. At Senior Glass Systems Ltd an investment of £950,000 has been planned for the next financial year. This will comprise of a new toughening furnace, a new heat soak oven, new buildings for the paint line and panel production and new computer software for production control. The new investment should generate a potential sales growth of up to 50% for SGS. At Senior Architectural Systems Ltd a new £200,000 paint booth is being installed to improve efficiencies and reduce waste.

With all the investment made, and planned, the Directors are looking forward to 2014-2015, expecting further growth in sales and profit.

By order of the board

J Hopkins
Secretary

Eland Road
Denaby Main
Doncaster
South Yorkshire
DN12 4HA
11 / 11 / 2014

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

Proposed dividend

A dividend of £301,120 is declared for the year *(2013: £200,000)*.

Directors

The directors who held office during the period were as follows:

SOL Jonsson
SJ Wightman
D Fletcher
M Wadsworth
K Jonsson (appointed 28/03/2014)

Disclosure of information to auditor

The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Hopkins
Secretary

Eland Road
Denaby Main
Doncaster
South Yorkshire
DN12 4HA

11 / 11 / 2014

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Clytha Holdings Limited

We have audited the group and parent company financial statements of Clytha Holdings Limited for the year ended 30 June 2014 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 30 June 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Clytha Holdings Limited
(continued)

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A J Sills

Andrew Sills (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

12 November 2014

Consolidated profit and loss account
for the year ended 30 June 2014

	Note	2014 £	2013 £
Turnover	*1*	**26,222,808**	25,525,862
Cost of sales		**(15,728,815)**	(15,167,001)
Gross profit		**10,493,993**	10,358,861
Administrative expenses		**(9,146,895)**	(9,005,897)
Operating profit		**1,347,098**	1,352,964
Gain on sale of fixed assets		**25,008**	37,327
Interest payable and similar charges	*5*	**(269,549)**	(328,454)
Profit on ordinary activities before taxation	*2-4*	**1,102,557**	1,061,837
Tax on profit on ordinary activities	*6*	**(265,451)**	(218,950)
Profit for the financial year		**837,106**	842,887

There are no recognised gains or losses other than those shown above.

All profits are from continuing operations.

Consolidated balance sheet
at 30 June 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets					
Intangible assets	*8*		14,675		17,425
Tangible assets	*9*		2,635,606		2,437,877
			2,650,281		2,455,302
Current assets					
Stock	*11*	3,805,120		3,839,840	
Debtors (including £1,252,886 (*2013: £nil*) due in over one year)	*12*	9,260,453		10,090,605	
Cash		805,646		907,798	
		13,871,219		14,838,243	
Creditors: amounts falling due within one year	*13*	(11,824,340)		(13,321,371)	
Net current assets			2,046,879		1,516,872
Total assets less current liabilities			4,697,160		3,972,174
Creditors: amounts falling due after more than one year	*14*		(565,968)		(421,279)
Provisions for liabilities and charges	*15*		(77,436)		(33,125)
Net assets			4,053,756		3,517,770
Capital and reserves					
Called up share capital	*16*		8,352		8,352
Capital redemption reserve	*17*		170,750		170,750
Profit and loss account	*17*		3,874,654		3,338,668
Shareholders' funds	*18*		4,053,756		3,517,770

These financial statements were approved by the board of directors on 11/11/ 2014 and were signed on its behalf by:

SOL Jonsson
Director

Company balance sheet
at 30 June 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	9		196,660		180,122
Investments	10		91,750		91,750
			288,410		271,872
Current assets					
Debtors	12	2,361,640		2,532,435	
Cash		8,856		10,614	
		2,370,496		2,543,049	
Creditors: amounts falling due within one year	13	(956,649)		(890,880)	
Net current assets			1,413,847		1,652,169
Total assets less current liabilities			1,702,257		1,924,041
Creditors: amounts falling due after more than one year	14		(413,554)		(389,139)
Net assets			1,288,703		1,534,902
Capital and reserves					
Called up share capital	16		8,352		8,352
Capital redemption reserve	17		170,750		170,750
Profit and loss account	17		1,109,601		1,355,800
Shareholders' funds	18		1,288,703		1,534,902

These financial statements were approved by the board of directors on 11th ~~December~~ Nov 2014 and were signed on its behalf by:

SOL Jonsson
Director

Consolidated cash flow statement

for the year ended 30 June 2014

	Note	2014 £	2013 £
Cash inflow from operating activities	20	2,240,066	1,321,576
Returns on investments and servicing of finance	21	(269,549)	(328,454)
Taxation		(282,226)	(418,639)
Capital expenditure	21	(369,442)	(395,493)
Equity dividends paid		(300,672)	-
Cash inflow before financing		1,018,177	178,990
Financing	21	(1,120,329)	(44,584)
(Decrease)/increase in cash in the period		(102,152)	134,406

Reconciliation of net cash flow to movements in net debt

		2014 £	2013 £
(Decrease)/increase in cash in the period	22	(102,152)	134,406
Cash outflow from financing	22	1,120,329	44,584
New finance leases		(398,500)	-
Change in net debt resulting from cash flows		619,677	178,990
Movement in net debt in the period		619,677	178,990
Net debt at start of the period	22	(5,260,241)	(5,439,231)
Net debt at the end of the period	22	(4,640,564)	(5,260,241)

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

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

Basis of consolidation

The consolidated financial statements incorporate the results of the parent company, Clytha Holdings Limited, and its subsidiary undertakings.

The acquisition method has been adopted in accounting for subsidiary undertakings. Under this method the results of the subsidiaries are included in the consolidated profit and loss account from the date of acquisition. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over a period of twenty years.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on page 2.

The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the group's cash flow statement and note 21 to the financial statements.

The group meets its day-to-day working capital requirements through an overdraft facility of £75,000, and an invoice discounting facility secured against 80% of the Group's debtor book.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities and meet its covenants.

The directors have reasonable expectations that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Purchased goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised and amortised over a period of ten years.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Improvements to leasehold property	- Over life of lease
Plant and machinery	- Over 15 years
Plant and machinery – Paint line	- Over 20 years
Fixtures and fittings	- Over 4 years
Motor vehicles	- Over 4 years
Computer equipment	- Over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Leases and hire purchase contracts

Assets acquired under finance lease and hire purchase contracts are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The group participates in a group personal pension scheme. Contributions payable for the period are charged in the profit and loss account.

Related parties

The company has taken advantage of the exemption in Financial Reporting Standard Number 8, Related Party Disclosures, in respect of transactions with wholly owned group companies as consolidated financial statements are being prepared.

Classification of financial instruments

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Notes *(continued)*

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):		2014 £	2013 £
Auditor's remuneration			
Company	- audit of these financial statements	**6,000**	6,000
	- other services	**3,000**	3,000
Group	- audit of financial statements of subsidiaries pursuant to legislation	**26,000**	25,000
	- other services relating to taxation	**9,000**	9,000
Depreciation	- owned assets	**338,060**	340,483
	- assets on hire purchase contracts	**257,161**	209,150
Operating leases	- plant and machinery	**373,775**	857,243
	- property	**798,866**	858,806
Gain on sale of fixed assets		**(25,008)**	(37,327)
Amortisation of acquired goodwill		**2,750**	2,750

3 Remuneration of directors

	2014 £	2013 £
Directors' emoluments	**503,157**	388,633
Group contributions to money purchase pension schemes	**14,221**	11,540

The emoluments of the highest paid director, excluding pension contributions were £173,662 *(2013: £170,464)* and company pension contributions of £5,560 *(2013: £5,358)* were made to a money purchase scheme on his behalf.

	Number of directors 2014	2013
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**3**	3

The total amounts owed to Directors as at the year-end are as follows:

	2014 £	2013 £
Directors' loans payable (note 14)	**370,000**	370,000

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

	2014 Number	2013 Number
Administration	69	68
Warehouse and distribution	101	93
	170	161

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	3,977,314	3,627,947
Social security costs	336,726	312,140
Other pension costs	136,733	122,779
	4,450,773	4,062,866

5 Interest payable and similar charges

	2014 £	2013 £
On bank loans and overdrafts	269,549	328,454

Notes *(continued)*

6 Taxation

Analysis of charge in period

	2014	2013
	£	£
UK corporation tax		
Current tax on income for the period	**218,978**	294,181
Adjustments in respect of prior periods	**2,162**	(54,207)
Total current tax	**221,140**	239,974
Deferred tax (see note 15)		
Origination and reversal of timing differences	**39,764**	(19,377)
Adjustment in respect of previous years	**10,197**	3,228
Impact of tax rate change	**(5,650)**	(4,875)
Total deferred tax	**44,311**	(21,024)
Tax on profit on ordinary activities	**265,451**	218,950

The current tax charge for the period is lower *(2013: lower)* than the standard rate of corporation tax in the UK of 22.5%, *(2013: 23.75%)*. The differences are explained below.

	2014	2013
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**1,102,557**	1,061,837
Current tax at 22.5% *(2013: 23.75%)*	**248,076**	252,186
Effects of:		
Expenses not deductible for tax purposes	**11,550**	9,725
Fixed asset timing differences	**5,912**	35,695
Adjustments in respect of prior periods	**2,162**	(54,207)
Utilisation of tax losses and other deductions	**(41,998)**	-
Tax not at standard rate	**(1,920)**	(3,425)
Capital allowances in excess of depreciation	**(2,642)**	-
Total current tax charge (see above)	**221,140**	239,974

Notes *(continued)*

7 Dividends

The amounts are set out below:	**2014**	2013
	£	£
7,500 *(2013: 7,500)* A shares of £1 each	**270,000**	180,000
479 (*2013:* 479) E shares of £1 each	**31,120**	20,000
	301,120	200,000

In 2014 there were dividends waived of £3,500 for the C Preference Shares (*2013: dividends waived of £3,500 for the for the C Preference Shares*).

8 Intangible fixed assets

Group	**Purchased goodwill £**	**Goodwill on consolidation £**	**Total £**
Cost			
At beginning of year	66,500	59,768	126,268
Additions	-	-	-
At end of year	66,500	59,768	126,268
Amortisation			
At beginning of year	49,075	59,768	108,843
Charge for year	2,750	-	2,750
At end of year	51,825	59,768	111,593
Net book value			
At end of year	**14,675**	-	**14,675**
At beginning of year	17,425	-	17,425

Company	**Purchased Goodwill £**
Cost	
At beginning and end of year	30,000
Amortisation	
At beginning and end of year	30,000
Net book value	
At beginning and end of year	-

Notes *(continued)*

9 Tangible fixed assets

Group	Improvements to leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At beginning of year	675,056	3,424,855	911,101	1,070,643	1,093,580	7,175,235
Additions	-	336,023	17,452	328,597	178,398	860,470
Disposals	-	-	-	(336,866)	-	(336,866)
At end of year	675,056	3,760,878	928,553	1,062,374	1,271,978	7,698,839
Depreciation						
At beginning of year	464,180	1,914,692	890,649	529,346	938,491	4,737,358
Charge for year	27,038	217,665	12,325	244,883	93,310	595,221
On disposals	-	-	-	(269,346)	-	(269,346)
At end of year	491,218	2,132,357	902,974	504,883	1,031,801	5,063,233
At 30 June 2014	**183,838**	**1,628,521**	**25,579**	**557,491**	**240,177**	**2,635,606**
At 30 June 2013	210,876	1,510,163	20,452	541,297	155,089	2,437,877

Company	Improvements to leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At beginning of year	283,232	28,245	222,354	105,136	638,967
Additions	-	-	117,588	-	117,588
Disposals	-	-	(125,886)	-	(125,886)
At end of year	283,232	28,245	214,056	105,136	630,669
Depreciation					
At beginning of year	224,699	28,245	103,205	102,696	458,845
Charge for year	6,886	-	53,462	694	61,042
Disposals	-	-	(85,878)	-	(85,878)
At end of year	231,585	28,245	70,789	103,390	434,009
Net book value					
At 30 June 2014	**51,647**	-	**143,267**	**1,746**	**196,660**
At 30 June 2013	58,533	-	119,149	2,440	180,122

Included in the total net book value of fixed assets is £758,495 *(2013: £548,277)*, in respect of assets held under finance leases and similar hire purchase contracts. Depreciation in the year on assets at the year end held under finance leases was £257,161 *(2013: £209,150)*.

Notes *(continued)*

10 Fixed asset investments

Company	**Shares**
	£
Cost and net book value	
At beginning and end of year	91,750

The companies in which the company's interest at the year end is more than 20% are as follows:

Subsidiary holding	**Country of incorporation**	**Principal activity**	**Class and % of shares held**
Senior Architectural Systems Limited	England	Specialist aluminium stockholders	Ordinary 100%
Senior Glass Systems Limited	England	Glass manufacturers	Ordinary 100%
Senior Aluminium Systems (Scotland) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (SE) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (Midlands) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (Design) Limited	England	Non-trading	Ordinary 100%
Senior Supplies Limited	England	Non-trading	Ordinary 100%
APC Coatings Limited	England	Non-trading	Ordinary and preference 100%
Architectural Power Coatings (Scotland) Limited	England	Non-trading	Ordinary 100%
Senior Coatings Limited	England	Non-trading	Ordinary 100%

11 Stock

	Group	
	2014	2013
	£	£
Raw materials	**558,991**	540,153
Work in progress	**57,194**	28,263
Goods held for resale	**3,188,935**	3,271,424
	3,805,120	3,839,840

Notes *(continued)*

12 Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts due within one year				
Trade debtors	**7,163,835**	8,927,650	**-**	-
Other debtors	**843,732**	1,162,955	**8,649**	304,637
Amounts owed by group undertakings	**-**	-	**2,346,331**	2,213,961
Deferred tax asset (note 15)	**-**	-	**6,660**	13,837
	8,007,567	10,090,605	**2,361,640**	2,532,435
Amounts due over one year				
Trade debtors	**1,252,886**	-	**-**	-
	9,260,453	10,090,605	**2,361,640**	2,532,435

Amounts due over one year relate to trade debtors where an agreement has been put in place for the debts to be repaid within 3 years.

13 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Invoice discounting facility	**4,628,069**	5,475,235	**-**	-
Bank loans and overdrafts	**-**	53,880	**-**	-
Obligations under finance leases and hire purchase contracts	**234,673**	200,145	**47,707**	28,916
Trade creditors	**5,293,055**	5,394,851	**17,031**	15,635
Other creditors	**711,713**	1,229,739	**40,768**	39,101
Amounts owed to group undertakings	**-**	-	**188,404**	188,404
Other taxes and social security	**519,904**	469,957	**425,736**	384,973
Corporation tax	**218,978**	280,064	**19,055**	16,351
Shares classified as liabilities	**17,500**	17,500	**17,500**	17,500
Dividends payable	**200,448**	200,000	**200,448**	200,000
	11,824,340	13,321,371	**956,649**	890,880

The invoice discounting facility commenced in July 2013 and is for an initial period of 2 years with a rate of interest at 2.25% above Lloyds TSB plc base rate. It is then cancellable by either party giving 3 months notice. It is secured against the trade debtor balances of the Group.

Included within creditors are bank loans for £nil *(2013: £53,800)*, with interest payable at 2.75% above the bank base rate, secured by debentures across all group companies. The bank loans are secured against various assets of the company and are repayable over 3 years. Interest is payable at 3% per annum.

Notes *(continued)*

14 Creditors: falling due after more than one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Obligations under finance leases and hire purchase contracts	**195,968**	51,279	**43,554**	19,139
Shareholders' loans	**370,000**	370,000	**370,000**	370,000
	565,968	421,279	**413,554**	389,139

Analysis of debt

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Debts can be analysed as falling due:				
In one year or less, or on demand	**4,880,242**	5,746,760	**65,207**	46,416
Between one and two years	**195,968**	51,279	**43,554**	19,139
Between two and five years	**-**	-	**-**	-
Greater than five years	**370,000**	370,000	**370,000**	370,000
	5,446,210	6,168,039	**478,761**	435,555

The maturity of obligations under finance lease and hire purchase contracts is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Within one year	**234,673**	200,145	**47,707**	28,916
In the second to fifth years	**195,968**	51,279	**43,554**	19,139
	430,641	251,424	**91,261**	48,055

Notes *(continued)*

15 Provisions for liabilities and charges

Group

	Deferred taxation
	£
At beginning of period	33,125
Charged to the profit and loss account in the period	44,311
At end of period	**77,436**

The amount provides for deferred taxation are set out below:	**2014** £	2013 £
Difference between accumulated depreciation and capital allowances	**150,282**	159,071
Other timing differences	**(2,127)**	(2,234)
Tax losses	**(70,719)**	(123,712)
	77,436	33,125

Company

	Deferred taxation
	£
At beginning of period	(13,837)
Debited to the profit and loss account	7,177
At end of period	**(6,660)**

The amount provided for deferred taxation are set out below:	**2014** £	2013 £
Difference between accumulated depreciation and capital allowances	**(6,430)**	(13,414)
Other timing differences	**(230)**	(423)
	(6,660)	(13,837)

Notes *(continued)*

16 Called up share capital

Allotted, called up and issued

Number	*Class*	*Nominal value*	**2014** £	2013 £
7,500 *(2013:7,500)*	A shares	£1	**7,500**	7,500
17,500 *(2013: 17,500)*	C preference	£1	**17,500**	17,500
479 *(2013: 479)*	E shares	£1	**479**	479
373 *(2013: 373)*	F shares	£1	**373**	373
			25,852	25,852

All share capital is fully paid with the exception of 373 of F shares.

	2014 £	2013 £
Shares classified as equity	**8,352**	8,352
Shares classified as debt	**17,500**	17,500
	25,852	25,852

Rights of A shares

Dividends

Dividends payable per annum after the payment of dividends on C preference shares.

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid after the payment of arrears on the C preference shares dividends but in priority to the capital of any shares. On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the C preference shares, the remaining assets of the company will be distributed to the A shareholders up to a maximum of £3,500,000.

Voting

A shares carry one vote per share.

Rights of C preference shares

Dividends

Cumulative Preferential Dividends of 20% per annum on capital.

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid in priority to the capital and other dividend arrears of the company. On winding up, after the payment of dividend arrears on A shares and C shares, the capital paid up will be repaid in priority to the A shares.

Voting

The shares carry no voting rights.

Notes *(continued)*

16 Called up share capital *(continued)*

Rights of E Shares

Winding up

On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the A shares and C preference shares and the remaining distribution to the A shareholders as set out above, the balance of the assets remaining will be distributed to the holders of the E shares.

Voting

E shares carry one vote per share.

Rights of F Shares

The holders of F shares have the same voting and dividend rights as holders of A shares with no equity rights.

17 Reserves

	Capital redemption reserve		Profit and loss reserve	
	Group	Company	Group	Company
	£	£	£	£
At beginning of period	170,750	170,750	3,338,668	1,355,800
Dividend proposed	-	-	(301,120)	(301,120)
Retained profit for the period	-	-	837,106	54,921
At end of period	**170,750**	**170,750**	**3,874,654**	**1,109,601**

Notes *(continued)*

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Opening shareholders' funds	**3,517,770**	2,874,883	**1,534,902**	1,671,540
Profit for the financial period	**837,106**	842,887	**54,921**	63,362
Dividends	**(301,120)**	(200,000)	**(301,120)**	(200,000)
Closing shareholders' funds	**4,053,756**	3,517,770	**1,288,703**	1,534,902

19 Pension scheme

The group participates in a group personal pension scheme. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £136,733 *(2013: £122,779)*. There were no outstanding or prepaid contributions at the beginning or end of the financial period.

20 Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	**1,347,098**	1,352,964
Depreciation and amortisation	**597,971**	552,383
Decrease / (increase) in stocks	**34,720**	(126,655)
Decrease / (increase) in debtors	**830,152**	(425,237)
Decrease in creditors	**(569,875)**	(31,879)
Net cash inflow from operating activities	**2,240,066**	1,321,576

Notes *(continued)*

21 Analysis of cash flows

	2014		2013	
	£	£	£	£
Returns on investment and servicing of finance				
Interest paid and similar charges	269,549		328,454	
		269,549		328,454
Capital expenditure				
Purchase of tangible fixed assets	(461,970)		(437,302)	
Disposal of tangible fixed assets	92,528		41,809	
		(369,442)		(395,493)
Financing				
(Repayment of) / addition to invoice discounting facility	(847,166)		258,034	
Repayment of bank loans	(53,880)		(16,120)	
Repayment of other loans	-		(227,738)	
Repayment of hire purchase loans	(219,283)		(58,760)	
		(1,120,329)		(44,584)

22 Analysis of net debt

	2013	Cash flow	Non-cash items	2014
	£	£	£	£
Cash in hand and at bank	907,798	(102,152)	-	805,646
	907,798	(102,152)	-	805,646
Invoice discounting	(5,475,235)	847,166	-	(4,628,069)
Hire purchase	(251,424)	219,283	(398,500)	(430,641)
Bank loans	(53,880)	53,880	-	-
Other loans	-	-	-	-
Shares classified as liabilities	(17,500)	-	-	(17,500
Directors' loans	(370,000)	-	-	(370,000)
	(6,168,039)	1,120,329	(398,500)	(5,446,210)
Total	(5,260,241)	1,018,177	(398,500)	(4,640,564)

Notes *(continued)*

23 Commitments

(a) Annual commitments under non cancellable operating leases:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Property				
Ending in less than one year	**7,360**	15,707	**-**	-
Ending in two to five years	**29,000**	29,000	**-**	-
Ending after five years	**762,506**	762,506	**390,506**	390,506
	798,866	807,213	**390,506**	390,506
Plant and machinery				
Ending in less than one year	**-**	182,702	**-**	-
Ending in two to five years	**278,517**	251,011	**-**	-
Ending after five years	**95,258**	102,879	**-**	-
	373,775	536,592	**-**	-
	1,172,641	1,343,805	**390,506**	390,506