

C. House

Company Registration No. 02575550 (England and Wales)

J.S.M. FINANCE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 JANUARY 2014

THURSDAY



A3BCLYER

A24

03/07/2014

#343

COMPANIES HOUSE

J.S.M. FINANCE LIMITED

COMPANY INFORMATION

Directors

H S Craft B.E.M.
M H Craft
J T Farrell A.C.I.B.

Secretary

J S M Craft

Company number

02575550

Registered office

2 Regency Chambers
Jubilee Way
Bury
Lancashire
BL9 0JW

Auditors

Jackson Stephen LLP
James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Business address

2 Regency Chambers
Jubilee Way
Bury
Lancashire
BL9 0JW

Bankers

Bank of Baroda
50 Swan Street
Manchester
M4 5JU

J.S.M. FINANCE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 16
Detailed trading and profit and loss account	

J.S.M. FINANCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present the strategic report and financial statements for the year ended 31 January 2014.

Review of the business

The volatile political position in one of our major markets abroad has continued to have an effect on the turnover and gross profit. The directors have kept overheads to a minimum and as a result net profit remains a constant.

Although the directors believe there are signs of political stability returning in the overseas markets they are not confident of any major improvement in the coming financial year. The directors are contemplating diversification into other market sectors with a view to increasing turnover and profitability.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of the company's operations mean that the company is not subject to price risk or liquidity risk.



M H Craft
Director
24 June 2014

J.S.M. FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present their report for the year ended 31 January 2014.

Principal activities

The principal activity of the company is the export of goods.

Results and dividends

The results for the year are set out on page 6.

The company has paid dividends on preference shares of £6,930 (2013: £6,930) in the year and £30,000 (2013: £nil) on ordinary shares. The directors do not recommend the payment of any final dividends (2013: £nil).

Directors

The following directors have held office since 1 February 2013:

H S Craft B.E.M.
M H Craft
J T Farrell A.C.I.B.

Auditors

The auditors, Jackson Stephen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of 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 period. 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.

J.S.M. FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

M H Craft
Director
24 June 2014

A handwritten signature in black ink, consisting of a large, stylized 'C' with a horizontal line extending to the left and a vertical line extending upwards, forming a unique signature.

J.S.M. FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF J.S.M. FINANCE LIMITED

We have audited the financial statements of J.S.M. Finance Limited for the year ended 31 January 2014 set out on pages 6 to 16. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement included within the Directors' Report, 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 Strategic Report and the Directors' 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 January 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.

J.S.M. FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF J.S.M. FINANCE 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, 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.

Jackson Stephen LLP

Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP

27 June 2014

Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

J.S.M. FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2014

	Notes	2014 £	2013 £
Turnover	2	6,991,131	8,207,664
Cost of sales		(6,432,393)	(7,485,728)
Gross profit		558,738	721,936
Administrative expenses		(254,199)	(372,097)
Other operating income		3,090	3,354
Operating profit	3	307,629	353,193
Interest payable and similar charges	4	(245,581)	(287,533)
Profit on ordinary activities before taxation		62,048	65,660
Tax on profit on ordinary activities	5	(6,247)	(18,802)
Profit for the year	14	55,801	46,858

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

J.S.M. FINANCE LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		89,153		84,373
Current assets					
Stocks	8	30,000		38,901	
Debtors	9	5,574,294		6,148,844	
Cash at bank and in hand		244,754		1,985	
		5,849,048		6,189,730	
Creditors: amounts falling due within one year	10	(4,420,243)		(4,781,287)	
Net current assets			1,428,805		1,408,443
Total assets less current liabilities			1,517,958		1,492,816
Creditors: amounts falling due after more than one year	11		(840,000)		(840,000)
Provisions for liabilities	12		-		(659)
			677,958		652,157
Capital and reserves					
Called up share capital	13	500,003		500,003	
Profit and loss account	14	177,955		152,154	
Shareholders' funds - equity interests	15	677,958		652,157	

Approved by the Board and authorised for issue on 24 June 2014

M H Craft
Director

Company Registration No. 02575550

J.S.M. FINANCE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,369,683		496,409
Returns on investments and servicing of finance				
Interest paid	(238,651)		(280,603)	
Non equity dividends paid	(6,930)		(6,930)	
Net cash outflow for returns on investments and servicing of finance		(245,581)		(287,533)
Taxation		(17,375)		(50,475)
Capital expenditure				
Payments to acquire tangible assets	(65,477)		(64,118)	
Receipts from sales of tangible assets	30,251		30,685	
Net cash outflow for capital expenditure		(35,226)		(33,433)
Equity dividends paid		(30,000)		-
Net cash inflow before management of liquid resources and financing		1,041,501		124,968
Financing				
Repayment of other long term loans	-		(52)	
Net cash outflow from financing				(52)
Increase in cash in the year		1,041,501		124,916

J.S.M. FINANCE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2014

1	Reconciliation of operating profit to net cash inflow from operating activities		2014	2013
			£	£
	Operating profit		307,629	353,193
	Depreciation of tangible assets		24,166	24,950
	Loss on disposal of tangible assets		6,280	6,317
	Decrease in stocks		8,901	21,130
	Decrease in debtors		581,756	80,038
	Increase in creditors within one year		440,951	10,781
	Net cash inflow from operating activities		1,369,683	496,409

2	Analysis of net debt	1 February 2013	Cash flow	Other non-cash changes	31 January 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,985	242,769	-	244,754
	Bank overdrafts	(3,606,598)	798,732	-	(2,807,866)
		(3,604,613)	1,041,501	-	(2,563,112)
	Debt:				
	Debts falling due after one year	(840,000)	-	-	(840,000)
	Net debt	(4,444,613)	1,041,501	-	(3,403,112)

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase in cash in the year	1,041,501	124,916
	Cash outflow from decrease in debt	-	52
	Movement in net debt in the year	1,041,501	124,968
	Opening net debt	(4,444,613)	(4,569,581)
	Closing net debt	(3,403,112)	(4,444,613)

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents income arising on the export of goods prior to the balance sheet date. It is stated after trade discounts and net of VAT.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33% per annum reducing balance basis
Motor vehicles	25% per annum reducing balance basis

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Provision is made for any slow-moving or obsolete stock.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

2 Turnover

The total turnover of the company for the year has been derived from its principal activity and the segmental analysis by geographical area is as follows:

Geographical market

	Turnover 2014 £	2013 £
United Kingdom	988,242	246,230
Rest of the World	6,002,889	7,961,434
	<u>6,991,131</u>	<u>8,207,664</u>

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	24,166	24,950
Loss on disposal of tangible assets	6,280	6,317
Fees payable to the company's auditor for the audit of the company's annual accounts	3,500	3,500
Fees payable to the company's auditor for non-audit services	7,000	7,000
and after crediting:		
Profit on foreign exchange transactions	(3,090)	(3,354)
	<u>(3,090)</u>	<u>(3,354)</u>

4 Interest payable

	2014 £	2013 £
On bank loans and overdrafts	180,251	222,877
On other loans wholly repayable within five years	58,400	57,726
Preference dividends paid	6,930	6,930
	<u>245,581</u>	<u>287,533</u>

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	15,539	18,802
	Adjustment for prior years	(1,427)	-
	Total current tax	<u>14,112</u>	<u>18,802</u>
	Deferred tax		
	Deferred tax credit current year	(7,865)	-
		<u>6,247</u>	<u>18,802</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>62,048</u>	<u>65,660</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 26.00%)	<u>14,271</u>	<u>17,072</u>
	Effects of:		
	Depreciation add back	5,558	6,487
	Capital allowances	(4,876)	(3,750)
	Preference dividend paid	1,594	1,802
	Change on tax rates adjustments	117	(1,390)
	Adjustments to previous periods	(1,427)	-
	Marginal rate relief	(1,125)	(1,419)
		<u>(159)</u>	<u>1,730</u>
	Current tax charge for the year	<u>14,112</u>	<u>18,802</u>
6	Dividends	2014 £	2013 £
	Ordinary interim paid	<u>30,000</u>	<u>-</u>

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

7 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 February 2013	1,500	119,985	121,485
Additions	-	65,477	65,477
Disposals	-	(61,689)	(61,689)
At 31 January 2014	1,500	123,773	125,273
Depreciation			
At 1 February 2013	1,500	35,612	37,112
On disposals	-	(25,158)	(25,158)
Charge for the year	-	24,166	24,166
At 31 January 2014	1,500	34,620	36,120
Net book value			
At 31 January 2014	-	89,153	89,153
At 31 January 2013	-	84,373	84,373

8 Stocks

	2014 £	2013 £
Finished goods and goods for resale	30,000	38,901

9 Debtors

	2014 £	2013 £
Trade debtors	4,872,824	5,540,697
Amounts owed by parent and fellow subsidiary undertakings	204,571	219,420
Other debtors	380,722	365,310
Prepayments and accrued income	108,971	23,417
Deferred tax asset (see note 12)	7,206	-
	5,574,294	6,148,844

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2014

10 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	2,807,866	3,606,598
Trade creditors	6,628	165,940
Amounts owed to parent and fellow subsidiary undertakings	1,358,340	861,830
Corporation tax	15,539	18,802
Other taxes and social security costs	1,010	1,010
Other creditors	142,070	105,975
Accruals and deferred income	88,790	21,132
	<u>4,420,243</u>	<u>4,781,287</u>
Debt due in one year or less	<u>2,807,866</u>	<u>3,606,598</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets and personal guarantees provided by the directors.

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Other loans	730,000	730,000
Preference shares classed as a financial liability	110,000	110,000
	<u>840,000</u>	<u>840,000</u>
Analysis of loans		
Wholly repayable within five years	<u>730,000</u>	<u>730,000</u>
	<u>730,000</u>	<u>730,000</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>730,000</u>	<u>730,000</u>
Preference shares classified as financial liabilities		
In more than two years but not more than five years	<u>110,000</u>	<u>110,000</u>

The redeemable cumulative preference shares are redeemable at the discretion of the company and the earliest permissible date of redemption is 2016.

The preference shares carry no voting rights.

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2014 £
Balance at 1 February 2013	659
Profit and loss account	(7,865)
	<u> </u>
Balance at 31 January 2014	<u>(7,206)</u>

	2014 £	2013 £
(Decelerated)/accelerated capital allowances	<u>(7,206)</u>	<u>659</u>

13 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
500,000 'A' Ordinary shares of £1 each	500,000	500,000
3 'B' Ordinary shares of £1 each	3	3
	<u>500,003</u>	<u>500,003</u>

The 'B' ordinary shares do not carry any voting rights.

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2013	152,154
Profit for the year	55,801
Dividends paid	<u>(30,000)</u>
Balance at 31 January 2014	<u>177,955</u>

J.S.M. FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

15	Reconciliation of movements in shareholders' funds	2014 £	2013 £
	Profit for the financial year	55,801	46,858
	Dividends	(30,000)	-
	Net addition to shareholders' funds	25,801	46,858
	Opening shareholders' funds	652,157	605,299
	Closing shareholders' funds	677,958	652,157

16 Employees

Number of employees

There were no employees during the year apart from the directors.

The directors received no remuneration during the year.

17 Control

The ultimate parent company is Regency Factors plc, a company registered in England and Wales, by virtue of its shareholding in the company. Consolidated accounts are prepared for Regency Factors plc. Copies are publicly available at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The parent company is controlled by M H and H S Craft by virtue of their "A" ordinary shareholdings and as trustees of the H & M Retirement Benefit Scheme.

18 Related party relationships and transactions

Other transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

M H Craft and H S Craft, directors of the company, have given personal guarantees in relation to the bank overdraft included within note 10.

Creditors due after more than one year includes a loan of £250,000 (2013: £245,000) from E Ratcliffe, the sister of S Clague who is a director of the ultimate parent company. During the year the company paid interest of £20,000 (2013: £18,920) in connection with this loan.