

Dr Martens Airwair Group Limited
(Formerly R Griggs Group Limited)

Report and Financial Statements

31 March 2014



Dr Martens Airwair Group Limited

Registered No. 2678750

Directors

F Carretti
C Y Hood
D R Suddens
M J Vincent

Secretary

SLC Registrars Limited
Thames House
Portsmouth Road
Esher
Surrey
KT10 9AD

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank PLC
Avebury Boulevard
Milton Keynes
MK9 2GA

Solicitors

DLA Piper UK LLP
1 St Paul's Place
Sheffield
S1 2JX

Registered office

Cobbs Lane
Wollaston
Nr Wellingborough
Northants
NN29 7SW

Directors' report

The directors present their report and the Group's financial statements for the year ended 31 March 2014.

Results and dividends

The profit for the year, after taxation, is £19,382,847 (2013: £453,251.). A dividend of £5m was paid to holders of Ordinary and 'A' Ordinary shares during the year ended 31 March 2013 (£5m paid in year to 31 March 2013).

Principal activities and review of the business

The Company principally operates as an intermediate investment holding company. The Company did not trade during the year other than in its capacity as a holding company.

Directors and their interests

The directors who served the Company during the year and subsequently were as follows:

S W Griggs – resigned 14 January 2014

F Carretti – appointed 14 January 2014

C Y Hood – appointed 14 January 2014

D R Suddens

A A Wright – resigned 4 April 2014

There are no directors' interests requiring disclosure under the Companies Act 2006.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Going concern

The Company is reliant on the continued financial support of other group companies. The directors of the Company's ultimate holding company Doc Topco Limited have confirmed that future liabilities of Airwair (1996) Limited will be met as they fall due by Doc Topco Limited. The directors of Airwair (1996) Limited therefore consider it appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and of the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The directors' report takes advantage of the reduced disclosure available to small entities, in accordance with the special provisions of s.417 of the Companies Act 2006.

On behalf of the board



D R Suddens

Director

13th August 2014

Statement of directors' responsibilities

The Directors are responsible for preparing 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 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Dr Martens Airwair Group Limited

We have audited the financial statements of Airwair International Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17. 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 Statement of Directors' Responsibilities set out on page 3, 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 (APB'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 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.

Independent auditors' report (continued)

to the members of Dr Martens Airwair Group Limited

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 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Andy Glover (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

13th August 2014

Profit and loss account

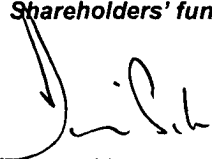
for the year ended 31 March 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|------------|-----------|
| Other operating charges | | (252,838) | (368,254) |
| Operating loss | 2 | (252,838) | (368,254) |
| Income from participating interests | | 19,500,000 | – |
| Interest receivable | 5 | 260,720 | 310,167 |
| Interest payable | 6 | (181,584) | (376,087) |
| Profit/(loss) on ordinary activities before taxation | | 19,326,298 | (434,174) |
| Tax on profit on ordinary activities | 7 | (56,549) | 19,077 |
| Profit/(loss) for the financial year | 14 | 19,269,749 | (453,251) |

Balance sheet

at 31 March 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|--------------|--------------|
| Fixed assets | | | |
| Investments | 9 | 10,952 | 10,952 |
| Current assets | | | |
| Debtors | 10 | 24,133,412 | 6,322,886 |
| Cash at bank and in hand | | 1,300,335 | 11,176,515 |
| | | 25,433,747 | 17,499,401 |
| Creditors: amounts falling due within one year | 11 | (14,064,019) | (10,399,918) |
| Net current assets | | 11,369,728 | 7,099,483 |
| Total assets less current liabilities | | 11,380,680 | 7,110,435 |
| Provisions for liabilities and charges | 12 | (50,000) | (50,000) |
| Net assets | | 11,330,680 | 7,060,435 |
| Capital and reserves | | | |
| Called up share capital | 13 | 85,302 | 85,302 |
| Share premium account | 13 | 148,029 | 148,029 |
| Capital redemption reserve | 14 | 10,006,343 | 6,006,343 |
| Profit and loss account | 14 | 1,091,006 | 820,761 |
| Shareholders' funds | | 11,330,680 | 7,060,435 |



D R Suddens
Director
13th August 2014

Notes to the financial statements

at 31 March 2014

1. Accounting policies

Basis of preparation

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

Going concern

Due to the extent of intercompany balances, the Company is reliant on the continued financial support of its ultimate holding company, Doc Topco Limited, the Directors of which have confirmed that future liabilities of Dr Martens Airwair Group Limited will be met as they fall due. The Directors of Dr Martens Airwair Group Limited therefore consider it appropriate to prepare the financial statements on a going concern basis.

Consolidation

The Company is exempt from the requirements to prepare group financial statements by virtue of Section 400 of the Companies Act 2006, and accordingly the financial statements present information about the Company as an individual and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

The Company is wholly owned by Doc Bidco Limited, which is a wholly owned subsidiary of Doc Topco Limited, the consolidated financial statements of the latter are publicly available. Accordingly, the Company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with members or investees of the Doc Topco Group.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Investments

Investments are included at cost, less provision for impairment.

Notes to the financial statements

at 31 March 2014

Deferred taxation

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Notes to the financial statements

at 31 March 2014

2. Operating loss

| | 2014 £ | 2013 £ |
|-------------------------|----------------|----------------|
| Exchange loss | 58,125 | 61,700 |
| Other operating charges | 194,714 | 306,554 |
| | <u>252,839</u> | <u>368,254</u> |

3. Auditors Remuneration

Auditors' remuneration is borne by other group undertakings.

4. Staff costs and directors emoluments

No salaries or wages have been paid to employees, including the directors, during the year.

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

| | 2014 No. | 2013 No. |
|-----------|-------------|-------------|
| Directors | <u>5</u> | <u>5</u> |

Directors' emoluments have been borne by other group companies. The directors of the Company are also directors or officers of a number of the companies within the Dr Martens Topco Group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the years ended 31 March 2014 and 31 March 2013.

5. Interest receivable

| | 2014 £ | 2013 £ |
|---------------------------|----------------|----------------|
| Bank interest receivable | 237,473 | 231,367 |
| Other interest receivable | 23,247 | 78,800 |
| | <u>260,720</u> | <u>310,167</u> |

6. Interest payable

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Bank loans and overdraft | 181,388 | 20,813 |
| Interest payable on preference dividends (note 11) | 194 | 355,274 |
| | <u>181,582</u> | <u>376,087</u> |

Notes to the financial statements

at 31 March 2014

7. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax (credit)/charge is made up as follows:

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| <i>Current tax:</i> | | |
| Tax attributable to foreign operations | 249 | 310 |
| Total current tax (note 6(b)) | 249 | 310 |
| Deferred tax: Origination and reversal of timing differences (note 6(c)) | 56,300 | 18,767 |
| Tax on profit/loss on ordinary activities | 56,549 | 19,077 |

(b) Factors affecting the current tax charge

The differences are reconciled below:

| | 2014 £ | 2013 £ |
|---|-------------|-----------|
| Profit/loss on ordinary activities before tax | 19,326,298 | (434,174) |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%) | 4,445,049 | (104,202) |
| <i>Effects of:</i> | | |
| Non taxable income | (4,485,013) | 85,191 |
| Other timing differences | – | (38,590) |
| Group relief surrendered | 39,964 | – |
| Unrelieved tax losses carried forward | – | 57,601 |
| Withholding tax | 249 | 310 |
| Current tax charge for the year (note 6(a)) | 249 | 310 |

Notes to the financial statements

at 31 March 2014

6. Tax (continued)

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

| | 2014 £ | 2013 £ |
|------------------------------|-----------|-----------|
| Included in debtors (note 9) | 375,335 | 431,635 |

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

| | 2014 | | 2013 | |
|--------------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | <i>Provided</i> £ | <i>Not provided</i> £ | <i>Provided</i> £ | <i>Not provided</i> £ |
| Decelerated capital allowances | 375,335 | – | 431,635 | – |
| Tax losses carried forward | – | 3,676,428 | – | 4,227,892 |

| | £ |
|--|----------|
| At 1 April 2013 | 431,635 |
| Deferred tax credit in profit and loss account | (56,300) |
| At 31 March 2014 including deferred tax on defined benefit pension liability | 375,335 |

(d) Factors affecting the future tax charges

As per Finance Act 2013, corporation tax rate for large companies is 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015 as unified rate of corporation tax. As these are enacted and there is no further legislation which has been substantively enacted at the Balance sheet date, we have used 20% for deferred tax purposes.

Notes to the financial statements

at 31 March 2014

8. Dividends

| | 2014 £ | 2013 £ |
|--|-------------------|------------------|
| Equity dividends | | |
| Ordinary dividends of £175.84p per share (2013: £58.61527p) | 13,705,146 | 4,568,533 |
| 'A' Ordinary dividends of £175.84 per share (2013: £58.61527p) | 1,294,358 | 431,467 |
| | <u>14,999,504</u> | <u>5,000,000</u> |
| Non-equity dividends | | |
| Preference dividend of 3.85p per share (2013: 3.85p) | 194 | 194 |
| 'A' preference dividend of 8.5p per share (2013: 8.5p) | – | 340,000 |
| 'B' preference dividend of 6.0p per share (2013: 6.0p) | – | 15,080 |
| | <u>194</u> | <u>355,274</u> |

9. Fixed asset investments

Other fixed asset investments

| | 2014 £ | 2013 £ |
|-------------------------------|---------------|---------------|
| Other fixed asset investments | <u>10,952</u> | <u>10,952</u> |

Company

| | <i>Investments other than loans £</i> | <i>Shares in Group undertakings £</i> | <i>Total £</i> |
|---------------------------------------|---|---|--------------------|
| Cost: | | | |
| At 31 March 2013 and at 31 March 2014 | <u>893</u> | <u>6,119,036</u> | <u>6,119,929</u> |
| Provision: | | | |
| At 31 March 2013 and at 31 March 2014 | <u>–</u> | <u>6,108,977</u> | <u>6,108,977</u> |
| Net book value: | | | |
| At 31 March 2013 and at 31 March 2014 | <u>893</u> | <u>10,059</u> | <u>10,952</u> |

Other fixed asset investments at net book amount includes:

| | 2013 £ | 2012 £ |
|---|------------|------------|
| Investments listed on a recognised stock exchange | <u>893</u> | <u>893</u> |
| Listed investments at market value | <u>797</u> | <u>795</u> |

Notes to the financial statements

at 31 March 2014

8. Fixed asset investments (continued)

All of the subsidiary undertakings listed on the following pages have been consolidated in the Group financial statements. All are subsidiary undertakings by virtue of control.

| <i>Name of subsidiary undertaking</i> | <i>Country of registration</i> | <i>Class of share capital held</i> | <i>Nature of investment</i> | | <i>Nature of business</i> |
|--|--------------------------------|------------------------------------|-----------------------------|-----------------|----------------------------------|
| | | | <i>Direct</i> | <i>Indirect</i> | |
| Dr Martens Airwair France S.A. | France | Ordinary | - | 100% | Footwear distribution |
| Airwair (1994) Limited | England and Wales | £1 Ordinary shares | - | 100% | Management company |
| Airwair (1996) Limited | England and Wales | £1 Ordinary shares | - | 100% | Management company |
| Airwair International Limited | England and Wales | £1 Ordinary shares | 100% | - | Footwear distribution |
| Dr Martens Airwair USA LLC | USA | Capital of no par value | - | 100% | Footwear distribution |
| GFM Trademarks GmbH | Germany | DM1 Ordinary shares | 50% | - | Trademark registration |
| Dr Martens Airwair Benelux N.V | Belgium | Bearer Capital | - | 100% | Footwear distribution |
| Dr Martens Sports and Leisure Limited | England and Wales | £1 Ordinary shares | 100% | - | Sports and Leisure industry |
| Ferrersmere Estates Limited | England and Wales | £1 Ordinary shares | 100% | - | Property Investment |
| Dr Martens Airwair Hong Kong Limited | Hong Kong | Ordinary | - | 100% | Footwear distribution |
| Wear:Aer (1999) Limited | England and Wales | £1 Ordinary shares | - | 100% | Management company |
| Dr Martens Airwair Korea Limited | Korea | Ordinary | - | 100% | Footwear retail and distribution |
| Dr Martens Airwair Japan KK | Japan | Ordinary | - | 100% | Footwear distribution |
| Dr Martens Airwair Singapore PTE Limited | Singapore | Ordinary | - | 100% | Footwear distribution |
| Dr Martens E-Commerce LLC | USA | Capital of no par value | - | 100% | Footwear retailer |
| R Griggs & Co Limited | England and Wales | £1 Ordinary shares | 100% | - | Dormant |
| Dr Martens Dept. Store Limited | England and Wales | £1 Ordinary shares | 100% | - | Dormant |
| Airwair Limited | England and Wales | £1 Ordinary shares | 100% | - | Dormant |
| Inca USA LLC | USA | Capital of no par value | - | 100% | Dormant |
| Dr Martens Airwair International trading (Shanghai) Co Limited | China | Ordinary | - | 100% | Dormant |
| Wear:Aer International Limited | England and Wales | £1 Ordinary shares | 100% | - | Dormant |
| Dr Martens Limited | England and Wales | £1 Ordinary shares | 100% | - | Dormant |

Notes to the financial statements

at 31 March 2014

10. Debtors

| | 2014 £ | 2013 £ |
|---|-------------------|------------------|
| Directors' loan accounts | – | 1,530,290 |
| Amounts owed by subsidiary undertakings | 23,444,596 | 3,981,661 |
| Other debtors | 155 | 155 |
| Deferred tax (note 6(c)) | 375,335 | 431,635 |
| Corporation tax | 313,326 | 379,145 |
| | <u>24,133,412</u> | <u>6,322,886</u> |

11. Creditors: amounts falling due within one year

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Bank loans | – | 500,000 |
| Accrued preference dividends | – | 170,172 |
| Amounts owed to subsidiary undertakings | 14,062,352 | 5,688,946 |
| Other creditors | – | 5,044 |
| Accruals and deferred income | 1,667 | 35,756 |
| 'A' Cumulative preference shares of £1 each | – | 4,000,000 |
| | <u>14,064,019</u> | <u>10,399,918</u> |

'A' cumulative redeemable preference shares

During the year to March 2014 the remaining £4,000,000 of 'A' preference shares were redeemed by the company (2013: £nil).

12. Provisions for liabilities and charges

| | Restructuring costs £ |
|-----------------------------------|-----------------------------|
| At 1 April 2013 and 31 March 2014 | <u>50,000</u> |

The provisions for restructuring costs are in respect of the Group's continued transition to outsourced production.

Notes to the financial statements

at 31 March 2014

13. Share capital

Authorised

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| 'A' Cumulative preference shares of £1 each | 4,000,000 | 4,000,000 |
| 'B' cumulative preference shares of £1 each | 6,000,000 | 6,000,000 |
| Cumulative preference shares of £1 each | | |
| 3.85% plus tax credit | 6,000 | 6,000 |
| Ordinary shares of £1 each | 994,000 | 994,000 |
| 'A' Ordinary shares of £1 each | 8,660 | 8,660 |
| | <u>11,008,660</u> | <u>11,008,660</u> |

Allotted, called up and fully paid

| | 2014 £ | 2013 £ |
|---|---------------|------------------|
| 'B' cumulative preference shares of £1 each | – | 4,000,000 |
| Total preference shares | <u>–</u> | <u>4,000,000</u> |
| Ordinary shares of £1 each | 77,941 | 77,941 |
| 'A' Ordinary shares of £1 each | 7,361 | 7,361 |
| Total equity shares | <u>85,302</u> | <u>85,302</u> |
| | <u>85,302</u> | <u>4,090,346</u> |

Ordinary shares

The holders of 'A' ordinary shares will be entitled to dividends in such proportions as may be deemed by the directors. Apart from this, the rights attached to ordinary shares and 'A' ordinary shares shall be equal in all respects.

Notes to the financial statements

at 31 March 2014

14. Reserves

| | Share capital £ | Share premium account £ | Capital redemption reserve £ | Profit and loss account £ | Total Share- holders' funds £ |
|---------------------------------|-----------------------|----------------------------------|---------------------------------------|---------------------------------|-------------------------------------|
| At 1 April 2012 | 85,302 | 148,029 | 2,001,299 | 10,279,056 | 12,513,686 |
| Loss for the year | – | – | – | (453,251) | (453,251) |
| Redemption of Preference shares | – | – | 4,005,044 | (4,005,044) | – |
| Ordinary dividend | – | – | – | (5,000,000) | (5,000,000) |
| At 31 March 2013 | 85,302 | 148,029 | 6,006,343 | 820,761 | 7,060,435 |
| Profit for the year | – | – | – | 19,269,749 | 19,269,749 |
| Redemption of Preference shares | – | – | 4,000,000 | (4,000,000) | – |
| Ordinary dividend | – | – | – | (14,999,504) | (14,999,504) |
| At 31 March 2014 | 85,302 | 148,029 | 10,006,343 | 1,091,006 | 11,330,680 |

15. Reconciliation of movements in shareholders' funds

| | 2014 £ | 2013 £ |
|---|--------------|-------------|
| Profit/(Loss) for the financial year | 19,269,749 | (453,251) |
| Other recognised gains and losses | | |
| Dividend paid | (14,999,504) | (5,000,000) |
| Net increase/(decrease) in shareholder' funds | 4,270,245 | (5,453,251) |
| Shareholders' funds at 1 April 2013 | 7,060,435 | 12,513,686 |
| Shareholders' funds at 31 March 2014 | 11,330,680 | 7,060,435 |

16. Contingent liabilities

The company has bank guarantees in place with landlords amounting to £221,569 and with corporate card providers amounting to £200,000.

17. Related party transactions

a) Transactions with directors

Mr S W Griggs, who served as a director during the year, was loaned £2,190,000 by the Company during the year ended 31 March 2012. The loan accrues interest at the Inland Revenue Beneficial loan rate, currently 4. The remaining loan outstanding at the 31 March 2014 was £nil (2013: £1,530,290).

During the year loan were given to D R Suddens and M Vincent, both of which were also repaid in the year.