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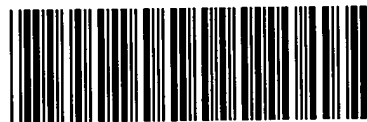
**THE DERITEND GROUP LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2014**

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**THE DERITEND GROUP LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

R K Hale  
S Smith

**REGISTERED NUMBER**

04140677

**REGISTERED OFFICE**

Cyprus Street  
Off Upper Villiers Street  
Wolverhampton  
West Midlands  
WV2 4PB

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**THE DERITEND GROUP LIMITED**

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## THE DERITEND GROUP LIMITED

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### DIRECTORS' REPORT For the Year Ended 31 December 2014

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

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

#### DIRECTORS

The directors who served during the year were:

R K Hale  
S Smith

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 29 September 2015 and signed on its behalf.

R K Hale  
Director



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## THE DERITEND GROUP LIMITED

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### STRATEGIC REPORT For the Year Ended 31 December 2014

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#### INTRODUCTION

The Deritend Group Limited is a UK-leading provider of engineering asset management, maintenance and repair activities.

The company provides bespoke specialist services for organisations across a wide range of industries but predominantly in the water, power, metals and food and beverage sectors.

Operating across the UK the company aims to improve plant maintenance, increase efficiency and reduce costs for its customers.

For further details please visit the company's website: [www.deritend.co.uk](http://www.deritend.co.uk)

On 4th July 2014 its parent company, Deritend Industries Limited successfully completed the sale of The Deritend Group Limited's sister company, Preformed Windings Limited to Clyde Blowers Capital. This has enabled the group to use the proceeds to refocus The Deritend Group on its core strategic markets.

#### BUSINESS REVIEW

The Company saw a fall in turnover in 2014 from £17.9m to £16.2m as a result of the continued restructuring of the business and the strategic move away from a number of unprofitable business sectors.

The sale of Preformed Windings Limited led to the substantial repayment of third party debt allowing the group to refocus its attentions on the core activities with a view to returning to profitability and reduced finance costs in 2015. The group has also simplified its intercompany financing and this is reflected within the intercompany debt waiver disclosed in the year. This waiver was a result of the mechanism adopted in the sale of Preformed Windings Limited and effectively resulted in the transfer of the substantial distributable reserves to the Holding Company, Deritend Industries Limited, and the clearance of the intercompany debtors and creditors across the group.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The company has faced a number of difficulties in recent years in particular with some of its larger contracts. These challenges were met head-on in 2014 and actions taken to reduce the negative impact they were having.

The company is now in a much stronger position to build on its core competencies and strengths and is aiming to see a return to profitability in 2015.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The financial restructuring has resulted in a re-basing of the company going forward and an ability to focus on its core trading activities with a reduced financing burden.

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**THE DERITEND GROUP LIMITED**

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**STRATEGIC REPORT (continued)**  
**For the Year Ended 31 December 2014**

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The company continues to operate to high standards of quality to match the exacting requirements of its market.

This report was approved by the board on 29 September 2015 and signed on its behalf.

**R K Hale**  
**Director**

A handwritten signature in black ink, appearing to be 'R K Hale', with a long horizontal flourish extending to the right.

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## THE DERITEND GROUP LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE DERITEND GROUP LIMITED

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We have audited the financial statements of The Deritend Group Limited for the year ended 31 December 2014, set out on pages 6 to 20. 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, 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 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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**THE DERITEND GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE DERITEND GROUP LIMITED**

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**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.



Ross Cocker FCA (Senior Statutory Auditor)

for and on behalf of  
**Clement Keys LLP**

Statutory Auditors

No. 8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

29 September 2015



**THE DERITEND GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31 December 2014

	Note	2014 £000	2013 £000
<b>TURNOVER</b>	1,2	<b>16,272</b>	<b>17,870</b>
Cost of sales		<u>(11,145)</u>	<u>(11,692)</u>
<b>GROSS PROFIT</b>		<b>5,127</b>	<b>6,178</b>
Administrative expenses		<u>(5,530)</u>	<u>(6,344)</u>
<b>OPERATING LOSS</b>	3	<b>(403)</b>	<b>(166)</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items		<u>(270)</u>	<u>(208)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(673)</b>	<b>(374)</b>
Interest receivable and similar income		<b>150</b>	<b>338</b>
Intercompany debt waived		<b>(4,000)</b>	-
Interest payable and similar charges	6	<u>(193)</u>	<u>(351)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(4,716)</b>	<b>(387)</b>
Tax on loss on ordinary activities	8	<u>(67)</u>	<u>(102)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	18	<u><b>(4,783)</b></u>	<u><b>(489)</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 9 to 20 form part of these financial statements.

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THE DERITEND GROUP LIMITED

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**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**For the Year Ended 31 December 2014**

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	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(4,716)</b>	<b>(387)</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<b>3</b>	<b>3</b>
Realisation of valuation gains of previous periods	<b>-</b>	<b>44</b>
<b>HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(4,713)</b>	<b>(340)</b>
<b>HISTORICAL LOSS FOR THE YEAR AFTER TAXATION</b>	<b>(4,780)</b>	<b>(442)</b>

The notes on pages 9 to 20 form part of these financial statements.

**THE DERITEND GROUP LIMITED**  
Registered number: 04140677

**BALANCE SHEET**  
As at 31 December 2014

	Note	£000	2014 £000	2013 £000
<b>FIXED ASSETS</b>				
Intangible assets	9		1,297	1,412
Tangible assets	10		1,458	1,922
Investments	11		1	1
			<u>2,756</u>	<u>3,335</u>
<b>CURRENT ASSETS</b>				
Stocks	12	1,424		1,476
Debtors: amounts falling due after more than one year	13	-		4,000
Debtors: amounts falling due within one year	13	3,589		3,511
Cash at bank and in hand		115		232
		<u>5,128</u>		<u>9,219</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(4,256)</u>		<u>(4,916)</u>
<b>NET CURRENT ASSETS</b>			<u>872</u>	<u>4,303</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,628</u>	<u>7,638</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(2,714)</u>	<u>(1,969)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	16		<u>(28)</u>	<u>-</u>
<b>NET ASSETS</b>			<u><u>886</u></u>	<u><u>5,669</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	17		250	250
Revaluation reserve	18		135	138
Profit and loss account	18		501	5,281
<b>SHAREHOLDERS' FUNDS</b>	19		<u><u>886</u></u>	<u><u>5,669</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2015.

**R K Hale**  
Director



The notes on pages 9 to 20 form part of these financial statements.

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold buildings and in accordance with applicable accounting standards.

##### 1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when the risks and rewards are transferred, usually upon dispatch.

##### 1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

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

Development costs relate to costs incurred in the development and 3D modelling of new gearbox design. It is the opinion of the directors that this project is commercially viable, there are adequate resources available to complete it and it is expected that the project will provide future benefits to the company.

This project costs incurred will be amortised over the useful economic life.

Amortisation is provided at the following rates:

Development expenditure	- 20% straight line
Goodwill	- 5% or 10% straight line

##### 1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Freehold property	- 2% straight line
Long term leasehold property	- over the period of the lease
Plant and machinery	- 10 - 50% straight line

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

##### 1.7 INVESTMENTS

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

##### 1.8 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.9 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.10 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.12 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2. TURNOVER

A geographical analysis of turnover is as follows:

	2014 £000	2013 £000
United Kingdom	16,252	17,854
Rest of European Union	1	12
Rest of world	19	4
	<u>16,272</u>	<u>17,870</u>

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

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**3. OPERATING LOSS**

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

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Amortisation - intangible fixed assets	<b>115</b>	<i>116</i>
Depreciation of tangible fixed assets:		
- owned by the company	<b>152</b>	<i>171</i>
- held under finance leases	<b>11</b>	<i>9</i>
Auditors' remuneration	<b>13</b>	<i>13</i>
Operating lease rentals:		
- plant and machinery	<b>452</b>	<i>504</i>
- other operating leases	<b>152</b>	<i>170</i>
Profit/loss on sale of tangible assets	<b>(1)</b>	<i>(58)</i>
	<hr/> <hr/>	<hr/> <hr/>

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>4,993</b>	<i>5,881</i>
Social security costs	<b>523</b>	<i>603</i>
Other pension costs	<b>192</b>	<i>192</i>
	<hr/> <b>5,708</b> <hr/>	<hr/> <i>6,676</i> <hr/>

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

	<b>2014</b>	<i>2013</i>
	<b>No.</b>	<i>No.</i>
Works	<b>108</b>	<i>121</i>
Administration	<b>65</b>	<i>77</i>
	<hr/> <b>173</b> <hr/>	<hr/> <i>198</i> <hr/>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

**5. DIRECTORS' REMUNERATION**

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Remuneration	<b>201</b>	<i>217</i>
Company pension contributions to defined contribution pension schemes	<b>61</b>	<i>54</i>

During the year retirement benefits were accruing to 2 directors (*2013 - 2*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £130 thousand (*2013 - £124 thousand*).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £43 thousand (*2013 - £29 thousand*).

**6. INTEREST PAYABLE**

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
On bank loans and overdrafts	<b>124</b>	<i>279</i>
On other loans	<b>66</b>	<i>69</i>
On finance leases and hire purchase contracts	<b>3</b>	<i>3</i>
	<b>193</b>	<i>351</i>

**7. EXCEPTIONAL ITEMS**

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Staff costs - redundancy payments	<b>73</b>	<i>75</i>
Professional fees in respect of business advice	<b>11</b>	<i>28</i>
Loan repayment charges	<b>92</b>	<i>-</i>
Bank charges	<b>12</b>	<i>-</i>
Costs in respect of property disposal	<b>52</b>	<i>50</i>
Recruitment costs	<b>15</b>	<i>-</i>
Implementation of HR and payroll system	<b>15</b>	<i>-</i>
Professional fees in respect of restructuring and refinancing	<b>-</b>	<i>48</i>
Tribunal settlements	<b>-</b>	<i>7</i>
	<b>270</b>	<i>208</i>



**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

**8. TAXATION**

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on loss for the year	-	-
<b>DEFERRED TAX</b> (see note 16)		
Origination and reversal of timing differences	<b>67</b>	<b>102</b>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<b>67</b>	<b>102</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Loss on ordinary activities before tax	<b>(4,716)</b>	<b>(387)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	<b>(1,014)</b>	<b>(90)</b>
<b>EFFECTS OF:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>25</b>	<b>27</b>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>4</b>	<b>31</b>
Depreciation for period in excess of capital allowances	<b>22</b>	<b>5</b>
Profit on disposal of fixed assets	<b>11</b>	<b>(14)</b>
Intercompany debt waived	<b>860</b>	<b>-</b>
Losses carried forward	<b>92</b>	<b>2</b>
Group relief	<b>-</b>	<b>39</b>
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<b>-</b>	<b>-</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There are no factors that may affect future tax charges.

THE DERITEND GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 December 2014

9. INTANGIBLE FIXED ASSETS

	Develop- ment £000	Goodwill £000	Negative goodwill £000	Total £000
<b>COST</b>				
At 1 January 2014 and 31 December 2014	2	2,180	(865)	1,317
<b>AMORTISATION</b>				
At 1 January 2014	-	770	(865)	(95)
Charge for the year	2	113	-	115
At 31 December 2014	2	883	(865)	20
<b>NET BOOK VALUE</b>				
At 31 December 2014	-	1,297	-	1,297
At 31 December 2013	2	1,410	-	1,412

10. TANGIBLE FIXED ASSETS

	Freehold property £000	Long Term Leasehold Property £000	Plant & machinery, fixtures & fittings and motor vehicles £000	Total £000
<b>COST OR VALUATION</b>				
At 1 January 2014	1,274	515	1,934	3,723
Additions	-	-	26	26
Disposals	(335)	-	(447)	(782)
At 31 December 2014	939	515	1,513	2,967
<b>DEPRECIATION</b>				
At 1 January 2014	17	186	1,598	1,801
Charge for the year	16	52	95	163
On disposals	(8)	-	(447)	(455)
At 31 December 2014	25	238	1,246	1,509
<b>NET BOOK VALUE</b>				
At 31 December 2014	914	277	267	1,458
At 31 December 2013	1,257	329	336	1,922

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

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

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2014</b> <b>£000</b>	<i>2013</i> <i>£000</i>
Plant and machinery	<b>49</b>	<i>69</i>
	<u><u>          </u></u>	<u><u>          </u></u>

Cost or valuation at 31 December 2014 is as follows:

	<b>Land and buildings £000</b>
<b>AT COST</b>	<b>645</b>
<b>AT VALUATION</b>	
31 December 2012	<b>294</b>
	<u><u>          </u></u>
	<b>939</b>
	<u><u>          </u></u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2014</b> <b>£000</b>	<i>2013</i> <i>£000</i>
Cost	<b>980</b>	<i>980</i>
Accumulated depreciation	<b>(317)</b>	<i>(297)</i>
	<u><u>          </u></u>	<u><u>          </u></u>
Net book value	<b>663</b>	<i>683</i>
	<u><u>          </u></u>	<u><u>          </u></u>

The freehold land and buildings were revalued on 20 December 2012 by MGR appraisals, external valuers, on an open market basis. The Directors' have undertaken an internal review of the freehold land and buildings at 31 December 2014, based on a continued usage basis and do not consider the current value to vary from that held in the accounts.

**11. FIXED ASSET INVESTMENTS**

	<b>Listed investments £000</b>
<b>COST OR VALUATION</b>	
At 1 January 2014 and 31 December 2014	<b>1</b>
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<b>1</b>
	<u><u>          </u></u>
<i>At 31 December 2013</i>	<i>1</i>
	<u><u>          </u></u>

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

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**11. FIXED ASSET INVESTMENTS (continued)**

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
RMB Engineering Services Limited	Ordinary	100%

<b>Name</b>	<b>Business</b>	<b>Country of incorporation</b>
RMB Engineering Services Limited	Dormant	UK

**LISTED INVESTMENTS**

The market value of the listed investments at 31 December 2014 was £455 (2013 - £473).

**12. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Raw materials	163	162
Work in progress	681	665
Finished goods and goods for resale	580	649
	<u>1,424</u>	<u>1,476</u>

**13. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Amounts owed by group undertakings	-	4,000
	<u>-</u>	<u>4,000</u>
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	3,321	3,025
Amounts owed by group undertakings	-	165
Other debtors	38	18
Prepayments and accrued income	230	264
Deferred tax asset (see note 16)	-	39
	<u>3,589</u>	<u>3,511</u>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

**14. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £000	2013 £000
Bank loans and overdrafts	1,185	1,207
Net obligations under finance leases and hire purchase contracts	13	15
Trade creditors	2,262	2,610
Amounts owed to group undertakings	-	331
Other taxation and social security	547	506
Other creditors	70	102
Accruals and deferred income	179	145
	4,256	4,916

Included within bank loans and overdrafts is £1,185,000 (2013 - £1,071,000) secured by way of an all assets debenture.

Bank loans of £Nil (2013: £136,000) are secured by a fixed charge over the company's land and buildings. The property loan is repayable by quarterly installments. Interest is charged at 1.9% above the base rate of interest. The property loan was paid in full during the year.

The company, in conjunction with certain group companies, is party to a joint and several guarantee to secure balances due to bankers. At 31 December 2014 the amount of indebtedness was £1,253,000 (2013 - £1,276,000)

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

**15. CREDITORS:**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014 £000	2013 £000
Bank loans (secured - see note 14)	-	340
Net obligations under finance leases and hire purchase contracts (secured - see note 14)	16	29
Amounts owed to group undertakings	2,698	1,600
	2,714	1,969

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £000	2013 £000
Between one and five years	16	29

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2014

**16. DEFERRED TAXATION**

	2014 £000	2013 £000
At beginning of year	39	141
Charged for year (P&L)	(67)	(102)
At end of year	<u>(28)</u>	<u>39</u>

The deferred taxation balance is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	(155)	(11)
Tax losses carried forward	127	50
	<u>(28)</u>	<u>39</u>

**17. SHARE CAPITAL**

	2014 £000	2013 £000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

**18. RESERVES**

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2014	138	5,281
Loss for the financial year	-	(4,783)
Transfer between Revaluation reserve and P/L account	(3)	3
At 31 December 2014	<u>135</u>	<u>501</u>

**19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £000	2013 £000
Opening shareholders' funds as previously stated	5,669	6,158
Loss for the financial year	(4,783)	(489)
Closing shareholders' funds	<u>886</u>	<u>5,669</u>

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2014

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#### 20. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £112,000 (2013: £192,000). At the year end an amount of £20,000 (2013: £21,000) was unpaid and included in other creditors.

#### 21. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£000	£000	£000	£000
<b>EXPIRY DATE:</b>				
Within 1 year	-	42	75	80
Between 2 and 5 years	63	63	109	128
After more than 5 years	57	57	-	109

#### 22. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

At the year end each of the directors owed The Deritend Group Limited £5,000 (2013: £5,000 each). This was the maximum balance outstanding during the year and no interest is charged on the loans.

#### 23. RELATED PARTY TRANSACTIONS

The company has taken the exemption under FRS 8 and it has not disclosed transactions with other group companies on the grounds that group accounts are prepared by the parent company.

During the year the company charged membership fees to companies where certain company directors were also directors. These transactions were carried out on an arms length basis.

During the year fees totalling £24,697 (2014: £Nil) were paid to S Smith for his services as a director.

During the year the company paid rental of £Nil (2013: £15,658) to the Directors' SIPP Pension Scheme, The Davis Hale & Smith Group SIPP.

#### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2014, the ultimate parent company was Deritend Industries Limited, a company incorporated in Great Britain. No single party has a controlling interest in that company.

Deritend Industries Limited prepares consolidated financial statements which are available from Companies House.