Registrar Copy.

Financial Statements
Maclaren Europe Limited

For the year ended 31 December 2013

Company information

Company registration number: 4144247

Registered office: Station Works
LONG BUCKBY
Northamptonshire
NN6 7PF

Directors: G Kafi

Independent Auditors: Sturgess Hutchinson (Leicester) Limited
Chartered Certified Accountants and Statutory Auditors
21 New Walk
Leicester
LE1 6TE

Index to the financial statements

Report of the director

The director presents his report together with the audited consolidated financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the Company is a holding company for its operating subsidiary undertakings. The principal activities of the subsidiary undertakings throughout the year continued to be the distribution, sale and servicing of pushchairs and products for parenting.

Results and dividends

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements and are discussed further in the business review below.

The Group has not paid or recommended any dividends during the year (2012: nil).

Business review

The director reports a Group loss before taxation of £1,006k (2012: £77k) on continuing operations for the year ended 31 December 2013.

The director believes that this result is satisfactory for a year where demand in markets continues to be volatile due to the economic climate being impacted by the Euro zone uncertainty. The strategic restructure and the global business continue to benefit from direct supply and the Group is positioned to expand its market share.

Financial performance

Financial performance for the year is analysed as follows:

	2013	2012	Change	
	£'000	£'000	£'000	%
Turnover	**23,071**	26,952	(3,881)	(15)%
Gross profit	**4,620**	6,599	(1,979)	(30)%
Loss before tax	**(1,006)**	(77)	(929)	(1,206)%

Strategy

The Maclaren brand is promoted with a two-fold strategy for sales growth and product development. Despite the economic challenges, the brand maintained its policy to privilege its brand value and resisted price reductions, partially compensating for this by continuing to build its product portfolio with new buggy designs and mother & baby and other wellbeing products.

The brand maintains a strong market image with management committed to quality, innovation, health and safety and offering value added services. As part of this commitment toward health and safety, the Maclaren Distribution group has continued to develop new manufacturing techniques and voluntarily sought to improve the safety of its products by streamlining the design of key buggy parts.

Turnover

In a continuing difficult economic environment, sales have declined over the year by 14.7%. Sales declined due to economic and competitive pressures across the Euro zone.

Report of the director

Gross profit

Gross profit margin in 2013 was 20.0% compared to 2012 at 24.5%. Exchange rate movements between the US Dollar and European currencies combined with the impact of a global change in recommended retail price impacted the Group's gross margin.

Operating costs

The Group's net operating expenses have decreased by 15.7% year on year from £6,677k to £5,632k as a result of the full year effect of the prior year restructuring and a continued focus on improving operating efficiency.

Research and development

The Group recognises the importance of high quality products, product safety and strong design. The Group will continue to invest in the quality and design of the product range; believing that continuing investment in research and development is fundamental to the continuing growth of the business.

Summary of key performance indicators

The Group monitors sales, stock, debtors, creditors and cash on a weekly basis and compares to annual budgets and revised forecasts as appropriate. Based on these indicators, the Group implements action plans as appropriate to ensure that the Group performs in line with other companies in the same industry sector.

	2013	2012	Definition, method of calculation and analysis
Turnover	£23,071k	£26,952k	Taken from face of Profit and Loss Account. See page 11
Loss before tax	£(1,006)k	£(77)k	Taken from face of Profit and Loss Account. See page 11
Inventory Days	91	133	The average number of day's goods remain in inventory before being sold. Calculated as closing stock over cost of sales
Receivable Days	50	31	The average number of days before debtors are settled. Calculated as closing trade debtors over turnover.

Future outlook

The Group will continue to invest in the product range, with particular emphasis on quality, design and will look to employ people with the relevant expertise to enable the company to improve its strong market position. In addition the Group will continue to develop its wholesale network, by seeking new opportunities to establish strategic partnerships with its key retail customers in each market.

Report of the director

Principal risk and uncertainties
Management of the business and the nature of the Group's strategy are subject to a number of risks.

The director has set out below the principal risks facing the business.

The director is of the opinion that a risk management process is adopted and where possible, processes are in place to monitor and mitigate such risks.

Operating subsidiaries profitability
The Group is dependent on the financial performance of its trading subsidiaries. The risks faced by these subsidiaries including market, economic and competitive conditions, will affect the investment and profitability of the Group.

Financial risk management objectives and policies

The Group uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to raise finance and fund the Group's operations. The Group utilised invoice factoring and fixed interest invoice discounting during the year.

The existence of these financial instruments exposes the Group to a number of financial risks which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The director reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk
Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance interest rate risk and price risk are not considered a material risk to the business. The Company has no external borrowings other than its invoice factoring and fixed interest invoice financing facility.

Currency risk
The Group operates internationally and is exposed to translation and transaction foreign exchange risk, arising from various currency exposures, primarily with respect to the US Dollar and the Euro. As far as is possible payments and receipts are matched in these currencies to minimise currency risk.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Group arranges its borrowings to meet expected operational liquidity requirements. This is achieved through short term borrowings, and managing payment terms with a related party supplier.

Credit risk
The Group's principal financial assets are cash and trade debtors. The principal credit risk arises from the Group's trade debtors.

In order to manage credit risk the director sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Report of the director

Going concern

The director has reviewed the financial position of the Group and the budgets and forecasts produced by management. Maclaren Distribution Limited (a related undertaking) has confirmed that it will continue to provide financial support to the company for a period no less than twelve months from the date of approval of these financial statements. Based on this, and the facilities in place with the Group's key supplier, Maclaren Distribution Limited, he believes the Group will have sufficient resources to meet it's liabilities as they fall due and as such these financial statements have been prepared on a going concern basis.

Insurance of director

Directors and Officers Liability Insurance is maintained for the protection of directors and officers for claims against them for wrongful acts by reason of their acting as a director or officer of the company. The insurance provides cover for legal costs, expenses and any civil damages awarded against insured persons for which they are personally liable.

The Directors

The director of the company who was in office during the year and up to the date of signing the financial statements was:

Gogol Kafi.

Post balance sheet events

During the third quarter of 2013, the Company began a process of moving its finance and administrative functions to the United States as part of a global initiative to centralise certain financial and administrative functions. This process is substantially complete and will lead to operational improvements and a reduction in costs for the Company.

Charitable donations

During the year the Group made donations of £nil (2012 - £nil).

Report of the director

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that year. In preparing these financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 the Group, and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to auditors

In so far as the director is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor are aware of that information.

Independent Auditors

Sturgess Hutchinson (Leicester) Limited, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

G Kafi
Director

Date: 7 April 2015

Independent Auditors' Report to the Members of Maclaren Europe Limited

We have audited the group and parent company financial statements (the 'financial statements') of Maclaren Europe Limited for the year ended 31 December 2013. These comprise the consolidated profit and loss account, the statement of group total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of director and auditors
As explained more fully in the director's Responsibilities Statement set out on page 8 the director is 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 director; and the overall presentation of the financial statements.

Basis for disclaimer of opinion on financial statements
The audit evidence available to us was limited because the financial statements of the subsidiaries Maclaren France SAS, Maclaren GMBH, Maclaren Articulos de Puericultura SL and Maclaren Europe Services SAS were not audited. As a result we have been unable to obtain sufficient appropriate audit evidence concerning the inclusion of those subsidiaries' financial statements in these consolidated financial statements

Disclaimer of opinion on financial statements
Because of the significance of the matter described in the Basis for disclaimer of opinion on the financial statements paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Opinion on other matter prescribed by the Companies Act 2006
Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of Maclaren Europe Limited

Matters on which we are required to report by exception
Arising from the limitation of our work referred to above:

- we have not received all the information and explanations that we considered necessary for the purposes of our audit; and

- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 director's remuneration specified by law are not made.

Mr Jagdish Petha FCCA (Senior Statutory Auditor)
For and on behalf of Sturgess Hutchinson (Leicester) Limited
Chartered Certified Accountants and Statutory Auditors
21 New Walk
Leicester
LE1 6TE

7 April 2015

Consolidated profit and loss account

	Note	Group 2013 £000	Group 2012 £000
Turnover	2	**23,071**	26,952
Cost of sales		**(18,451)**	(20,353)
Gross profit		**4,620**	6,599
Distribution costs		**(3,432)**	(3,583)
Administration expenses (including £nil of exceptional items (2012 - £nil))		**(2,200)**	(3,094)
Operating loss	3	**(1,012)**	(78)
Interest receivable		**6**	1
Interest payable	4	**-**	-
Loss on ordinary activities before taxation		**(1,006)**	(77)
Tax on loss on ordinary activities	6	**(40)**	(18)
Loss for the financial year	15	**(1,046)**	(95)

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

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Statement of group total recognised gains and losses

For the year ended 31 December	**2013 £000**	2012 £000
Loss for the financial year	**(1,046)**	(95)
Exchange adjustments offset in reserves	**(43)**	(21)
Total recognised losses since last financial statements	**(1,089)**	(116)

Consolidated and Company balance sheets

	Note	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Fixed assets					
Tangible assets	8	**99**	147	**34**	41
Investments	9	**-**	-	**81**	81
		99	147	**115**	122
Current assets					
Stocks	10	**4,597**	7,405	**213**	27
Debtors	11	**8,890**	7,518	**16,532**	13,549
Cash at bank and in hand		**526**	855	**79**	171
		14,013	15,778	**16,824**	13,747
Creditors: amounts falling due within one year	12	**(14,006)**	(14,546)	**(16,375)**	(13,504)
Net current assets		**7**	1,232	**449**	243
Total assets less current liabilities		**106**	1,379	**564**	365
Provisions for liabilities and charges	13	**(607)**	(791)	**(159)**	(197)
Net assets/(liabilities)		**(501)**	588	**405**	168
Capital and reserves					
Called up share capital	14	**955**	955	**955**	955
Profit and loss account	15	**(1,456)**	(367)	**(550)**	(787)
Total shareholders' funds	16	**(501)**	588	**405**	168

These financial statements were approved and authorised for issue by the director on 7 April 2015

G Kafi
Director

Maclaren Europe Limited Registered number: 4144247

Consolidated cash flow statement

	Note	Group 2013 £000	Group 2012 £000
Net cash inflow/(outflow) from operating activities	17	**(550)**	536
Returns on investments and servicing of finance			
Interest received		**6**	1
Interest paid		**-**	-
Net cash inflow from returns on investments and servicing of finance		**6**	1
Taxation		**(23)**	241
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(13)**	(30)
Net cash outflow from capital expenditure and financial investment		**(13)**	(30)
Increase/(Decrease) in cash in the year	19	**(580)**	748

Notes to the financial statements

1. Accounting policies

Basis of preparation

The Group financial statements have been prepared under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and applicable accounting standards.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice).

The Company's accounting policies are unchanged compared with the prior year.

Turnover

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment or the product being ready for delivery, based on specific contract terms.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all subsidiary undertakings made up to 31 December 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The amount of the profit for the financial year dealt with in the financial statements of Maclaren Europe Limited is disclosed in Note 16 to the financial statements.

Going concern

These financial statements have been prepared on the going concern basis, on the basis that Maclaren Distribution Limited (a related undertaking) has confirmed that it will continue to provide financial support to the Company for a period no less than twelve months from the date of approval of these financial statements.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Intangible assets

Research and development

Research and development expenditure is charged to profits in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

Goodwill

Purchased goodwill arising on acquisitions is the difference between the fair value of the purchase consideration and the fair value of the Group's share of the identifiable assets and liabilities of the acquired business at the date of acquisition. Positive goodwill is capitalised and classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that it's carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The periods applicable are:

Leasehold improvements	Over the period of the lease
Plant and equipment	4 – 5 years
Office equipment	3 – 5 years
Computer equipment	3 years
Fixtures and fittings	3 – 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items, based on historical experience of utilisation on an item-by-item basis.

Warranty Provision

The Group offers a lifetime product warranty on certain products. Using historical data a warranty provision for potential labour and parts costs to service potential warranty claims has been calculated.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Current tax

The current tax charge is based on the result for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of group total recognised gains and losses.

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:

- deferred tax assets are recognised only to the extent that it is considered 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.

No deferred tax has been recognised in the year (2012: nil).

Company as lessee

Operating lease agreements
Leases where substantially all of the risks and rewards of ownership are not transferred to the Company are treated as operating leases. Rentals under operating leases are charged against profits on a straight-line basis over the period of the lease.

Foreign currencies

Profit and loss accounts of foreign subsidiary companies are translated into sterling at the average rate for the period. Assets and liabilities are translated at the exchange rate ruling at the end of the financial period. Gains or losses arising from normal trading are included in the profit and loss account, except for amounts relating to the retranslation of the opening net investment in foreign branches or subsidiaries, which are adjusted against reserves. Where exchange differences result from the translation of foreign currency borrowings raised to fund foreign assets, including equity investments, they are taken to reserves and offset against the differences arising from the translation of those assets.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract.

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes to the financial statements (continued)

1. Accounting policies (continued)

Provisions for liabilities and charges

Provisions (other than provisions for post retirement benefits and deferred taxation) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

A contingent liability arises where the Group has a possible obligation as a result of past events, or where the Group has a present obligation as a result of past events, but where the transfer of economic benefit to settle the obligation is not probable, or the amount of the liability cannot be measured with sufficient reliability. Contingent liabilities are disclosed in the notes to the financial statements.

Retirement benefits

Defined contribution pension scheme

Maclaren Europe Limited and Maclaren UK Limited Companies:
The pension costs charged against operating profits are the contributions payable to a Group Personal Pension (defined contribution) scheme managed by Acela Limited (associated related party) on behalf of Maclaren Europe Limited and Maclaren UK Limited in respect of the accounting period. The pension scheme is open to all Company employees following three months continuous employment.

There are no defined benefit retirement schemes operated by either the Company or Group.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the financial statements (continued)

2. Turnover

The turnover is attributable to the activity stated in the Report of the director.

An analysis of turnover by geographical market is given below:

	2013	2012
	£000	£000
United Kingdom	**5,116**	6,076
Europe	**15,214**	18,030
Rest of World	**2,741**	2,846
	23,071	26,952

3. Operating profit

Operating profit is stated after charging:

	2013	2012
	£000	£000
Depreciation:		
Tangible fixed assets, owned	**63**	76
Operating lease rentals		
Land and buildings	**587**	587
Other	**40**	40
Net exchange differences	**80**	132

Services provided by the company's auditors and its associates

During the year the group (including its overseas subsidiaries) obtained the following services from the company's auditors and its associates:

	2013	2012
	£000	£000
Fees payable to company auditors for the audit of the parent company and consolidated financial statements	**28**	28
Audit fee relating to previous year	**-**	17
Fees payable to company's auditors for other services:		
The audit of company's subsidiaries pursuant to legislation	**62**	54
Other audit related services	**65**	59
Tax services	**18**	17

Notes to the financial statements (continued)

4. Interest payable

	2013 £000	2012 £000
Interest paid on bank loans and overdrafts	-	-
	-	-

5. Director and employees

Staff costs during the year were as follows:

	2013 £000	2012 £000
Wages and salaries	2,930	2,571
Social security costs	604	530
Pension costs	34	30
	3,568	3,131

The average number of employees of the Group in the year was as follows:

	2013 Number	2012 Number
Logistics, including warehouse, repairs and customer services	21	24
Office management	20	20
Sales and marketing	26	28
New product development	4	4
	71	76

Notes to the financial statements (continued)

5. Director and employees (continued)

Director's emoluments during the year were as follows:

Payments made to the director amounted to £20k (2012 - £20k).

6. Tax on profit on ordinary activities

The tax charge represents:

	2013 £000	2012 £000
Current tax		
UK corporation tax @ 23.25% (2012 – 24.50%)	-	18
Foreign tax	42	-
Total current year tax charge	42	18
Adjustment in respect of prior year	(2)	-
Total current tax	40	18
Deferred tax		
Origination of timing differences	-	-
Total deferred tax	-	-
Tax charge on profit on ordinary activities	-	-

Notes to the financial statements (continued)

6. Taxation on profit on ordinary activities (continued)

The tax assessed for the year is equal to (2012 – equal to) the standard rate of corporation tax in the UK of 23.25 % (2012 – 24.50%). The differences are explained as follows:

	2013 £000	2012 £000
Loss on ordinary activities before tax	**(1,006)**	(77)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 – 24.50%)	**(234)**	(19)
Effect of:		
Expenses not deductible for tax purposes	**1**	1
Differences between capital allowances and depreciation	**(2)**	(3)
Other timing differences	**(9)**	(14)
Adjustment in respect of prior years	**(2)**	-
Foreign tax	**205**	53
Creation of tax losses	**81**	-
Group relief (claimed)/surrendered	**-**	-
Current tax charge for the year	**40**	18

7. Profit for the year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss accounts in these financial statements. The Group loss for the year includes a profit of £237k (2012 - £145k) relating to Maclaren Europe Limited.

Notes to the financial statements (continued)

8. Tangible fixed assets

The Group

	Leasehold improvements £000	Plant and equipment £000	Office equipment £000	Computer equipment £000	Fixtures & Fittings £000	Total £000
Cost						
At 1 January 2013	329	75	152	513	20	1,089
Exchange differences	8	-	(2)	(4)	-	2
Additions in year	-	-	9	4	-	13
Disposals	-	-	-	-	-	-
At 31 December 2013	337	75	159	513	20	1,104
Accumulated depreciation						
At 1 January 2013	214	75	145	494	14	942
Exchange differences	4	-	(1)	(2)	-	1
Provided in year	48	-	4	9	1	62
Disposals	-	-	-	-	-	-
At 31 December 2013	266	75	148	501	15	1,005
Net book amount at 31 December 2013	**71**	**-**	**11**	**12**	**5**	**99**
at 31 December 2012	115	-	7	19	6	147

Notes to the financial statements (continued)

8. Tangible fixed assets (continued)

The Company

	Leasehold improvements £000	Plant and equipment £000	Office equipment £000	Computer equipment £000	Total £000
Cost					
At 1 January 2013	81	74	97	435	687
Additions	-	-	-	-	-
At 31 December 2013	81	74	97	435	687
Accumulated depreciation					
At 1 January 2013	41	74	97	434	646
Provided in year	7	-	-	-	7
At 31 December 2013	48	74	97	434	653
Net book amount					
at 31 December 2013	**33**	**-**	**-**	**1**	**34**
at 31 December 2012	40	-	-	1	41

Notes to the financial statements (continued)

9. Investments

The Company	**Shares in Subsidiary Undertakings £000**
Cost at 1 January 2013	81
At 31 December 2013	**81**

The Director believes that the carrying value of the investments are supported by their underlying net assets.

At 31 December 2013 the Company owned 20% or more of the allotted share capital of the following:

Subsidiary	**Country of incorporation**	**Class of share**	**Proportion**	**Nature of business**
Maclaren France SAS	France	Ordinary	100%	Distribution and sale of pushchairs and ancillary Products
Maclaren GMBH	Germany	Ordinary	100%	Distribution and sale of pushchairs and ancillary Products
Maclaren UK Limited	Great Britain	Ordinary	100%	Distribution and sale of pushchairs and ancillary Products
Maclaren Europe Services SAS (formerly Acela France Limited)	France	Ordinary	100%	Management services
Maclaren Articulos de Puericultura	Spain	Ordinary	100%	Distribution and sale of pushchairs and ancillary products

Notes to the financial statements (continued)

10. Stocks

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Finished goods and spare parts (including goods in transit)	**4,597**	7,405	**213**	27

11. Debtors

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Trade debtors	**3,170**	2,307	**251**	-
Amounts owed by group undertakings	**4,843**	4,300	**16,238**	13,435
Deferred tax	**-**	-	**-**	-
Corporation tax	**-**	44	**-**	-
Other debtors	**587**	618	**42**	40
Prepayments and accrued income	**290**	249	**1**	74
	8,890	7,518	**16,532**	13,549

Included within trade debtors is an amount of £508k (2012 - £nil) relating to factored debts.

12. Creditors: amounts falling due within one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Bank overdrafts and loans	**251**	-	**-**	-
Trade creditors	**874**	1,235	**379**	352
Amounts owed to group undertakings	**11,549**	12,624	**15,330**	12,960
Corporation tax	**96**	97	**87**	97
Social security and other taxes	**558**	282	**495**	22
Other creditors	**7**	118	**-**	-
Accruals	**671**	190	**84**	73
	14,006	14,546	**16,375**	13,504

Included within bank loans and overdrafts is an amount of £188k (2012 - £nil) due to Lloyds TSB Commercial Finance Limited. This is secured by way of an all asset debenture.

Notes to the financial statements (continued)

13. Provisions for liabilities

The Group

	Warranty £000	Liability Claims £000	Redundancy £000	Inspection £000	Total £000
At 1 January 2013	194	197	289	111	791
Provided during the year	-	-	11	-	11
Utilised during the year	(79)	(38)	-	-	(117)
Released during the year	-	-	(3)	(111)	(114)
Currency adjustment	-	-	36	-	36
At 31 December 2013	**115**	**159**	**333**	**-**	**607**

The Company

	Liability Claims £000	Total £000
At 1 January 2013	197	197
Provided during the year	-	-
Utilised during the year	(38)	(38)
Released during the year	-	-
Currency adjustment	-	-
At 31 December 2013	**159**	**159**

The liability provision is the Company's best estimate of the cost to satisfy future liability claims against the Company, largely expected to be settled in 1 to 3 years.

The warranty provision at the year end is the Group's best estimate of the cost of fulfilling this obligation based upon the underlying claims rate by product line, largely expected to be settled in 1 to 2 years.

The redundancy provision is the Group's estimate of the costs likely to be incurred, expected to be settled in 1 to 2 years.

Notes to the financial statements (continued)

14. Called up share capital

	2013 £000	2012 £000
Authorised		
955,061 (2012: 955,061) ordinary shares of £1 each	955	955
Allotted, called up and fully paid		
Ordinary shares of £1 each	955	955

15. Profit and loss account

	The Group £000	The Company £000
At 1 January 2013	(367)	(787)
(Loss)/profit for the year	(1,046)	237
Foreign exchange movement	(43)	-
At 31 December 2013	**(1,456)**	**(550)**

16. Reconciliation of movements in shareholders' funds

	2013 The Group £000	2013 The Company £000	2012 The Group £000	2012 The Company £000
(Loss)/profit for the year and net (decrease)/increase in shareholders' funds	(1,046)	237	(95)	127
Foreign exchange movement	(43)	-	(21)	-
Net (decrease)/increase in shareholders' funds	(1,089)	237	(116)	127
Shareholders' net funds at 1 January	588	168	704	41
Shareholders' net funds at 31 December	(501)	405	588	168

Notes to the financial statements (continued)

17. Net cash inflow from operating activities

	2013 £000	2012 £000
Operating loss	**(1,012)**	(78)
Depreciation	**62**	76
Exchange movements	**(18)**	(18)
Decrease/(Increase) in stocks	**2,808**	(761)
Decrease/(Increase) in debtors	**(1,416)**	(1,851)
Increase/(Decrease) in creditors	**(790)**	3,658
Increase/(Decrease) in provisions	**(184)**	(490)
Profit/(Loss) on sale of fixed assets	**-**	-
Net cash inflow/(outflow)	**(550)**	536

18. Reconciliation of net cash flow to movement in net debt

	2013 £000	2012 £000
Increase/(decrease) in cash in the year	**(580)**	748
Net increase/(decrease) in funds	**(580)**	748
Net funds at 1 January 2013	**855**	107
Net funds at 31 December 2013	**275**	855

19. Analysis of changes in net debt

	At 1 January 2013 £000	Cash flow £000	Non cash items £000	At 31 December 2013 £000
Cash at bank and in hand	855	(329)	-	526
Overdrafts and bank loans	-	(251)	-	(251)
Total	855	(580)	-	275

Notes to the financial statements (continued)

20. Capital commitments

The Company had no capital commitments at 31 December 2013 or 31 December 2012.

21. Leasing commitments - Group

Operating lease payments amounting to £582k (2012 - £582k) are due within one year. The leases to which these amounts relate expire as follows:

	2013		**2012**	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Within one year	**-**	**-**	-	-
Between one and five years	**-**	**-**	-	-
More than five years	**567**	**15**	567	15
	567	**15**	567	15

The company holds no lease commitments (2012 - £nil).

Notes to the financial statements (continued)

22. Transactions with related parties

As Maclaren Europe Limited is the parent company of the Group and its financial statements are included within these consolidated financial statements, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has not disclosed transactions or balances with entities which form part of the Group.

Other related party transactions

During the year the Group were charged rental fees of £374,043 (2012 - £432,505) from SCI de la Belle Etoile. The balance outstanding at the year end owed to SCI de la Belle Etoile amounted to £37,446 (2012 - £58,078). SCI de la Belle Etoile is a related party due to common control.

During the year the Group were charged rental fees of £4,445 (2012 - £51,046) from Lintgasse Immobilien Verwaltung GmbH. The balance outstanding at the year end owed to Lintgasse Immobilien Verwaltung GmbH amounted to £nil (2012 - £nil). Lintgasse Immobilien Verwaltung GmbH is a related party due to common control.

During the year the Group were charged services charges of £896,105 (2012 - £938,291) from Acela Limited. At the year end an amount of £58,572 (2012 - £150,604) was due to Acela Limited. Acela Limited is a related party due to common control.

During the year the Group were charged services charges of £nil (2012: £47,757) from Garda Company LLC. The balance outstanding at the year end owed to Garda Company LLC amounted to £nil (2012 - £15,380). Garda Company LLC is a related party due to common control.

The Group made purchases in the year of £11,125,750 (2012 - £17,636,061) from Maclaren HK. The balance outstanding at the year end owed to Maclaren HK amounted to £9,500,535 (2012 - £10,255,825). Maclaren HK Limited is a related party due to common control.

The Group made sales in the year of £nil (2012 - £nil) to Dory Ventures. The balance outstanding at the year end owed from Dory Ventures amounted to £9,139 (2012 - £9,139). The Group has fully provided for this debt at the year end (2012 - £nil).

The Group made purchases in the year of £161,483 (2012 - £476,508) from Dory Ventures. The balance outstanding at the year end owed to Dory Ventures amounted to £nil (2012 - £nil). Dory Ventures is a related party due to common control.

Notes to the financial statements (continued)

22. Transactions with related parties (Continued)

The Group in the year made sales of £181,252 (2012 - £78,816) to Maclaren North America and purchases of £558,079 (2012 - £nil) from Maclaren North America The balance outstanding at the year end owed from Maclaren North America amounted to £365,210 (2012 - £253,000). Maclaren North America is a related party due to common control.

During the year the Group were charged services charges of £20,025 (2012: £nil) from Maclaren Services North America and made sales of £6,358 (2012 - £nil) to Maclaren Services North America. The balance outstanding at the year end owed from Maclaren Services North America amounted to £1,889,939 (2012 - £1,010,503). Maclaren Services North America is a related party due to common control.

The group made sales in the year of £656 (2012 - £1,892) to Maclaren Japan Limited. The balance outstanding at the year end owed from Maclaren Japan Limited amounted to £37,798 (2012 - £32,937). Maclaren Japan Limited is a related party due to common control.

The group in the year made sales of £263 (2012 - £99,519) to, and purchases of £7,521 (2012 - £nil) from Maclaren Distribution Costa Rica SA. The balance outstanding at the year end owed from Maclaren Distribution Costa Rica SA amounted to £65,196 (2012 - £99,538) Maclaren Distribution Costa Rica SA is a related party due to common control.

23. Ultimate parent company and ultimate controlling party

The immediate parent undertaking is Maclaren Distribution Limited, a company registered in Hong Kong is the ultimate parent undertaking.

The ultimate controlling party is Sima Rastagar.

The largest group undertaking for which financial statements are drawn up is at the Maclaren Europe Limited level.