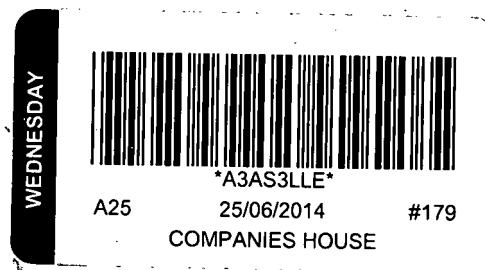


Registered number: 04207637

Benlowe Group Holdings Limited

Directors' report and financial statements

for the year ended 30 September 2013



Benlowe Group Holdings Limited**Company Information**

Directors	M J Harris N R James
Company secretary	N R James
Registered number	04207637
Registered office	Park Road Ratby Leicester Leicestershire LE6 0JL
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Solicitors	DLA Piper UK LLP Victoria Square House Victoria Square Birmingham B2 4DL

Benlowe Group Holdings Limited

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Business review

An operating profit before amortization of goodwill of £302,105 was achieved in the year. This is reduced from £332,805 for the previous year. It reflects the tough market conditions as a result of the cuts in government funding for social housing, interestingly whilst new starts had increased actual completions of new houses fell by 5% in 2013.

As a result of some plant investments it has been possible to vacate a freehold property which we have sold and reduced the Bank loans by over £600,000 this in addition to the £200,000 of normal repayments so we have made over £800,000 reduction in loans. This saves the business £70,000 per annum in cash from interest, empty rates and utilities. Note that because the completion date was mid November some £558,000 of the loan reduction cash only transacted after the year end into the loan reduction and was shown within prepayment debtors at year end. This sale is the exceptional gain; we have additionally had a restructuring programme following earlier plant investments which has resulted in a limited number of redundancies.

The business currently considers that its order book level is quite adequate.

Relatively low cost investments to update both Computer systems and plant offer good prospects of both business improvement and cost reduction. Some of these cost reductions are happening in 2014 and already a near new CNC machine is being put in at the Stairs site.

The workforce are thanked for their continued flexibility.

Principal risks and uncertainties

The group's principal financial instruments comprise cash, hire purchase, and intercompany borrowings. The main purpose of these financial instruments is to finance the group's operations. The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The group does not enter into derivative transactions.

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the group's financial instruments are liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

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 directors prepare forecasts which are regularly reviewed to ensure sufficient liquidity is maintained. The intercompany balances will not be repaid if the group can not afford to do so.

Credit risk

The group seeks to trade with recognised creditworthy third parties. It is group policy that all significant customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant, and seeks to maintain adequate provision for disputes and doubtful debts in today's difficult market conditions. The group where possible will obtain credit insurance for its debts.

Financial key performance indicators

Key performance indicators monitored by the group include turnover by employee £68,000 (2012 £71,000) and debtor days 48 days (2012 52 days).

Future developments

Market conditions during 2014 continue to remain challenging , there are a number of government initiatives designed to increase activity in the sector and a good deal of encouraging views in the press of increased housing activity. We remain keen for those opportunities to appear and to exploit them .

This report was approved by the board on 24 March 2014 and signed on its behalf.



N R James
Secretary

Benlowe Group Holdings Limited

Directors' report for the year ended 30 September 2013

The directors present their report and the financial statements for the year ended 30 September 2013.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Principal activities

The principal activities of the group are the manufacture and marketing of window boards, wooden window frames, doors, doorsets, staircases and associated products.

Results and dividends

The profit for the year, after taxation, amounted to £121,145 (2012 - loss £213,739).

The directors do not recommend payment of a dividend (2012 - £Nil).

Directors

The directors who served during the year were:

M J Harris
N R James

Directors and officers liability insurance

The company maintains directors and officers liability indemnity insurance for the benefit of the group directors.

Benlowe Group Holdings Limited

**Directors' report
for the year ended 30 September 2013**

Disclosure of information to auditors

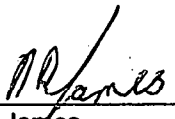
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group'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 and the group's auditors are aware of that information.

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 March 2014 and signed on its behalf.



N R James
Secretary

We have audited the financial statements of Benlowe Group Holdings Limited for the year ended 30 September 2013, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement 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).

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 group's and the parent 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 Group 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 group's and the parent company's affairs as at 30 September 2013 and of the group's 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group and company's ability to continue as a going concern. The conditions explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the group and company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern.

Benlowe Group Holdings Limited

Independent auditors' report to the members of Benlowe Group Holdings Limited

Opinion on other matter prescribed by the Companies Act 2006

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



Mark Hargate FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor

Chartered Accountants

Birmingham

24 March 2014

Benlowe Group Holdings Limited

**Consolidated profit and loss account
for the year ended 30 September 2013**

	Note	2013 £	2012 £
	1,2		
Turnover		8,812,755	8,926,662
Cost of sales		<u>(6,925,256)</u>	<u>(6,886,500)</u>
Gross profit		1,887,499	2,040,162
Distribution costs		<u>(377,106)</u>	<u>(500,654)</u>
Administrative expenses		<u>(1,496,893)</u>	<u>(1,507,249)</u>
Operating profit	3		
Operating profit before goodwill amortisation		302,105	332,805
Goodwill amortisation		<u>(260,226)</u>	<u>(260,226)</u>
Restructuring costs		<u>(28,379)</u>	<u>(40,320)</u>
		13,500	32,259
Exceptional items			
Net profit on sale of tangible fixed assets	7	<u>325,925</u>	-
Profit on ordinary activities before interest		339,425	32,259
Interest payable and similar charges	6	<u>(194,803)</u>	<u>(251,680)</u>
Profit/(loss) on ordinary activities before taxation		144,622	(219,421)
Tax on profit/(loss) on ordinary activities	8	<u>(23,477)</u>	<u>5,682</u>
Profit/(loss) for the financial year	21	<u>121,145</u>	<u>(213,739)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 11 to 25 form part of these financial statements.

Benlowe Group Holdings Limited
Registered number: 04207637

Consolidated balance sheet
as at 30 September 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	10		2,141,009		2,401,235
Tangible assets	11		942,367		1,286,824
			<u>3,083,376</u>		<u>3,688,059</u>
Current assets					
Stocks	13	718,598		714,777	
Debtors	14	2,186,457		1,464,492	
Cash at bank and in hand		1,041,104		937,887	
		<u>3,946,159</u>		<u>3,117,156</u>	
Creditors: amounts falling due within one year	15	(2,845,268)		(2,472,426)	
Net current assets			<u>1,100,891</u>		<u>644,730</u>
Total assets less current liabilities			<u>4,184,267</u>		<u>4,332,789</u>
Creditors: amounts falling due after more than one year	16	(3,126,995)		(3,411,938)	
Provisions for liabilities					
Deferred tax	17	(57,246)		(41,970)	
Net assets			<u><u>1,000,026</u></u>		<u><u>878,881</u></u>
Capital and reserves					
Called up share capital	20	185,750		185,750	
Capital redemption reserve	21	127,107		127,107	
ESOP reserve	21	(14,594)		(14,594)	
Profit and loss account	21	701,763		580,618	
Shareholders' funds	22	<u><u>1,000,026</u></u>		<u><u>878,881</u></u>	

The notes on pages 11 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 March 2014.


N R James
 Director

The notes on pages 11 to 25 form part of these financial statements.

Benlowe Group Holdings Limited
Registered number: 04207637

Company balance sheet
as at 30 September 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	11		78,429		399,597
Investments	12		3,897,057		3,897,057
			<u>3,975,486</u>		<u>4,296,654</u>
Current assets					
Debtors	14	604,716		216	
Creditors: amounts falling due within one year	15	(1,207,734)		(971,083)	
Net current liabilities			<u>(603,018)</u>		<u>(970,867)</u>
Total assets less current liabilities			<u>3,372,468</u>		<u>3,325,787</u>
Creditors: amounts falling due after more than one year	16		(2,958,359)		(3,220,347)
Net assets			<u>414,109</u>		<u>105,440</u>
Capital and Reserves					
Called up share capital	20		185,750		185,750
Capital redemption reserve	21		127,107		127,107
Other reserves	21		(14,594)		(14,594)
Profit and loss account	21		115,846		(192,823)
Shareholders' funds	22		<u>414,109</u>		<u>105,440</u>

The notes on pages 11 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 March 2014.


N R James
 Director

The notes on pages 11 to 25 form part of these financial statements.

Benlowe Group Holdings Limited**Consolidated cash flow statement
for the year ended 30 September 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	24	595,540	561,873
Returns on investments and servicing of finance	25	(194,803)	(195,682)
Taxation		-	(21,524)
Capital expenditure and financial investment	25	22,021	(151,569)
Cash inflow before financing		422,758	193,098
Financing	25	(385,566)	(176,589)
Increase in cash in the year		37,192	16,509

**Reconciliation of net cash flow to movement in net debt
for the year ended 30 September 2013**

	2013 £	2012 £
Increase in cash in the year	37,192	16,509
Cash outflow from decrease in debt and lease financing	385,566	176,589
Change in net debt resulting from cash flows	422,758	193,098
New finance lease	(107,950)	(218,493)
Other non-cash changes	-	(55,999)
Movement in net debt in the year	314,808	(81,394)
Net debt at 1 October 2012	(3,442,223)	(3,360,829)
Net debt at 30 September 2013	(3,127,415)	(3,442,223)

The notes on pages 11 to 25 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

1.2 Going concern

As described in the group strategic report, market conditions remain very tough and competitive and the directors consider that the outlook presents significant challenges in terms of sales volumes and pricing. The group preserves cash and control its cost base, however market circumstances continue to create uncertainties over future trading results and cash flow.

The group has successfully concluded the sale of a freehold property allowing a repayment of over £600,000 of bank borrowing and has since the year end further renegotiated with its bankers revisions to the financial covenants and capital repayment terms associated with the bank loans, through to 31 March 2015. As a consequence of this, the loan repayment terms and banking covenants now agreed are believed by the Board to be achievable.

The directors have prepared cash flow forecasts through to March 2015, incorporating the revised agreed bank loan repayment profile, which demonstrates that the group continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The directors have concluded that there exists a material uncertainty that may cast significant doubt upon the group's and the company's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Benlowe Group Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been presented in these financial statements.

1.4 Goodwill

Goodwill arising on acquisition of the subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Goodwill acquired with the acquisition of Benlowe Group Limited represents goodwill arising on the hive up of the assets and liabilities of the company's subsidiaries.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	5% - 20% straight line
Motor vehicles	-	25% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional cost to completion and disposal.

Work in progress is valued on the basis of direct costs plus attributable overheads absorbed on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.8 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.

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.

1.9 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. Accounting policies (continued)

1.10 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.11 Turnover

Turnover is stated net of value added tax and represents amounts invoiced to third parties on an accruals basis.

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.

1.13 Employee share schemes

The consideration paid for the company's own shares held by the Employee Share Option Plan are deducted from shareholders' funds in accordance with UITF 38. On unconditional vesting of these options the amount is transferred to the profit and loss reserves.

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2013 £	2012 £
Amortisation of goodwill	260,226	260,226
Depreciation of tangible fixed assets:		
- owned by the group	123,728	136,949
- held under finance leases	35,328	24,594
Auditors' remuneration	17,950	17,450
Operating lease rentals - land and buildings	233,000	233,000
Operating lease rentals - plant, machinery and vehicles	91,068	86,647
	<u>260,226</u>	<u>260,226</u>

Benlowe Group Holdings Limited
Notes to the financial statements
for the year ended 30 September 2013

4. Staff costs

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

	2013 £	2012 £
Wages and salaries	2,704,857	2,867,485
Social security costs	240,924	225,075
Company pension contributions	80,018	86,281
	<u>3,025,799</u>	<u>3,178,841</u>

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

	2013 No	2012 No
Production	100	102
Sales and administration	28	29
	<u>128</u>	<u>131</u>

5. Directors' remuneration

	2013 £	2012 £
Remuneration	<u>136,290</u>	<u>133,842</u>
Company pension contributions to money purchase pension schemes	<u>17,227</u>	<u>17,078</u>

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

6. Interest payable

	2013 £	2012 £
Bank loan	166,025	184,583
On finance leases and hire purchase contracts	28,778	11,099
PIK on B loan	-	55,998
	<u>194,803</u>	<u>251,680</u>

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

7. Exceptional items

	2013 £	2012 £
Profit on sale of freehold property	<u>325,925</u>	<u>-</u>

8. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/(loss) for the year	8,201	-
Deferred tax		
Origination and reversal of timing differences	15,276	5,315
Effect of increased tax rate on opening liability	-	(10,997)
Total deferred tax (see note 17)	<u>15,276</u>	<u>(5,682)</u>
Tax on profit/(loss) on ordinary activities	<u>23,477</u>	<u>(5,682)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Profit/loss on ordinary activities before tax	<u>144,622</u>	<u>(219,421)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	28,924	(43,884)
Effects of:		
Expenses not deductible for tax purposes	(37,002)	32,107
Depreciation for year in excess of capital allowances	(14,559)	(4,201)
Goodwill amortisation	22,473	22,473
Other timing differences	(193)	(1,114)
Capital gains	8,558	-
Unrelieved tax losses utilised	-	(5,381)
Current tax charge for the year (see note above)	<u>8,201</u>	<u>-</u>

Factors that may affect future tax charges

There are no known factors that may affect future tax charges

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

9. Profit/(loss) attributable to members of the parent company

The profit attributable to members of the parent company after taxation is £308,996 (2012: Loss of £55,724).

10. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 October 2012 and 30 September 2013	<u>5,204,522</u>
Amortisation	
At 1 October 2012	<u>2,803,287</u>
Charge for the year	<u>260,226</u>
At 30 September 2013	<u>3,063,513</u>
Net book value	
At 30 September 2013	<u><u>2,141,009</u></u>
At 30 September 2012	<u><u>2,401,235</u></u>

Goodwill is being written off in equal installments over the estimated economic life of 20 years.

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

11. Tangible fixed assets

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 October 2012	518,546	3,079,753	52,738	3,651,037
Additions	-	120,618	4,300	124,918
Disposals	(420,834)	-	(3,277)	(424,111)
At 30 September 2013	97,712	3,200,371	53,761	3,351,844
Depreciation				
At 1 October 2012	118,949	2,200,424	44,840	2,364,213
Charge for the year	11,532	144,124	3,400	159,056
On disposals	(111,198)	-	(2,594)	(113,792)
At 30 September 2013	19,283	2,344,548	45,646	2,409,477
Net book value				
At 30 September 2013	78,429	855,823	8,115	942,367
At 30 September 2012	399,597	879,329	7,898	1,286,824

The net book value of tangible fixed assets was £449,503 (2012: £482,045) in respect of assets held under hire purchase contracts at 30 September 2013.

Company	Freehold property £
Cost	
At 1 October 2012	518,546
Disposals	(420,834)
At 30 September 2013	97,712
Depreciation	
At 1 October 2012	118,949
Charge for the year	11,532
On disposals	(111,198)
At 30 September 2013	19,283
Net book value	
At 30 September 2013	78,429
At 30 September 2012	399,597

Benlowe Group Holdings Limited
Notes to the financial statements
for the year ended 30 September 2013

12. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 October 2012 and 30 September 2013	3,897,057
Net book value	
At 30 September 2013	3,897,057
At 30 September 2012	3,897,057

The company has control of 100% of the ordinary shares of Benlowe Group Limited and its wholly owned dormant subsidiaries, T L Bennett (Holdings) Limited, Bennett Windows Limited and Thomas Lowe Joinery Limited, companies registered in England and Wales. The principal activity of Benlowe Group Limited is the marketing and manufacture of performance timber doorsets, windows and staircases.

The dormant subsidiaries traded up to 22 October 1999 when their trade, assets and liabilities were transferred to Benlowe Group Limited on their acquisition. These subsidiaries ceased to trade and became dormant on that date.

On 31 December 2003 the company acquired 100% of the share capital of Benlowe Trustee Limited, a new company set up to hold shares for the benefit of employees. At 30 September 2013, Benlowe Trustee Limited held 9,235 preference shares and 5,359 ordinary shares in Benlowe Group Holdings Limited.

13. Stocks

	Group	
	2013	2012
	£	£
Raw materials	400,332	335,436
Work in progress	318,266	379,341
	718,598	714,777

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

14. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,512,348	1,396,946	-	-
Amounts owed by group undertakings	-	-	196	196
Prepayments and accrued income	674,109	67,546	604,520	20
	2,186,457	1,464,492	604,716	216

**15. Creditors:
Amounts falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loan	200,000	200,000	200,000	200,000
Bank overdraft	734,490	668,465	734,490	668,465
Obligations under hire purchase contracts	107,034	99,707	-	-
Trade creditors	1,426,189	1,137,130	-	-
Amounts owed to group undertakings	-	-	263,929	102,439
Corporation tax	8,201	-	3,707	-
Other taxation and social security	206,949	167,988	-	-
Other creditors	65,777	92,230	5,608	179
Accruals and deferred income	96,628	106,906	-	-
	2,845,268	2,472,426	1,207,734	971,083

The bank loan and overdraft are secured by a floating charge over all the group's assets.

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

**16. Creditors:
Amounts falling due after more than one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	2,578,361	2,840,349	2,578,361	2,840,349
Other creditors	379,998	379,998	379,998	379,998
Obligations under hire purchase contracts	168,636	191,591	-	-
	3,126,995	3,411,938	2,958,359	3,220,347

Included within the above are amounts falling due as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and two years				
Bank loans	2,578,361	2,840,349	2,578,361	2,840,349
Other creditors	379,998	379,998	379,998	379,998

Other creditors due after more than one year represent the exit fee and accrued payment in kind (PIK) in accordance with the details below.

The borrowings comprise what was originally in May 2007 a £3,900,000 Tranche A loan repayable at an annual rate of £650,000 and a £1,400,000 Tranche B loan repayable in one amount in March 2014.

In September 2009 the bank increased it's rates to 5% over LIBOR on both loans together with an 8% Mezzanine type payment in kind (PIK) on the smaller Tranche B loan, which is to be rolled up and paid at the end of the loans, or on exit, or on rebank. The loans, their repayment schedule and related covenants have been renegotiated following the year end up to March 2015 which has also resulted in removal of the PIK going forward.

Since the year end amounts included within prepayments and accrued income totalling £597,984 in connection with the disposal of freehold property have been received. Of this amount £558,012 was used to settle part of the Tranche B loan reducing the amount outstanding on that loan to £841,988 at that time.

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	168,636	191,591	-	-

Hire purchase agreements are secured on the assets to which they relate.

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

17. Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	41,970	47,652	-	-
Movement for the year	15,276	(5,682)	-	-
At end of year	57,246	41,970	-	-

The provision for deferred taxation is made up as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Capital allowances	57,917	40,098	-	-
Pension	(671)	1,872	-	-
	57,246	41,970	-	-

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £80,018 (2012: £86,281). At the year end the amount of contributions outstanding was £7,067 (2012: £7,067).

19. Operating lease commitments

At 30 September 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	12,000	-	5,234	14,772
Between 2 and 5 years	-	73,000	105,706	82,926
After more than 5 years	160,000	160,000	-	-

Benlowe Group Holdings Limited**Notes to the financial statements
for the year ended 30 September 2013****20. Share capital**

	2013 £	2012 £
Allotted, called up and fully paid		
27,858 Ordinary shares of £1 each	27,858	27,858
157,892 Preference shares of £1 each	157,892	157,892
	<u>185,750</u>	<u>185,750</u>

The total number of ordinary shares in issue is 27,858 of which Benlowe Trustee Limited, a wholly owned subsidiary, hold 5,359 shares, some 19.2%.

The total number of preference shares in issue 157,892 of which Benlowe Trustee Limited, a wholly owned subsidiary, hold 9,235 shares, some 5.8%.

21. Reserves

Group	Capital redemption reserve £	ESOP Reserve £	Profit and loss account £
At 1 October 2012	127,107	(14,594)	580,618
Profit for the financial year	-	-	121,145
	<u>127,107</u>	<u>(14,594)</u>	<u>701,763</u>
At 30 September 2013			
	<u>127,107</u>	<u>(14,594)</u>	<u>701,763</u>
Company	Capital redemption reserve £	ESOP Reserve £	Profit and loss account £
At 1 October 2012	127,107	(14,594)	(192,823)
Profit for the financial year	-	-	308,669
	<u>127,107</u>	<u>(14,594)</u>	<u>115,846</u>
At 30 September 2013			
	<u>127,107</u>	<u>(14,594)</u>	<u>115,846</u>

Benlowe Group Holdings Limited**Notes to the financial statements
for the year ended 30 September 2013****22. Reconciliation of movement in shareholders' funds**

	2013	2012
	£	£
Group		
Opening shareholders' funds	878,881	1,092,620
Profit/(loss) for the financial year	121,145	(213,739)
Closing shareholders' funds	<u>1,000,026</u>	<u>878,881</u>
	2013	2012
	£	£
Company		
Opening shareholders' funds	105,440	161,163
Profit/(loss) for the financial year	308,669	(55,723)
Closing shareholders' funds	<u>414,109</u>	<u>105,440</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

23. Related party transactions

There were no related party transactions carried out by the group that require disclosure under FRS 8 "Related Party Transactions".

24. Net cash flow from operating activities

	2013	2012
	£	£
Operating profit	13,500	32,259
Amortisation of intangible fixed assets	260,226	260,226
Depreciation of tangible fixed assets	159,056	161,543
Increase in stocks	(3,822)	(69,295)
(Increase)/decrease in debtors	(124,710)	681,631
Increase/(decrease) in creditors	291,290	(504,491)
Net cash inflow from operating activities	<u>595,540</u>	<u>561,873</u>

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

25. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	(166,025)	(184,583)
Hire purchase interest	(28,778)	(11,099)
Net cash outflow from returns on investments and servicing of finance	(194,803)	(195,682)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,967)	(152,568)
Sale of tangible fixed assets	38,988	999
Net cash inflow/(outflow) from capital expenditure	22,021	(151,569)
	2013 £	2012 £
Financing		
Repayment of loans	(261,988)	(105,000)
Repayment of finance leases	(123,578)	(71,589)
Net cash outflow from financing	(385,566)	(176,589)

26. Analysis of changes in net debt

	1 October 2012 £	Cash flow £	Other non-cash changes £	30 September 2013 £
Cash at bank and in hand	937,887	103,217	-	1,041,104
Bank overdraft	(668,465)	(66,025)	-	(734,490)
	269,422	37,192	-	306,614
Debt:				
Finance leases	(291,298)	123,578	(107,950)	(275,670)
Debts due within one year	(200,000)	261,988	(261,988)	(200,000)
Debts falling due after more than one year	(3,220,347)	-	261,988	(2,958,359)
Net debt	(3,442,223)	422,758	(107,950)	(3,127,415)

Benlowe Group Holdings Limited

**Notes to the financial statements
for the year ended 30 September 2013**

27. Controlling party

There is no controlling party.