

Silver Cross (UK) Limited

Report and Financial Statements

31 December 2015

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COMPANIES HOUSE

Directors

D A Halsall (resigned 16th July 2015)
J D Halsall
W J Lockwood
N J Paxton
P J Taylor
R Best (resigned 3rd July 2015)
Y Fan (appointed 16th July 2015)
Dr J C Ma (appointed 16th July 2015)
L Shao (appointed 16th July 2015)
W Song (appointed 16th July 2015)
X Zhang (appointed 16th July 2015)

Secretary

W J Lockwood

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Bankers

HSBC
49 Fishergate
Preston
Lancashire PRJ 3BH

Handlesbanken
1st Floor
Centre of Excellence
Hope Park
Bradford BD5 8HH

Registered Office

Micklethorn
Broughton
Skipton
North Yorkshire BD23 3JA

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Development and performance of the business

The core strategy of the business is to provide consumers with high quality prams and related products that are safe yet innovative.

Performance in 2015 saw a marked improvement with an increase in sales of 38.0% to £31,274,175. Wayfarer continued to sell well, whilst the launch of Pioneer and Reflex helped boost sales. Costs remained under tight control and as result operating profit improved from £3,294,710 to £5,212,386. The company continues to improve and expand the range of products offered with a pipeline of exciting and innovative developments planned for launch within the next three years.

Year end position

The Balance Sheet remains robust with no bank borrowings and shareholders' funds of £12,395,986 (2014 – £7,412,139).

The prospect is for further growth with the brand name becoming stronger across the UK and the company remains well placed to face the challenges ahead.

Principal risks and uncertainties

Financial risk management objectives and policies

The company finances its operations through retained profits. Management's objectives are to:

- Retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds,
- Minimise the company's exposure to fluctuating exchange rates by entering into forward foreign exchange contracts.

The company's funds are invested in sterling and foreign currency bank accounts. Any price risk exposure is mitigated by the use of forward contracts.

The company's funds are held primarily in current accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All current accounts are with reputable UK banks.

Trading risk management

The wider economic situation within the UK economy continues to affect consumers, and therefore ultimately the demand for the company's products. The company continually faces competitor activity in a crowded market. Silver Cross continues to focus on service and quality in order to preserve and increase demand.

The company relies on information systems and technology for many areas of the business. All of the company's IT systems are protected by firewalls and anti-virus protection systems, and backup procedures are also in place.

Registered No. 04611579

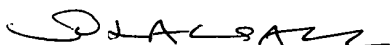
Strategic report (continued)

Going concern

The company's activities, together with any factors likely to affect its future development and performance, are described in the development and performance of the business above. The company is in a net asset position, has good financial resources and is forecast to be profitable for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Board



J D Halsall
Director

27 September 2016

Registered No. 04611579

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year after taxation amounted to £4,957,507 (2014 – profit of £2,677,793). The directors do not recommend a final dividend (2014 – £nil).

Principal activity of the business

The principal activity of the company during the year is that of a retailer of prams and related nursery products.

Directors

The present directors, and those who served the company during the year, are shown on page 1

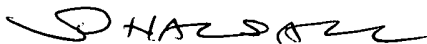
Disclosure of information to the auditors

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

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



J D Halsall
Director

27 September 2016

Statement of directors' responsibilities

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company'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.

Independent auditors' report

to the members of Silver Cross (UK) Limited

We have audited the financial statements of Silver Cross (UK) Limited for the year ended 31 December 2015 which comprise the Profit and loss account, the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet and the related notes 1 to 19. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Report and the Financial Statements 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 the 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

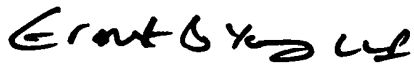
Independent auditors' report

to the members of Silver Cross (UK) Limited (continued)

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.



Eddie Diamond (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Leeds

29 September 2016

Profit and loss account

for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	2	31,274,175	22,664,098
Cost of sales		(18,652,247)	(13,531,008)
Gross Profit		12,621,928	9,133,090
Distribution costs		(3,865,258)	(2,849,843)
Administrative expenses		(4,057,180)	(3,433,564)
Other operating income	3	512,896	444,487
Operating Profit	4	5,212,386	3,294,170
Interest receivable and similar income		5,696	3,838
Interest payable and similar charges	7	(2,337)	(4,886)
Profit on ordinary activities before taxation		5,215,745	3,293,122
Tax	8	(258,238)	(615,329)
Profit for the financial year		4,957,507	2,677,793
Retained profit at 1 January		7,411,139	4,733,346
Retained profit at 31 December		12,368,646	7,411,139

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2015

There is no other comprehensive income other than the profit attributable to the shareholders of the company of £4,957,507 in the year ended 31 December 2015 (2014 – profit of £2,677,793).

Statement of changes in equity

for the year ended 31 December 2015

	Called up share capital £	Share based payment reserve £	Profit and loss account £	Equity shareholders' funds £
At 1 January 2014	1,000	-	4,733,346	4,734,346
Profit for the financial year	-	-	2,677,793	2,677,793
At 31 December 2014	1,000	-	7,411,139	7,412,139
Profit for the financial year	-	-	4,957,507	4,957,507
Capital contribution by parent undertaking in respect of share-based payments	-	26,340	-	26,340
At 31 December 2015	1,000	26,340	12,368,646	12,395,986

Balance sheet

at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	9	386,622	495,287
Current assets			
Stocks	10	6,557,473	3,799,473
Debtors	11	9,122,223	6,242,241
Cash at bank and in hand		2,299,081	2,170,588
		17,978,777	12,212,302
Creditors: amounts falling due within one year	12	(5,969,413)	(5,295,450)
Net current assets		12,009,364	6,916,852
Net assets		12,395,986	7,412,139
Capital and reserves			
Called up share capital	14	1,000	1,000
Share based payment reserve		26,340	-
Profit and loss account		12,368,646	7,411,139
Shareholders' funds		12,395,986	7,412,139

These financial statements were approved by the directors on 27 September 2016 and are signed on their behalf by:



J D Halsall

Director

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Statement of Compliance

Silver Cross (UK) Limited is a limited liability company incorporated in England. The registered office is Micklethorn, Broughton, Skipton, North Yorkshire BD23 3JA.

The company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the company for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS102 as at 1 January 2014. An explanation of how the transition to FRS102 has affected the reported financial position and financial performance is given in note 19.

Basis of preparation

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

The financial statements are prepared in sterling which is the functional currency of the company.

The following disclosure exemptions have been adopted:

- The requirement to present a statement of cash flows and related notes
- The requirements relating to certain disclosures in respect of related party transactions.
- Financial instrument disclosures, including:
 - Categories of financial instruments
 - Items of income, expenses, gains or losses relating to financial instruments, and
 - Exposure to and management of financial risks

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the invoiced amounts of goods sold less returns and allowances, excluding value added tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Royalty income

Income from royalties is credited to the profit and loss account as it becomes receivable.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold property	–	11% straight-line
Plant and machinery	–	33% straight-line
Fixtures and fittings	–	25% straight-line
Motor vehicles	–	25% straight-line
Office equipment	–	33% straight-line

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

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost represents purchase invoice price together with any incidental costs of purchase.

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Capital instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derivative financial instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the income statement. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Pensions

The company provides defined contribution pension arrangements to its employees, with the pension funds held separately from the company. Contributions payable are charged to the profit and loss account as they fall due.

Share-based payments

The immediate parent undertaking, Silver Cross Nurseries Limited, has, from time to time, issued share options to subscribe for shares in that company to employees of the company. The options are exercisable upon the fulfilment of certain conditions.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. No expense is recognised for awards that do not ultimately vest.

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement with a corresponding entry in equity.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2015	2014
	£	£
United Kingdom	<u>31,274,175</u>	<u>22,664,098</u>

3. Other operating income

	2015	2014
	£	£
Royalty income	<u>512,896</u>	<u>444,487</u>

4. Operating Profit

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration	20,000	17,000
Depreciation of owned fixed assets	286,112	317,947
Operating lease rentals – land and buildings	<u>107,064</u>	<u>93,555</u>

5. Directors' remuneration

	2015	2014
	£	£
Remuneration receivable	<u>1,150,691</u>	<u>661,564</u>

Remuneration of highest paid director:

	2015	2014
	£	£
Total remuneration	<u>584,889</u>	<u>252,837</u>

Notes to the financial statements

at 31 December 2015

6. Staff costs

	2015	2014
	£	£
Wages and salaries	2,518,252	1,885,094
Social security costs	289,249	198,099
Other pension costs	4,215	-
	<u>2,811,716</u>	<u>2,083,193</u>

The average number of staff employed by the company during the financial year amounted to:

	2015	2014
	No	No
Production	10	13
Sales and distribution	11	10
Administrative	26	25
	<u>47</u>	<u>48</u>

7. Interest payable and similar charges

	2015	2014
	£	£
Interest payable on bank borrowing	17	-
Other interest	2,320	4,886
	<u>2,337</u>	<u>4,886</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax on the profits for the period	302,028	629,342
Adjustment in respect of previous periods	2,026	(58,147)
Foreign tax relief	(8,873)	(5,807)
Foreign tax suffered	8,873	5,807
Total current tax	<u>304,054</u>	<u>571,195</u>
Deferred tax:		
Effect of change of tax rates	5,591	(730)
Origination and reversal of timing differences	(51,407)	44,864
	<u>(45,816)</u>	<u>44,134</u>
Tax on profit on ordinary activities	<u>258,238</u>	<u>615,329</u>

Notes to the financial statements

at 31 December 2015

8. Tax (continued)

(b) Factors affecting tax charge for the year

The charge for the year can be reconciled to the profit per income statement as follows:

	2015	2014
	£	£
Profit on ordinary activities before tax	5,215,745	3,293,122
Tax on profit at standard UK rate of 20.25% (2014 – 21.49%)	1,056,008	708,022
<i>Effects of:</i>		
Expenses not deductible	17,872	21,574
Research and development relief	-	(53,117)
Adjustment in respect of previous periods	2,026	(58,147)
Tax rate changes	5,591	(731)
Exercise of share options	(823,270)	-
Other	11	(2,272)
Tax charge for period	258,238	615,329

(c) Deferred tax

The movement in the deferred taxation asset during the year was:

	£
At 1 January 2015	898
Credit in the year	45,816
At 31 December 2015	46,714

Deferred taxation at 18% (2014 – 20%) comprises:

	2015	2014
	£	£
Accelerated capital allowances	46,714	19,383
Timing difference on derivatives on adoption of FRS 102	-	(18,485)
	46,714	898

There is no unprovided deferred taxation at the period end (2014 – £nil). The deferred tax asset has been recognised in these financial statements as future taxable profits are expected to be in excess of those arising from the reversal of deferred tax assets.

(d) Factors that may affect future tax charges

The 2014 and 2015 Budgets announced a number of changes to the corporation tax rate. These included a reduction in the UK corporation tax rate from 21% to 20% effective from 1 April 2015 and further reductions in the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. The rate reductions to 18% were substantively enacted on 26 October 2015. Deferred tax has therefore been provided at 18%.

Notes to the financial statements

at 31 December 2015

9. Tangible fixed assets

	<i>Leasehold property</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£	£	£
Cost:						
At 1 January 2015	16,413	1,923,710	30,710	12,914	256,224	2,239,971
Additions	1,120	138,828	-	-	45,804	185,752
Disposals	-	-	-	-	(54,004)	(54,004)
At 31 December 2015	17,533	2,062,538	30,710	12,914	248,024	2,371,719
Depreciation:						
At 1 January 2015	14,651	1,458,314	30,390	12,914	228,415	1,744,684
Charge for the year	1,258	267,624	320	-	16,910	286,112
Disposals	-	-	-	-	(45,699)	(45,699)
At 31 December 2015	15,909	1,725,938	30,710	12,914	199,626	1,985,097
Net book value:						
At 31 December 2015	1,624	336,600	-	-	48,398	386,622
At 1 January 2015	1,762	465,396	320	-	27,809	495,287

10. Stocks

	2015	2014
	£	£
Finished goods and goods for resale	6,557,473	3,799,473

Stocks recognised as an expense in the year were £20,704,823 (2014 - £14,123,838).

11. Debtors

	2015	2014
	£	£
Trade debtors	5,825,918	3,759,308
Amounts owed by parent undertakings	991,742	777,000
Amounts owed by fellow subsidiary undertakings	1,817,413	1,318,459
Other debtors	1,250	-
Prepayments and accrued income	439,186	386,576
Deferred tax (note 8(c))	46,714	898
	9,122,223	6,242,241

Notes to the financial statements

at 31 December 2015

12. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	2,740,184	2,557,902
Amounts owed to fellow subsidiary undertakings	1,405,443	1,224,576
Current corporation tax	311,062	624,403
Other taxes and social security costs	543,162	174,004
Director's current account (note 16)	-	25,375
Accruals and deferred income	969,562	689,190
	<u>5,969,413</u>	<u>5,295,450</u>

13. Derivatives

The company holds financial instruments that qualify as derivatives in order to manage its currency risks arising from its operations.

Foreign currency contracts are initially measured at fair value on the date of inception of foreign currency contracts and are subsequently measured at fair value through profit and loss. Foreign currency contracts are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

	2015	2014
	£	£
Financial assets at fair value through the profit and loss account, included within Prepayments and accrued income (note 11)	<u>250,207</u>	<u>91,284</u>

14. Issued share capital

	No.	2015 £	No.	2014 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1,000	<u>1,000</u>	1,000	<u>1,000</u>

15. Other financial commitments

At 31 December the company had commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	2015	2014
	£	£
Operating leases which expire after more than five years	<u>548,686</u>	<u>487,623</u>

16. Transactions with directors

At 31 December 2014 the company owed D A Halsall £25,375. D A Halsall ceased to be a director during the year and all outstanding amounts were settled by that date.

Notes to the financial statements

at 31 December 2015

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Fosun International Limited, a company incorporated in Hong Kong. The directors consider Fosun International Limited to be the company's controlling party. Copies of the group financial statements of Fosun International Limited can be obtained from www.fosun.com

18. Share based payments

The immediate parent undertaking, Silver Cross Nurseries Limited, has made share-based awards to employees of the company under an Enterprise Management Incentive Scheme (the "Scheme"), which are settled with shares in Silver Cross Nurseries Limited.

There are no performance conditions attached to the awards and the vesting occurs on the fulfilment of conditions specified in the employees' respective option agreements.

During the year Silver Cross Nurseries Limited had in issue options over 75 of its ordinary shares of £1 each. The fair value at grant date was £350 per share. The basis of the valuation was that of a minority shareholding in Silver Cross Nurseries Limited based on a business valuation model. At 31 December 2014 the vesting period for these options was considered uncertain, and no amount had been charged to the profit and loss account for the options extant at that date. The full value of these options has been charged in the current year on their exercise. There are no other options outstanding.

19. Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 December 2015 and has restated the comparative amounts. The impact from the transition to FRS 102 is as follows:

Reconciliation of equity

	<i>31 December 2014 £</i>	<i>1 January 2014 £</i>
Shareholders' funds:		
As previously stated	7,339,340	4,796,768
Adjustments (see below)	91,284	(78,272)
Deferred tax on adjustments	(18,485)	15,850
Restated shareholders' funds under FRS 102	<u>7,412,139</u>	<u>4,734,346</u>
		<i>31 December 2014 £</i>
Profit for the year:		
As previously stated		2,542,572
Adjustments (see below)		169,556
Deferred tax on adjustments		(34,335)
Restated profit for the year under FRS 102		<u>2,677,793</u>

Under the previous UK GAAP the company did not include forward exchange contracts at fair value on the balance sheet. This is now included in accordance with FRS 102.