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Registered number: 05639290

ASTON SCOTT GROUP plc

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014



Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
22 October 2014



ASTON SCOTT GROUP plc

COMPANY INFORMATION

DIRECTORS

A G Scott
G D P Scarborough
C K Ford (resigned 31 May 2014)

COMPANY SECRETARY

S E Locke

REGISTERED NUMBER

05639290

REGISTERED OFFICE

Malling House
Town Hill
West Malling
Kent
ME19 6QL

INDEPENDENT AUDITORS

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

ASTON SCOTT GROUP plc

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ASTON SCOTT GROUP plc

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2014

The directors present their group strategic report accompanying the financial statements for the year ended 30 June 2014.

BUSINESS REVIEW

At the end of the year, the group contained two trading subsidiaries; Aston Scott Ltd and ASG Risk Management Ltd. The group continues to produce excellent results and the directors expect a similar performance during the next financial year. The turnover for the company increased by 5.4% to £16,778,984 (2013: 15,918,739). The profit before taxation increased by 4.9% to £1,258,732 (2013: 1,200,043).

PRINCIPAL RISKS AND UNCERTAINTIES

The board conducts a formal review of the risks and uncertainties facing the business.

The board recognises that as ultimate parent company of an insurance broker the business is sensitive to the following changes, which are to an extent outside of the group's direct control:

- the insolvency of a major insurer;
- regulatory changes implemented by the Financial Conduct Authority,
- potential decisions from insurers to trade directly with clients; and,
- changes in commission rates receivable from insurers.

FINANCIAL KEY PERFORMANCE INDICATORS

The board uses a range of financial and non financial performance indicators, including net retained income / premium ratio, growth since previous financial year, client satisfaction surveys, performance versus budget, and regulatory compliance indicators.

FINANCIAL RISK MANAGEMENT

The directors regularly review the financial requirements of the group and the risks associated therewith.

The group manages cash flow as part of its day to day control procedures and appropriate facilities are made available to draw upon as necessary.

The group's policy in respect of credit risk is to require appropriate credit checks on potential clients. The group's policy in respect of liquidity risk is to maintain readily accessible bank deposits to ensure the group has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate.

This report was approved by the board on *23/10/2014* and signed on its behalf.

✓ Andrew Scott
A G Scott
Director

ASTON SCOTT GROUP plc

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

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;
- 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.

PRINCIPAL ACTIVITIES

The group's principal activities are risk management and insurance broking.

DIRECTORS

The directors who served during the year were:

A G Scott
G D P Scarborough
C K Ford (resigned 31 May 2014)

ASTON SCOTT GROUP plc

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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.

This report was approved by the board on *X 23/10/2014 X* and signed on its behalf.

x Andrew Scott

A G Scott
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASTON SCOTT GROUP PLC

We have audited the financial statements of Aston Scott Group plc for the year ended 30 June 2014, set out on pages 6 to 21. 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 June 2014 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.

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.

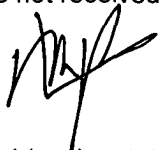
ASTON SCOTT GROUP plc

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASTON SCOTT GROUP PLC

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.



Mario Ciantanni (senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

Date: 13 OCT 2014

ASTON SCOTT GROUP plc

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	16,778,986	15,918,739
Administrative expenses		(15,376,154)	(14,406,087)
OPERATING PROFIT		1,402,832	1,512,652
Interest receivable and similar income		49,409	90,750
Interest payable and similar charges	6	(193,508)	(403,359)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,258,733	1,200,043
Tax on profit on ordinary activities	7	(437,000)	(510,000)
PROFIT FOR THE FINANCIAL YEAR	17	821,733	690,043

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

ASTON SCOTT GROUP plc
REGISTERED NUMBER: 05639290

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	9,374,344	12,056,107
Tangible assets	9	568,057	437,572
		<u>9,942,401</u>	<u>12,493,679</u>
CURRENT ASSETS			
Debtors	11	2,566,109	1,846,872
Cash at bank and in hand		8,871,517	8,167,063
		<u>11,437,626</u>	<u>10,013,935</u>
CREDITORS: amounts falling due within one year	12	<u>(8,451,679)</u>	<u>(7,824,912)</u>
NET CURRENT ASSETS		<u>2,985,947</u>	<u>2,189,023</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,928,348</u>	<u>14,682,702</u>
CREDITORS: amounts falling due after more than one year	13	(4,066,231)	(4,732,134)
PROVISIONS FOR LIABILITIES			
Deferred Tax	14	(47,000)	(40,000)
Other provisions	15	<u>(2,336,500)</u>	<u>(3,333,684)</u>
		<u>(2,383,500)</u>	<u>(3,373,684)</u>
NET ASSETS		<u>6,478,617</u>	<u>6,576,884</u>
CAPITAL AND RESERVES			
Called up share capital	16	35,002	37,457
Share premium account	17	1,488,961	1,488,961
Consolidated reserve	17	647,517	1,045,605
Capital redemption reserve	17	5,555	3,100
Profit and loss account	17	4,301,582	4,001,761
SHAREHOLDERS' FUNDS	18	<u>6,478,617</u>	<u>6,576,884</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
 * 23/10/2014 *

* A G Scott
 Director

Andrew Scott

* G D P Scarborough
 Director

GDP Scarborough

The notes on pages 10 to 21 form part of these financial statements.

ASTON SCOTT GROUP plc
REGISTERED NUMBER: 05639290

COMPANY BALANCE SHEET
AS AT 30 JUNE 2014

	Note	£	2014 £	£	2013 £	£
FIXED ASSETS						
Investments	10		2,516,511		2,516,511	
CURRENT ASSETS						
Cash at bank		-			33	
CREDITORS: amounts falling due within one year	12	(961,535)		(441,508)		
NET CURRENT LIABILITIES			(961,535)		(441,475)	
NET ASSETS			<u>1,554,976</u>		<u>2,075,036</u>	
CAPITAL AND RESERVES						
Called up share capital	16		35,002		37,457	
Share premium account	17		1,488,961		1,488,961	
Other reserves	17		5,555		3,100	
Profit and loss account	17		25,458		545,518	
SHAREHOLDERS' FUNDS	18		<u>1,554,976</u>		<u>2,075,036</u>	

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

23/10/2014
 Andrew Scott

A G Scott
 Director

G D P Scarborough
 Director

The notes on pages 10 to 21 form part of these financial statements.

ASTON SCOTT GROUP plc

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	5,092,943	2,456,803
Returns on investments and servicing of finance	21	(134,982)	(308,079)
Taxation		(562,112)	(168,513)
Capital expenditure and financial investment	21	(1,839,071)	(2,696,663)
Equity dividends paid		(300,000)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		2,256,778	(716,452)
Financing	21	(1,552,324)	(1,071,432)
INCREASE/(DECREASE) IN CASH IN THE YEAR		704,454	(1,787,884)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	704,454	(1,787,884)
Cash outflow from decrease in debt and lease financing	632,324	1,071,432
MOVEMENT IN NET DEBT IN THE YEAR	1,336,778	(716,452)
Net funds at 1 July 2013	2,363,497	3,079,949
NET FUNDS AT 30 JUNE 2014	3,700,275	2,363,497

The notes on pages 10 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Aston Scott Group plc and all of its subsidiary undertakings ('subsidiaries').

1.3 TURNOVER

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year.

Turnover represents amounts receivable from fees and commission. Commission and fees are recognised on the issue of a debit note to a client for a policy in respect of new business and mid term adjustment where the inception date falls within the accounting period. Renewal debit notes are recognised once paid by the client.

It is the normal practice for insurance brokers to settle accounts with other intermediaries, clients and insurers on a net basis. Thus large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows.

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard No. 5, Reporting the Substance of Transactions, requires that offset of assets and liabilities should be recognised in the financial statements where and only where, the offset would survive the insolvency of either party to the transaction. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

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

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Motor Vehicles	-	25% straight line
Fixtures & Fittings	-	20 - 33% straight line

1.6 INVESTMENTS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

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

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. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.9 PENSIONS

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

1.10 CONTINGENT DEFERRED CONSIDERATION

Contingent deferred consideration is discounted at present values and recognised in the financial statements as provisions for liabilities and charges.

The provision for deferred consideration is based on the directors' best estimate of future payments, and initial estimates are periodically revised as further and more certain information becomes available.

The discount element of the consideration is released to the profit and loss account over the course of the contract and is treated as interest payable/received.

2. TURNOVER

The whole of the turnover is attributable to commission and fees earned during the period.

All turnover arose within the United Kingdom.

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

3. OPERATING PROFIT

	2014 £	2013 £
Depreciation - plant and machinery	268,321	137,269
Amortisation of intangible fixed assets	3,127,858	2,914,753
Operating lease rentals - plant and machinery	22,184	22,184
Operating lease rentals - land and buildings	460,762	373,991
(Profit)/Loss on disposal of fixed assets	(3,014)	115,000
Auditors' remuneration - other services	6,834	6,300
Auditors' remuneration - audit services	31,500	30,500
	<u> </u>	<u> </u>

4. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	7,257,146	7,005,258
Social security costs	785,802	759,792
Other pension costs	220,688	147,315
	<u>8,263,636</u>	<u>7,912,365</u>

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

	2014 No.	2013 No.
	<u>231</u>	<u>222</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>251,530</u>	<u>266,898</u>
Company pension contributions to defined contribution pension schemes	<u>10,000</u>	<u>10,000</u>

The highest paid director received remuneration of £119,288 (2013 - £121,160).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2013 - £10,000).

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

6. INTEREST PAYABLE

	2014	2013
	£	£
On bank loans and overdrafts	193,508	403,359

7. TAXATION

	2014	2013
	£	£
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	430,000	470,000
DEFERRED TAX (see note 14)		
Origination and reversal of timing differences	7,000	40,000
TAX ON PROFIT ON ORDINARY ACTIVITIES	437,000	510,000

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	1,258,733	1,200,043
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	264,334	276,010
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,635	33,337
Capital allowances for the year in excess of depreciation	(23,858)	(14,492)
Amortisation not allowable	141,612	158,191
Change in tax rates / other timing differences	42,277	16,954
CURRENT TAX CHARGE FOR THE YEAR (see note above)	430,000	470,000

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

ASTON SCOTT GROUP plc

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

8. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP	
COST	
At 1 July 2013	19,931,859
Additions	420,000
Disposals	(538,005)
Revaluation surplus	26,095
At 30 June 2014	<u>19,839,949</u>
AMORTISATION	
At 1 July 2013	7,875,752
Charge for the year	3,127,858
On disposals	(538,005)
At 30 June 2014	<u>10,465,605</u>
NET BOOK VALUE	
At 30 June 2014	<u><u>9,374,344</u></u>
At 30 June 2013	<u><u>12,056,107</u></u>

9. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Equipment £	Total £
GROUP			
COST OR VALUATION			
At 1 July 2013	88,750	692,802	781,552
Additions	19,995	392,169	412,164
Disposals	(32,750)	-	(32,750)
At 30 June 2014	<u>75,995</u>	<u>1,084,971</u>	<u>1,160,966</u>
DEPRECIATION			
At 1 July 2013	43,069	300,911	343,980
Charge for the year	20,073	248,248	268,321
On disposals	(19,392)	-	(19,392)
At 30 June 2014	<u>43,750</u>	<u>549,159</u>	<u>592,909</u>
NET BOOK VALUE			
At 30 June 2014	<u><u>32,245</u></u>	<u><u>535,812</u></u>	<u><u>568,057</u></u>
At 30 June 2013	<u><u>45,681</u></u>	<u><u>391,891</u></u>	<u><u>437,572</u></u>

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

10. FIXED ASSET INVESTMENTS

COMPANY COST OR VALUATION	Investments in Subsidiary Companies £
At 1 July 2013 and 30 June 2014	<u>2,516,511</u>
NET BOOK VALUE	
At 30 June 2014	<u><u>2,516,511</u></u>
At 30 June 2013	<u><u>2,516,511</u></u>

Subsidiaries	Principal activity	Holding	Country of registration
Aston Scott Ltd	Insurance broker	100%	England & Wales
ASG Risk Management Ltd	Risk Management	100%	England & Wales

11. DEBTORS

	GROUP		COMPANY	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	2,116,136	1,450,045	-	-
Other debtors	14,106	17,854	-	-
Prepayments and accrued income	435,867	378,973	-	-
	<u>2,566,109</u>	<u>1,846,872</u>	<u>-</u>	<u>-</u>

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

	GROUP		COMPANY	
	2014 £	2013 £	2014 £	2013 £
Bank loans and overdrafts	1,105,011	1,071,432	27	-
Trade creditors	6,184,549	4,863,792	-	-
Amounts owed to group undertakings	-	-	961,508	141,508
Corporation tax	207,190	339,302	-	-
Other taxation and social security	226,884	216,202	-	-
Other creditors	-	323,965	-	300,000
Accruals and deferred income	728,045	1,010,219	-	-
	<u>8,451,679</u>	<u>7,824,912</u>	<u>961,535</u>	<u>441,508</u>

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	4,066,231	4,732,134	-	-

Bank borrowings of £5,171,242 (2013: £5,803,566) are secured by a charge over the group's assets.

14. DEFERRED TAXATION

	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	40,000	-	-	-
Charge for the year (P&L)	7,000	40,000	-	-
At end of year	47,000	40,000	-	-

The provision for deferred taxation is made up as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	47,000	40,000	-	-

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. PROVISIONS

	Contingent deferred consideration £
GROUP	
At 1 July 2013	3,333,684
Additions (note 8)	420,000
Paid in year	(1,443,279)
Revision to deferred contingent consideration (note 8)	26,095
At 30 June 2014	<u>2,336,500</u>

CONTINGENT DEFERRED CONSIDERATION

The deferred consideration relates to the purchase of the trade of a number of businesses. It is based on the directors' best estimate of future payments and is dependent on the level of future income generated.

Of the deferred consideration £1,266,000 (2013: £1,832,500) is payable in more than one year.

The Company has no other provisions.

16. SHARE CAPITAL

	2014 £	2013 £
ALLOTTED, CALLED UP AND FULLY PAID		
30,003 (2013 - 32,458) Ordinary shares of £1 each	<u>30,003</u>	<u>32,458</u>
ALLOTTED, CALLED UP AND PARTLY PAID		
19,997 (2013 - 19,997) Ordinary shares of £1 each - 25p paid	<u>4,999</u>	<u>4,999</u>

The company redeemed 2,455 Ordinary shares of £1 each for £920,000 on 21 May 2014.

17. RESERVES

	Share premium account £	Consolidated reserve £	Capital redemption reserve £	Profit and loss account £
GROUP				
At 1 July 2013	1,488,961	1,045,605	3,100	4,001,761
Profit for the financial year				821,733
Purchase of own shares				(920,000)
Transfer goodwill written off on consolidation to consolidated reserve		(398,088)		398,088
Purchase of own shares			2,455	
At 30 June 2014	<u>1,488,961</u>	<u>647,517</u>	<u>5,555</u>	<u>4,301,582</u>

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

17. RESERVES (continued)

	Share premium account £	Capital redemption reserve £	Profit and loss account £
COMPANY			
At 1 July 2013	1,488,961	3,100	545,518
Profit for the financial year			399,940
Purchase of own shares			(920,000)
Movement on other reserves		2,455	
At 30 June 2014	<u>1,488,961</u>	<u>5,555</u>	<u>25,458</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
GROUP		
Opening shareholders' funds	6,576,884	6,186,841
Profit for the financial year	821,733	690,043
Dividends (Note 19)	-	(300,000)
Own shares purchased in the year	(920,000)	-
Closing shareholders' funds	<u>6,478,617</u>	<u>6,576,884</u>

	2014 £	2013 £
COMPANY		
Opening shareholders' funds	2,075,036	1,575,036
Profit for the financial year	399,940	800,000
Dividends (Note 19)	-	(300,000)
Own shares purchased in the year	(920,000)	-
Closing shareholders' funds	<u>1,554,976</u>	<u>2,075,036</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.

The profit for the year dealt with in the accounts of the company was £399,940 (2013 - £800,000).

19. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>-</u>	<u>300,000</u>

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,402,832	1,512,652
Amortisation of intangible fixed assets	3,127,858	2,914,753
Depreciation of tangible fixed assets	268,321	137,269
(Profit)/loss on disposal of tangible fixed assets	(3,014)	115,000
(Increase)/decrease in debtors	(728,350)	61,649
Increase/(decrease) in creditors	1,025,296	(2,284,520)
NET CASH INFLOW FROM OPERATING ACTIVITIES	5,092,943	2,456,803

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	59,070	95,280
Interest paid	(194,052)	(403,359)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(134,982)	(308,079)
	2014 £	2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of intangible fixed assets	(1,443,279)	(2,766,204)
Purchase of tangible fixed assets	(412,164)	(305,459)
Sale of tangible fixed assets	16,372	375,000
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(1,839,071)	(2,696,663)
	2014 £	2013 £
FINANCING		
Purchase of ordinary own shares	(920,000)	-
New secured loans	6,000,000	-
Repayments	(828,758)	-
Repayment of loans	(5,803,566)	(1,071,432)
NET CASH OUTFLOW FROM FINANCING	(1,552,324)	(1,071,432)

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2013 £	Cash flow £	Other non-cash changes £	30 June 2014 £
Cash at bank and in hand	8,167,063	704,454	-	8,871,517
DEBT:				
Debts due within one year	(1,071,432)	1,071,432	(1,105,011)	(1,105,011)
Debts falling due after more than one year	(4,732,134)	(439,108)	1,105,011	(4,066,231)
NET FUNDS	2,363,497	1,336,778	-	3,700,275

Included within cash at bank at 30 June 2014 is £6,097,311 (2013: £5,599,971) of client money which is held in accordance with the FCA client money rules.

23. PENSION COMMITMENTS

A defined contribution stakeholder pension scheme is operated on behalf of the employees of the group. The assets are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to various pension funds outside of the stakeholder scheme amounting to £220,688 (2013: £147,315).

24. OPERATING LEASE COMMITMENTS

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
GROUP	2014 £	2013 £	2014 £	2013 £
EXPIRY DATE:				
Within 1 year	-	9,667	-	1,930
Between 2 and 5 year	247,834	210,770	31,906	22,233
After more than 5 years	140,723	140,723	-	5,240

ASTON SCOTT GROUP plc

**NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTY TRANSACTIONS

During the year Aston Scott Ltd, a subsidiary, paid rent of £42,500 (2013: £42,500) to the pension scheme of A G Scott, a director, for the use of a property owned by the pension scheme.

The directors had interest in dividends paid in the year of £Nil (2013: £157,026).

On 21 May 2014 £920,000 was paid by the company to purchase 2,455 shares from C K Ford, being his entire shareholding.

26. CONTROLLING PARTY

A G Scott is the ultimate controlling party.