

COMPANY REGISTRATION NUMBER 05863306

**8C INVESTMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**31 OCTOBER 2013**

**AEQUITAS**

Chartered Accountants & Statutory Auditor  
2 Admiral House  
Cardinal way  
Harrow  
Middlesex  
HA3 5TE

THURSDAY



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**8C INVESTMENT LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2013**

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# **8C INVESTMENT LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 OCTOBER 2013**

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The directors present their report and the financial statements of the group for the year ended 31 October 2013.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of a holding company. As of 31 October 2013, pursuant to a group reorganisation, 8C Investment Limited became the ultimate parent company of CDL Business Services Group Limited, CDL London Limited, Fairway PSD Limited and Conora Limited.

The group continued to perform strongly during tough trading conditions.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £426,357. The directors have not recommended a dividend.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

In common with other businesses, the company aims to minimise financial risk wherever possible. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts, specifically turnover levels and margins, and ensuring that adequate sources of finance are in place to meet the requirements of the business.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr HC Patel  
Mr NA Riley

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

# 8C INVESTMENT LIMITED

## DIRECTORS' REPORT *(continued)*

**YEAR ENDED 31 OCTOBER 2013**

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITOR


Aequitas are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Unit 21 The IO Centre  
Armstrong Road  
London  
SE18 6RS

Signed on behalf of the directors

X   
Mr SP Durack  
Company Secretary

Approved by the directors on 8 August 2014

## **8C INVESTMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 8C INVESTMENT LIMITED**

**YEAR ENDED 31 OCTOBER 2013**

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We have audited the group and parent company financial statements ("the financial statements") of 8C Investment Limited for the year ended 31 October 2013. 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 shareholders, 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 shareholders 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 shareholders 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 pages 1 to 2, 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OTHER MATTERS**

The comparative financial statements of the company for the year ended 31 October 2012 were unaudited.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 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.

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

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

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## 8C INVESTMENT LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 8C INVESTMENT LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2013

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.



PANKAJ PATEL (Senior Statutory Auditor)

For and on behalf of  
AEQUITAS  
Chartered Accountants  
& Statutory Auditor

2 Admiral House  
Cardinal way  
Harrow  
Middlesex  
HA3 5TE

8 August 2014

**8C INVESTMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 OCTOBER 2013**

	Note	2013 £	2012 £
<b>GROUP TURNOVER</b>	<b>2</b>	7,212,250	7,347,011
Cost of sales		3,517,660	3,163,869
<b>GROSS PROFIT</b>		3,694,590	4,183,142
Administrative expenses		3,056,253	3,432,773
Other operating income		(31,580)	(23,341)
<b>OPERATING PROFIT</b>	<b>3</b>	669,917	773,710
Interest receivable		535	4,634
Interest payable and similar charges	<b>6</b>	(110,930)	(218,367)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		559,522	559,977
Tax on profit on ordinary activities	<b>7</b>	133,165	147,992
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>8</b>	426,357	411,985

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

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 11 to 23 form part of these financial statements.

# 8C INVESTMENT LIMITED

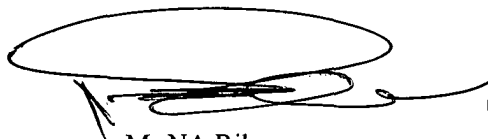
## GROUP BALANCE SHEET

31 OCTOBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	9	15,003	16,003
Tangible assets	10	5,425,821	5,494,263
		<u>5,440,824</u>	<u>5,510,266</u>
<b>CURRENT ASSETS</b>			
Stocks	12	6,114	8,091
Debtors	13	2,170,970	2,590,289
Cash at bank and in hand		824,922	537,796
		<u>3,002,006</u>	<u>3,136,176</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>2,122,476</u>	<u>2,194,684</u>
<b>NET CURRENT ASSETS</b>		<u>879,530</u>	<u>941,492</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,320,354</u>	<u>6,451,758</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	2,026,185	2,602,946
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	18	82,798	63,798
		<u>4,211,371</u>	<u>3,785,014</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	21	1,504,000	1,504,000
Other reserves	22	(1,920,614)	(1,920,614)
Profit and loss account	22	4,627,985	4,201,628
<b>SHAREHOLDERS' FUNDS</b>	23	<u>4,211,371</u>	<u>3,785,014</u>

These accounts were approved by the shareholders and authorised for issue on 8 August 2014, and are signed on their behalf by:

  
Mr HC Patel  
Director

  
Mr NA Riley  
Director

The notes on pages 11 to 23 form part of these financial statements.



# 8C INVESTMENT LIMITED

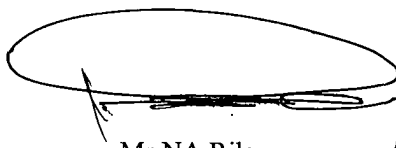
## BALANCE SHEET

31 OCTOBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Investments	11	1,704,000	467,809
<b>CURRENT ASSETS</b>			
Debtors	13	467,809	—
Cash at bank and in hand		1,260	1,260
		469,069	1,260
<b>CREDITORS: Amounts falling due within one year</b>	15	393,224	374,106
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		75,845	(372,846)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,779,845	94,963
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	21	1,504,000	100
Profit and loss account	22	275,845	94,863
<b>SHAREHOLDERS' FUNDS</b>		1,779,845	94,963

These accounts were approved by the shareholders and authorised for issue on 8 August 2014, and are signed on their behalf by:

  
Mr HC Patel  
Director

  
Mr NA Riley  
Director

Company Registration Number: 05863306

The notes on pages 11 to 23 form part of these financial statements.

**8C INVESTMENT LIMITED****GROUP CASH FLOW CASH FLOW STATEMENT****YEAR ENDED 31 OCTOBER 2013**

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	2013		2012	
	£	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		1,281,298		1,079,574
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	535		4,634	
Interest paid	(114,508)		(222,444)	
Interest element of hire purchase	<u>(527)</u>		<u>(472)</u>	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(114,500)		(218,282)
<b>TAXATION</b>		(137,680)		(49,852)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(35,570)		(96,816)	
Receipts from sale of fixed assets	<u>16,855</u>		<u>9,989</u>	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(18,715)		(86,827)
<b>CASH INFLOW BEFORE FINANCING</b>		<u>1,010,403</u>		<u>724,613</u>
<b>FINANCING</b>				
Repayment of bank loans	(422,828)		(315,547)	
Net outflow from other short-term creditors	—		(192,225)	
Capital element of hire purchase	(4,693)		4,247	
Net inflow from long-term accruals	<u>7,023</u>		<u>60,375</u>	
<b>NET CASH OUTFLOW FROM FINANCING</b>		(420,498)		(443,150)
<b>INCREASE IN CASH</b>		<u><u>589,905</u></u>		<u><u>281,463</u></u>

The notes on pages 11 to 23 form part of these financial statements.

# 8C INVESTMENT LIMITED

## GROUP CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 2013

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	669,917	773,710
Interest payable	4,105	4,549
Amortisation	1,000	1,000
Depreciation	94,031	99,915
Profit on disposal of fixed assets	(6,874)	(4,853)
Decrease in stocks	1,977	20,695
Decrease in debtors	413,966	246,133
Increase/(decrease) in creditors	84,176	(78,575)
Increase in provisions	19,000	17,000
Net cash inflow from operating activities	<u>1,281,298</u>	<u>1,079,574</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013	2012
	£	£
Increase in cash in the period	589,905	281,463
Net cash outflow from bank loans	422,828	315,547
Net outflow from other short-term creditors	—	192,225
Cash outflow in respect of hire purchase	4,693	(4,247)
Net (inflow) from long-term accruals	<u>(7,023)</u>	<u>(60,375)</u>
	<u>1,010,403</u>	<u>724,613</u>
Change in net debt	1,010,403	724,613
Net debt at 1 November 2012	<u>(2,877,729)</u>	<u>(3,603,340)</u>
Net debt at 31 October 2013	<u>(1,867,326)</u>	<u>(2,877,729)</u>

The notes on pages 11 to 23 form part of these financial statements.

# 8C INVESTMENT LIMITED

## GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 2013

### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Nov 2012 £	Cash flows £	At 31 Oct 2013 £
Net cash:			
Cash in hand and at bank	537,796	287,126	824,922
Overdrafts	(433,202)	302,779	(130,423)
	<u>104,594</u>	<u>589,905</u>	<u>694,499</u>
Debt:			
Debt due within 1 year	(374,685)	(156,000)	(530,685)
Debt due after 1 year	(2,595,878)	571,805	(2,024,073)
Hire purchase agreements	(11,760)	4,693	(7,067)
	<u>(2,982,323)</u>	<u>420,498</u>	<u>(2,561,825)</u>
Net debt	<u>(2,877,729)</u>	<u>1,010,403</u>	<u>(1,867,326)</u>

The notes on pages 11 to 23 form part of these financial statements.

**8C INVESTMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2013**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. On 31 October 2013, pursuant to a group reorganisation, 8C Investment Limited became the ultimate parent company of CDL London Limited, CDL Business Services Group Limited, Conora Limited and Fairway PSD Limited. The Group resulting from the reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared on the basis of merger accounting in accordance with Financial Reporting Standard 6 and the results have been presented as if the new group had been established throughout the current and prior years. The difference arising on consolidation is to be debited or credited to reserves as appropriate.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill                      -    5% straight line

**Fixed assets**

All fixed assets are initially recorded at cost.

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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### 1. ACCOUNTING POLICIES *(continued)*

#### Depreciation

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

Leasehold Property	-	Over the lease term
Plant & Machinery	-	4-33% straight line
Fixtures & Fittings	-	5-33% straight line
Motor Vehicles	-	33% straight line
Equipment	-	33% straight line

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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### 1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. 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.

#### Financial instruments

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

### 2. TURNOVER

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

An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	<u>7,212,250</u>	<u>7,347,011</u>

## 8C INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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#### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation of intangible assets	1,000	1,000
Depreciation of owned fixed assets	90,198	97,837
Depreciation of assets held under hire purchase agreements	3,833	2,078
Profit on disposal of fixed assets	(6,874)	(4,853)
Auditor's remuneration		
- as auditor	25,699	18,258
Operating lease costs:		
- Plant and equipment	20,482	30,887
- Other	115,759	122,629
Net loss on foreign currency translation	1,325	1,856
	<u>238,746</u>	<u>35,000</u>

#### 4. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Number of production staff	65	65
Number of administrative staff	35	37
	<u>100</u>	<u>102</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	1,942,702	1,953,591
Social security costs	170,018	163,801
Other pension costs	13,976	13,479
	<u>2,126,696</u>	<u>2,130,871</u>

#### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	233,746	30,000
Value of company pension contributions to money purchase schemes	5,000	5,000
	<u>238,746</u>	<u>35,000</u>

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# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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### 5. DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on bank borrowing	100,378	203,058
Finance charges	527	472
Other similar charges payable	<u>10,025</u>	<u>14,837</u>
	<u>110,930</u>	<u>218,367</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22.84% (2012 - 24.58%)	<u>127,812</u>	<u>137,680</u>
Total current tax	127,812	137,680
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	<u>5,353</u>	<u>10,312</u>
Tax on profit on ordinary activities	<u>133,165</u>	<u>147,992</u>

## 8C INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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#### 7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

##### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 22.84% (2012 - 24.58%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>559,522</u>	<u>559,977</u>
Profit on ordinary activities by rate of tax	127,795	137,642
Rounding on tax charge	<u>17</u>	<u>38</u>
Total current tax (note 7(a))	<u>127,812</u>	<u>137,680</u>

#### 8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £181,882 (2012 - £Nil).

#### 9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
<b>COST</b>	
At 1 November 2012 and 31 October 2013	<u>20,004</u>
<b>AMORTISATION</b>	
At 1 November 2012	4,001
Charge for the year	<u>1,000</u>
At 31 October 2013	<u>5,001</u>
<b>NET BOOK VALUE</b>	
At 31 October 2013	<u>15,003</u>
At 31 October 2012	<u>16,003</u>

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

### 10. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>						
At 1 Nov 2012	5,341,457	114,581	213,720	100,689	179,583	5,950,030
Additions	6,015	9,090	6,280	–	14,185	35,570
Disposals	(6,525)	(34,813)	(31,412)	(31,282)	(16,289)	(120,321)
<b>At 31 Oct 2013</b>	<u>5,340,947</u>	<u>88,858</u>	<u>188,588</u>	<u>69,407</u>	<u>177,479</u>	<u>5,865,279</u>
<b>DEPRECIATION</b>						
At 1 Nov 2012	41,881	71,484	137,246	53,640	151,516	455,767
Charge for the year	10,148	16,268	26,089	23,946	17,580	94,031
On disposals	(6,525)	(34,812)	(31,411)	(21,303)	(16,289)	(110,340)
<b>At 31 Oct 2013</b>	<u>45,504</u>	<u>52,940</u>	<u>131,924</u>	<u>56,283</u>	<u>152,807</u>	<u>439,458</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Oct 2013</b>	<u>5,295,443</u>	<u>35,918</u>	<u>56,664</u>	<u>13,124</u>	<u>24,672</u>	<u>5,425,821</u>
At 31 Oct 2012	<u>5,299,576</u>	<u>43,097</u>	<u>76,474</u>	<u>47,049</u>	<u>28,067</u>	<u>5,494,263</u>

#### Hire purchase agreements

Included within the net book value of £5,425,821 is £8,610 (2012 - £12,173) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,833 (2012 - £2,078).

### 11. INVESTMENTS

Company	Group companies £
<b>COST</b>	
At 1 November 2012	467,809
Additions	1,704,000
Disposals	(467,809)
<b>At 31 October 2013</b>	<u>1,704,000</u>
<b>NET BOOK VALUE</b>	
<b>At 31 October 2013</b>	<u>1,704,000</u>
At 31 October 2012	<u>467,809</u>

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertakings</b>				
The following were the subsidiary undertakings of the company:				
Conora Limited	Isle of Man	Ordinary shares	100%	Dormant
CDL Business Services Group Limited ('CDLBSG')	England	Ordinary shares	100%	Property and intermediate holding company
The following were the subsidiary undertakings of CDLBSG:				
CDL London Limited	England	Ordinary shares	100%	Procurement, storage, fulfilment and distribution
Fairway PSD Limited	England	Ordinary shares	100%	Procurement, storage, fulfilment and distribution

On 31 October 2013, following a group reorganisation, 8C Investment Limited owned 100% of the shares of CDL Business Services Group Limited and Conora Limited. The company subsequently sold its shares in Fairway PSD Limited to another group company on 31 October 2013.

Investment additions for the company represent the following:

- 100% of the share capital of CDL Business Services Group Limited ('CDLBSG'), a company incorporated in England.
- 100% of the share capital of Conora Limited, a company incorporated in Isle of Man.

## 12. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Stock	<u>6,114</u>	<u>8,091</u>	<u>—</u>	<u>—</u>

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

### 13. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,530,852	2,047,861	-	-
Amounts owed by group undertakings	-	-	467,809	-
Other debtors	121,002	165,893	-	-
Directors current accounts	34,838	-	-	-
Deferred taxation (Note 14)	53,024	58,377	-	-
Prepayments and accrued income	431,254	318,158	-	-
	<u>2,170,970</u>	<u>2,590,289</u>	<u>467,809</u>	<u>-</u>

### 14. DEFERRED TAXATION

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Asset brought forward	58,377	68,689	-	-
Decrease in asset	(5,353)	(10,312)	-	-
Asset carried forward	<u>53,024</u>	<u>58,377</u>	<u>-</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>53,024</u>	<u>-</u>	<u>58,377</u>	<u>-</u>

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

### 15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	661,108	807,887	—	—
Trade creditors	812,561	978,838	—	—
Amounts owed to group undertakings	—	—	393,224	181,882
Hire purchase agreements	4,955	4,692	—	—
Other creditors including taxation and social security:				
Corporation tax	127,816	137,684	—	—
PAYE and social security	47,950	40,871	—	—
VAT	50,544	20,965	—	—
Other creditors	237,423	37,686	—	192,224
Accruals and deferred income	180,119	166,061	—	—
	<u>2,122,476</u>	<u>2,194,684</u>	<u>393,224</u>	<u>374,106</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>661,108</u>	<u>807,887</u>	<u>—</u>	<u>—</u>

### 16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	1,956,675	2,535,503	—	—
Hire purchase agreements	2,112	7,068	—	—
Accruals and deferred income	67,398	60,375	—	—
	<u>2,026,185</u>	<u>2,602,946</u>	<u>—</u>	<u>—</u>

## 8C INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### YEAR ENDED 31 OCTOBER 2013

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#### 16. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>1,956,675</u>	<u>2,535,503</u>	<u>-</u>	<u>-</u>

The bank loans and overdrafts falling due less than 1 year and after more than 1 year are secured by a charge over the company assets.

NatWest Bank have a legal charge over the following assets:

- Legal charge dated 22 December 2005 over the property at Unit 21 IO Centre, Armstrong Roadnal, Royal Arsenal London.
- Legal charge dated 16 October 2007 over the properties at Unit 3 Spice Quay, Butlers Wharf, 34 Shad Thames London.
- Legal charge dated 21 April 2008 over the property at Unit 1 Fitzroy Business Park, Sandy Lane Sidcup Kent.

#### 17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts payable within 1 year	4,955	4,692	-	-
Amounts payable between 2 to 5 years	<u>2,112</u>	<u>7,068</u>	<u>-</u>	<u>-</u>
	<u>7,067</u>	<u>11,760</u>	<u>-</u>	<u>-</u>

#### 18. OTHER PROVISIONS

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<u>82,798</u>	<u>63,798</u>	<u>-</u>	<u>-</u>

The dilapidation provision is in respect of the amounts required to restore leased premises to their original condition upon expiry of the lease term together with amounts relating to other dilapidations accruing throughout the period of occupation.

# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

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### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2013 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within 1 year	2,160	-
Within 2 to 5 years	248,400	-
	<u>250,560</u>	<u>-</u>

### 20. RELATED PARTY TRANSACTIONS

The company was under the control of the directors Mr HC Patel and Mr NA Riley throughout the current and previous year.

The company entered into various transactions of a commercial nature and the balances owed by each are as follows:

During the year the group entered into the following transactions:

	Turnover during the year	Debtor at 31 October 2013
Libertybelle Marketing Ltd ('LBML')	£137,616	£3,622
Libertybelle UK Ltd ('LBLUK')	£249,841	£120,686

The amounts charged to Libertybelle Marketing Ltd ('LBML') represent storage costs, distribution costs, service charge, rates and other utilities.

The amounts owed to LBLUK represent storage and distribution costs.

As at 31 October 2013 Messrs HC Patel, NA Riley and SP Durack were the directors of LBML. LBML owns 65% of the issued share capital of LBLUK.

Mr NA Riley owed the company money during the year. The maximum amount owed at any time during the year was £30,000. Interest was charged at the Official Rate of 4%. The full amount of the loan, including interest was repaid on 10 June 2014.

Mr HC Patel owed the company money during the year. The maximum amount owed at any time during the year was £4,303. Interest was charged at the Official Rate of 4%. The full amount of the loan, including interest was repaid on 25 March 2014.



# 8C INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2013

### 21. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	4,000	4,000	4,000	4,000
8% Non - Redeemable Preference shares of £1 each	1,500,000	1,500,000	1,500,000	1,500,000
	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>

### 22. RESERVES

Group	Profit and loss	
	Merger reserve	account
	£	£
Balance brought forward	(1,920,614)	4,201,628
Profit for the year	—	426,357
Balance carried forward	<u>(1,920,614)</u>	<u>4,627,985</u>

Merger reserve represents the difference between the investments' carrying value and the nominal value of shares acquired pursuant to the group reorganisation.

Company	Profit and loss
	account
	£
Balance brought forward	94,863
Profit for the year	181,882
Bonus issue	(900)
Balance carried forward	<u>275,845</u>

### 23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	426,357	411,985
Opening shareholders' funds	<u>3,785,014</u>	<u>3,373,029</u>
Closing shareholders' funds	<u>4,211,371</u>	<u>3,785,014</u>