

**BXC UK LIMITED**

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Registered Number: 07603421**

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**BXC UK LIMITED**

**ADMINISTRATIVE INFORMATION**

**Directors**

J Weight

J Shepherd

M Goulding

D Jolly (appointed 20 March 2015)

R Houchin (resigned 20 March 2015)

T Cannell (resigned 16 April 2015)

**Company Secretary**

Langham Hall UK Services LLP

5 Old Bailey

London

EC4M 7BA

**Bankers**

C. Hoare & Co

37 Fleet Street

London

EC4P 4DQ

**Auditors**

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

**Registered Office**

5 Old Bailey

London

EC4M 7BA

**BXC UK LIMITED**  
**STRATEGIC REPORT**

**Principal activities and review of the business**

The principal activity of BXC UK Limited, "the Company" is that of a holding company. The principal activity of the Group is the rental and retailing of domestic electrical appliances, including televisions and other allied products.

On 5 May 2011 BXC UK Limited acquired BC Holdings (UK) Limited in a transaction funded solely by equity financing. The business strategy of the new owners remains unchanged. Administrative and operational processes continue to be reviewed to ensure that they are cost effective and appropriate to the level of activity.

The Group's key financial performance indicators during the period were as follows:

	Year to 31 December 2014	Year to 31 December 2013
	£'000	£'000
Turnover	28,812	32,382
Operating profit before goodwill amortisation	15,139	15,214
Net assets	12,843	12,852

***Turnover***

The business continues to operate in a contracting market and consequently turnover has reduced in line with expectations.

***Operating profit***

The Group continues to be successful in focusing on lowering operating costs to reflect reducing activity levels, whilst also ensuring the quality of service to customers is maintained. The Group has again returned a substantial operating profit and it is anticipated that this will continue to be the case for the foreseeable future.

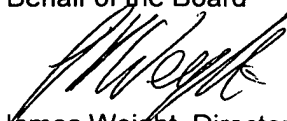
***Net assets***

Group net assets have slightly reduced in the period from £12.9m to £12.8m.

**Financial, liquidity and cash flow risks**

The Group has no borrowings and historically it has generated significant levels of operating cash. Current forecasts indicate that this will continue to be the case for the foreseeable future.

On Behalf of the Board

  
James Weight, Director

27 May 2015

Registered Office: 5 Old Bailey  
London  
EC4M 7BA

## **BXC UK LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in submitting their financial statements for the year to 31 December 2014. The comparatives are for the 12 months ended 31 December 2013.

#### **Results and dividends**

The trading results for the year are set out in the profit and loss account within these consolidated financial statements. During the current year dividends of £14,969,000 (2013: £19,343,000) have been proposed and paid.

#### **Directors**

The directors of the Company are:-

J Weight  
J Shepherd  
M Goulding  
D Jolly (appointed 20 March 2015)  
R Houchin (resigned 20 March 2015)  
T Cannell (resigned 16 April 2015)

#### **Directors' Interests in Shares and Share Options**

None of the Directors had a direct interest in the issued share capital of the Company, in either the current or previous year.

#### **Creditor payment policy**

It is the Group and Company's policy that payments to suppliers are made in accordance with the terms and conditions under which business transactions are conducted. This payment policy is subject to the supplier also complying with all relevant terms and conditions. The Company does not follow any code or standard on payment practice.

#### **Employment Policies**

It is the policy of the Group to give full consideration to the employment, suitable placement and training of disabled persons on work they are qualified to do. There are established procedures for employees to receive regular news and information regarding the business and development of the Group.

#### **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 and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Going Concern**

The group is trading profitably and has net assets and net current assets. The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis for preparing the financial statements.

**BXC UK LIMITED**

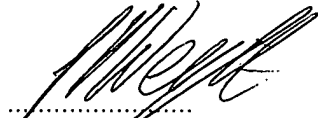
**DIRECTORS' REPORT**

(continued)

**Re-appointment of auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and Ernst & Young LLP will therefore continue in office.

On Behalf of the Board



James Weight  
Director

Registered Office: 5 Old Bailey  
London  
EC4M 7BA

Date: 27 May 2015

## **BXC UK LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the financial statements on a 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** **BXC UK LIMITED**

We have audited the financial statements of BXC UK Limited for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 17. 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 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 auditors**

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the consolidated financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the consolidated 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 Strategic Report and Directors' Report 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 omissions we consider the implications for our report.

### **Opinion on consolidated 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 31 December 2014 and of the group's profit for the period 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**BXC UK LIMITED**  
**(continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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



Fraser Bull (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Luton  
Date: 27 May 2015

**BXC UK LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
Turnover		28,812	32,382
Cost of sales		(13,442)	(16,943)
Gross profit		<u>15,370</u>	<u>15,439</u>
Operating costs:			
Other operating costs	1	(231)	(225)
Goodwill amortisation		-	(3,984)
Operating profit	1	<u>15,139</u>	<u>11,230</u>
Interest receivable	2	4	10
Profit on ordinary activities before tax		<u>15,143</u>	<u>11,240</u>
Tax	3	(183)	(303)
Profit for the period	15	<u><u>14,960</u></u>	<u><u>10,937</u></u>

All items relate to continuing operations. All recognised gains and losses for the current and prior period are shown in the primary statement above. Accordingly, no statement of total recognised gains and losses is presented. There is no material difference between the profit on a historical cost basis and that described in the profit and loss account.

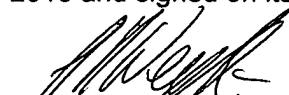
**BXC UK LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014**

	Note	As at 31 December 2014 £'000	As at 31 December 2013 £'000
<b>Fixed assets</b>			
Tangible fixed assets	4	7,829	8,069
<b>Total fixed assets</b>		<u>7,829</u>	<u>8,069</u>
<b>Current assets</b>			
Stocks		374	460
Debtors	6	3,545	3,842
Cash at bank		4,652	4,150
<b>Total current assets</b>		<u>8,571</u>	<u>8,452</u>
Creditors: amounts falling due within one year	8	(3,297)	(3,526)
<b>Net current assets</b>		<u>5,274</u>	<u>4,926</u>
<b>Total assets less current liabilities</b>		13,103	12,995
Creditors: amounts falling due after more than one year	9	(60)	(105)
Provisions for liabilities and charges	11	(200)	(38)
<b>Total net assets</b>		<u><u>12,843</u></u>	<u><u>12,852</u></u>
<b>Capital and reserves</b>			
Share capital	12	26	26
Share premium	14	26,016	26,016
Profit and loss account	14	(13,199)	(13,190)
<b>Equity shareholders' funds</b>	15	<u><u>12,843</u></u>	<u><u>12,852</u></u>

These financial statements were approved by the Board of Directors on 2015 and signed on its behalf by

27 May

  
James Weight  
Director

**BXC UK LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2014**


	Note	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Net cash inflow from operating activities	10	17,866	18,414
<b>Returns on investments and servicing of finance:</b>			
Interest received		4	10
		<u>4</u>	<u>10</u>
<b>Capital expenditure and financial investment:</b>			
Purchase of tangible fixed assets		(2,774)	(2,797)
Sale of tangible fixed assets		407	381
		<u>(2,367)</u>	<u>(2,416)</u>
<b>Equity dividends paid</b>		<u>(14,969)</u>	<u>(19,343)</u>
Cash flow before financing		534	(3,335)
<b>Financing</b>			
Capital element of finance leases		(32)	134
<b>Increase/(decrease) in cash in the period</b>		<b>502</b>	<b>(3,201)</b>
Opening net funds		<u>4,150</u>	<u>7,351</u>
<b>Closing net funds</b>		<u><b>4,652</b></u>	<u><b>4,150</b></u>

**BXC UK LIMITED****COMPANY BALANCE SHEET AS AT 31 DECEMBER 2014**

	Note	As at 31 December 2014 £'000	As at 31 December 2013 £'000
<b>Fixed assets</b>			
Investments	5	<u>28,065</u>	<u>28,065</u>
<b>Current assets</b>			
Debtors	6	10	52
Cash at bank		100	100
<b>Total current asset</b>		<u>110</u>	<u>152</u>
Creditors: amounts falling due within one year	8	(27)	(22)
<b>Net current assets</b>		<u>83</u>	<u>130</u>
<b>Total assets less current liabilities</b>		28,148	28,195
<b>Total net assets</b>		<u><u>28,148</u></u>	<u><u>28,195</u></u>
<b>Capital and Reserves</b>			
Share Capital	12	26	26
Share Premium	14	26,016	26,016
Profit and loss account	14	2,106	2,153
<b>Equity shareholders' funds</b>	15	<u><u>28,148</u></u>	<u><u>28,195</u></u>

These accounts were approved by the Board of Directors on  
signed on its behalf by

27 May 2015 and

  
James Weight  
Director

## **BXC UK LIMITED**

### **ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

1. **Basis of Preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. As permitted by section 408 of the Companies Act 2006, a separate profit and loss account dealing with the results of the parent company only has not been presented.

2. **Basis of consolidation**

The Group accounts comprise a consolidation of the accounts of the Company and all of its subsidiaries. The accounts of all subsidiaries are made up to 31 December 2014. Goodwill arising on acquisitions is capitalised and amortised over its expected useful life.

3. **Fixed Assets and Depreciation**

Depreciation is provided at rates calculated to write off assets over their estimated useful lives.

Fixtures, fittings, tools & equipment - on a straight line basis over 3 to 7 years

Depreciation is provided to write off the book value less estimated residual value of rental fixed assets on a systematic basis over their estimated future life. Factors which indicate that the residual value or useful life of assets has changed since the most recent annual reporting date have been reflected within the depreciation rates applied to fixed assets in the year. The expected useful lives of the fixed assets are:

Television sets	5 to 6 years
DVD and Video recorder equipment	5 to 9 years
White goods	6 to 7 years
Other	3 years

4. **Turnover**

Turnover represents amounts charged by the Group in respect of goods and services provided in the UK during the period, net of allowances and exclusive of value added tax. Rental income receivable is brought into the financial statements on a monthly basis as it falls due, annual contracts being treated as having twelve monthly instalments (exclusive of Value Added Tax). Disposal of ex-rental televisions, videos and associated services are included in turnover on a receivable basis (exclusive of Value Added Tax).

**BXC UK LIMITED**

**ACCOUNTING POLICIES**

(continued)

**5. Taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in consolidated financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are measured on an undiscounted basis at the 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.

**6. Pension Costs**

The Group contributes to the Boxclever Group Personal Pension Plan, a defined contribution scheme, with each member having their own personal account with the fund provider. These assets are therefore held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to these sections of the scheme in respect of the accounting period.

**7. Stocks**

Stocks are valued at the lower of cost and net realisable value.

**8. Leasing**

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

Assets obtained under finance leases are capitalised in the balance sheet. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of those obligations is charged to the profit or loss account over the relevant period. The capital element of the future payments is treated as a liability.

**9. Investments**

Investments are held at cost and reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

**1. OPERATING PROFIT**

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit of the consolidated financial statements	110	99
Other fees to auditors - taxation services	35	27
	<u>145</u>	<u>126</u>
Operating lease costs:		
Plant & Machinery	347	502
Other Assets	319	358
Depreciation of owned fixed assets	2,529	4,248
Profit/(loss) on sale of fixed assets	78	(29)
Goodwill amortisation	<u>-</u>	<u>3,984</u>

In respect of the Company for the period, fees to auditors for audit services amounted to £23,000 (period ended 31 December 2013: £15,000).

*Staff costs and employees*

The average number of persons employed by the Group (full time equivalent) during the period was as follows:

	Year ended 31 December 2014 No.	Year ended 31 December 2013 No.
Service & fulfilment	75	104
Customer call centres	42	49
Administration	25	29
	<u>142</u>	<u>182</u>



**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**1. OPERATING PROFIT (continued)**

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Wages & salaries	5,456	6,927
Social security	498	628
Pension	200	228
	<u>6,154</u>	<u>7,783</u>

As at the period end, pension contributions totalling £23,942 (2013: £26,209) remained payable by the Group and are included within other creditors.

No directors received remuneration from the Group, however, Weight Partners Capital LLP, of which J Weight, R Houchin, J Shepherd and D Jolly who were Partners during the year, were paid management fees of £140,000 (2013: £131,000) during the period.

**2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
On bank deposits	<u>4</u>	<u>10</u>

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The charge for corporation tax used in these financial statements has been calculated at the rate of 21.5% (2013: 23.25%).

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Tax (credit)/charge:		
<i>Current tax:</i>		
UK Corporation tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	183	303
Taxation on profit on ordinary activities	<u>183</u>	<u>303</u>

The UK Corporation tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax of 21.5% (2013: 23.25%). The differences are explained below:

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
Profit on ordinary activities before tax	<u>15,143</u>	<u>11,240</u>
Current tax at 21.5% (2013: 23.25%)	3,256	2,613
Effects of:		
Non allowable goodwill amortisation	-	926
Permanent differences	16	3
Tax losses brought forward utilised in period	-	(276)
Depreciation in deficit of capital allowances	(3,252)	(1,807)
Other timing differences	(20)	(1,459)
Current tax	<u>-</u>	<u>-</u>

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

*Deferred tax*

Movements on recognised deferred tax can be analysed as follows:-

	Accelerated capital allowances £'000
Deferred tax asset as at 1 January 2014	2,904
Deferred tax charge in profit and loss account	(183)
Deferred tax asset as at 31 December 2014 (see note 6)	<u>2,721</u>

The company and its subsidiaries have identified an unrecognised deferred tax asset of £19.7m (2013: £22.7m) relating to accelerated capital allowances. It is considered that the availability of sufficient taxable profits against which the underlying timing difference can be deducted cannot be seen with reasonable certainty. Therefore, this element of the deferred tax asset has not been recognised. An appropriate asset will be recognised when the group can demonstrate a reasonable expectation of sufficient profits to utilise the timing differences.

*Factors that may affect the future tax charges*

The Finance Act 2013 reduced the rate of Corporation Tax from 1 April 2014 to 21% and a further reduction of 1% to 20% from 1 April 2015. These changes have been substantively enacted at the balance sheet date and consequently are included in these financial statements. Deferred tax has therefore been provided at 20% for the year ended 31 December 2014.

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**4. TANGIBLE FIXED ASSETS**

<b>Group:</b>	<b>Fixtures, fittings, tools &amp; equipment £'000</b>	<b>Rental assets £'000</b>	<b>Total £'000</b>
<u>Cost</u>			
At 1 January 2014	5,193	32,557	37,750
Additions	85	2,689	2,774
Disposals	(12)	(7,418)	(7,430)
At 31 December 2014	<u>5,266</u>	<u>27,828</u>	<u>33,094</u>
<u>Depreciation</u>			
At 1 January 2014	(4,819)	(24,862)	(29,681)
Charge for the period	(151)	(2,378)	(2,529)
Disposals	10	6,935	6,945
At 31 December 2014	<u>(4,960)</u>	<u>(20,305)</u>	<u>(25,265)</u>
<u>Net Book Value</u>			
At 31 December 2014	<u>306</u>	<u>7,523</u>	<u>7,829</u>
At 31 December 2013	<u>374</u>	<u>7,695</u>	<u>8,069</u>

Included with Fixtures Fittings, Tools & Equipment are assets held under a finance lease with NBV of £99,951 (31 December 2013: £133,000). Depreciation in the year on these leased assets was £33,354 (31 December 2013: £Nil).

In accordance with the Group's accounting policies a review of the useful lives and residual values of the fixed assets was carried out during the year. In the case of rental fixed assets the most recent data based on the disposal of assets during 2014 indicated that the useful lives of all categories had increased compared with previous years. As a result the depreciation rates applied in 2014 were adjusted to reflect the increase in the useful life of these assets. The net impact of this change was to reduce the annual depreciation charge for rental asset by £1,064,000 in the year to 31 December 2014.

**BXC UK LIMITED**  
**NOTES TO THE ACCOUNTS**  
(continued)

**5. INVESTMENTS**

<b>Company:</b>	£'000
<u>Cost</u>	
At 31 December 2013 and 31 December 2014	<u>28,065</u>

Details of investments in subsidiary undertakings held by the Group are as follows:

<u>Name of company</u>	<u>Holding</u>	<u>Proportion of voting rights and share held</u>	<u>Nature of business</u>
BC Holdings (UK) Limited	Ordinary shares	100%	Holding company
BC Services (UK) Limited	Ordinary shares	100% φ	Domestic electrical equipment servicing, fulfilment, product purchasing and corporate administration services
Box Clever Limited	Ordinary shares	100%	Holding company
Home Technology Finance Limited	Ordinary shares	100% φ	Rental and retailing of domestic electrical appliances
Home Technology Receivables (No.1) Limited	Ordinary shares	100% φ	Financing

φ Held by a subsidiary undertaking

All subsidiaries have been included within the consolidated financial statements of BXC UK Limited.

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**6. DEBTORS**

<b>Group:</b>	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
Amounts falling due within one year:		
Trade debtors	380	465
Prepayments and accrued income	444	473
Deferred tax	2,721	2,904
	<u>3,545</u>	<u>3,842</u>

<b>Company:</b>	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
Amounts falling due within one year:		
Other debtors	10	52
	<u>10</u>	<u>52</u>

**7. CASH AT BANK AND IN HAND**

A subsidiary within the Group has during the course of the period made use of letters of credit with certain of its suppliers. Banking arrangements require this subsidiary to ring-fence an equivalent cash balance for letters of credit in issue at any given time. As at the period end the subsidiary had in issue letters of credit under these arrangements totalling £Nil (2013: £250,000).

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**  
(continued)

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

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Trade creditors	303	422
Other creditors	232	205
Obligation under finance leases	42	29
Taxation and social security	590	638
Accruals and deferred income	2,130	2,232
	<u>3,297</u>	<u>3,526</u>
<b>Company:</b>		
Accruals	27	22
	<u>27</u>	<u>22</u>

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

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Obligation under finance leases	60	105
	<u>60</u>	<u>105</u>
Obligations under finance leases payable as follows:		
Between one and two years	48	44
Between two and five years	12	61

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**10. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Cash flows:		
Operating profit	15,139	11,230
Depreciation	2,529	4,248
Goodwill amortisation	-	3,984
Loss/(profit) on sale of fixed assets	78	(29)
Decrease in stock	86	51
Decrease in debtors	114	331
Decrease in creditors	(80)	(1,401)
Net cash inflow from operating activities	<u>17,866</u>	<u>18,414</u>

**11. PROVISION FOR LIABILITIES AND CHARGES**

	Property £'000	Holiday Pay £'000	Total £'000
<b>Provisions</b>			
<b>Group:</b>			
At 1 January 2014	4	34	38
Provided during the period	171	2	173
Utilised during the period	-	(11)	(11)
At 31 December 2014	<u>175</u>	<u>25</u>	<u>200</u>

The property provision is in respect of dilapidation repairs on leased properties and rent commitments on vacant leased properties. The provision will be utilised against dilapidation costs and rent on vacant properties when incurred.

The holiday pay provision is in respect of contractual holiday pay obligations for certain employees. The provision will be utilised as the relevant employees leave the Group.



**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**12. SHARE CAPITAL**

As at 31 December 2013 and 31 December 2014

	£
Allotted, issued and fully paid;	
260,421 Economic shares ("E shares")	26,042
(£0.10 nominal)	
100 Voting shares (£0.10 nominal)	10
1,000 D shares (£0.10 nominal)	100
	<u>26,152</u>

Dividends on Equity shares are limited to a value equivalent to dividends received from BC Holdings (UK) Limited, a subsidiary undertaking, in the period to which the dividend relates.

All holders of E shares, Voting shares and D shares are entitled to receive notice of, and to attend, any general meetings of the company. However, the Voting shareholders are the only shareholders entitled to speak and vote at such meetings.

On winding up of the company the E shareholders, Voting shareholders and D shareholders are entitled to receive the amount paid up and any premium paid to the company on their issue. For those purposes all shares rank *pari passu*. Thereafter, any surplus arising will be distributed to the E shareholders in proportion to the number of E shares held by them.

**13. DIVIDENDS**

	Year to 31 December 2014	Year to 31 December 2013
	£'000	£'000
<i>Dividends proposed and paid during the period:</i>		
E share distribution	<u>11,975</u>	<u>16,723</u>
D share distribution	<u>2,994</u>	<u>2,620</u>
<i>Dividends proposed and paid after the period end:</i>		£'000
E share distribution		<u>2,846</u>
D share distribution		<u>712</u>

**BXC UK LIMITED****NOTES TO THE ACCOUNTS**

(continued)

**14. RESERVES**

<b>Group:</b>	Share Premium £'000	Profit & Loss Account £'000	Total £'000
At 1 January 2014	26,016	(13,190)	12,826
Profit for the period	-	14,960	14,960
Dividends declared and paid	-	(14,969)	(14,969)
At 31 December 2014	<u>26,016</u>	<u>(13,199)</u>	<u>12,817</u>

<b>Company:</b>	Share Premium £'000	Profit & Loss Account £'000	Total £'000
At 1 January 2014	26,016	2,153	28,169
Profit for the period	-	14,922	14,922
Dividends declared and paid	-	(14,969)	(14,969)
At 31 December 2014	<u>26,016</u>	<u>2,106</u>	<u>28,122</u>

***Company Profit and Loss***

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account dealing with the results of the parent company has not been presented. The profit for the financial period of the Company was £14,922,000 (2013: £19,321,000). The Company generates income through dividends received from BC Holdings (UK) Limited.

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**  
(continued)

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Profit for the period	14,960	10,937
Dividends declared and paid	(14,969)	(19,343)
Net reduction to Shareholders' Funds	<u>(9)</u>	<u>(8,406)</u>
Opening Shareholders' Funds	12,852	21,258
Closing Shareholders' Funds	<u>12,843</u>	<u>12,852</u>

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Company:</b>		
Profit for the period	14,922	19,321
Dividends declared and paid	(14,969)	(19,343)
Net reduction to Shareholders' Funds	<u>(47)</u>	<u>(21)</u>
Opening Shareholders' Funds	28,195	28,216
Closing Shareholders' Funds	<u>28,148</u>	<u>28,195</u>

**BXC UK LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

**16. LEASING COMMITMENTS**

Annual commitments under operating leases are as follows:

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Group:</b>		
Land and buildings		
Expiring within one year	55	24
Expiring within the second to fifth year	203	373
	<u>258</u>	<u>397</u>
Other operating leases		
Expiring within one year	1	8
Expiring within the second to fifth year	295	138
	<u>296</u>	<u>146</u>

**17. CONTROLLING PARTY**

The ultimate controlling ownership of the group rests with Goldman Sachs Group Inc. and Weight Partners Capital LLP through their shareholding in the parent company.