

Cruach Capital Limited

FINANCIAL STATEMENTS

for the year ended

28 December 2013

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19/09/2014

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COMPANIES HOUSE

Cruach Capital Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Mouldsdaie
S Mein

SECRETARY

G Murdoch

REGISTERED OFFICE

The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Cruach Capital Limited

STRATEGIC REPORT

REVIEW OF THE BUSINESS

The Company has continued to see its turnover decrease during the year as many of the leases to Group companies have converted to peppercorn payments. EBITDA before exceptional costs continues to remain positive at £0.6M for the year.

The main risks facing the Company are the financial strength of its lessors and its ability to purchase the most technologically advanced equipment at competitive rates. The Directors believe that these risks have been minimised as its customers are well positioned within their own markets and through the relationships the Company has developed with its equipment suppliers.

OUTLOOK

Turnover is expected to continue to decrease over 2014 as more equipment leases convert to peppercorn payments.

By order of the board



G Murdoch

Company Secretary

1/9/14

Cruach Capital Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Cruach Capital Limited for the year ended 28 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of a lessor of equipment.

DIRECTORS

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

D Mouldsdale
S Mein

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



G Murdoch

Company Secretary

11/2/14

Cruach Capital Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUACH CAPITAL LIMITED

We have audited the financial statements on pages 6 to 13. 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2013 and of its loss 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.

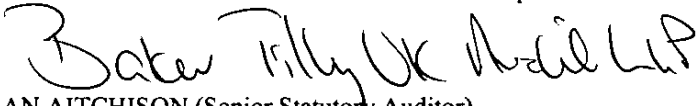
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


ALAN AITCHISON (Senior Statutory Auditor)
For and behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

02/05/14

Cruach Capital Limited
PROFIT AND LOSS ACCOUNT
for the year ended 28 December 2013

		28 December 2013	29 December 2012
	<i>Notes</i>	£	£
TURNOVER		975,137	3,013,944
Administrative expenses		3,453,621	2,735,098
OPERATING (LOSS)/PROFIT	1a)	(2,478,484)	278,846
Analysed as :			
Before exceptional items		(1,143,668)	457,974
Exceptional items	1b)	1,334,816	179,128
Interest receivable		4	17
		(2,478,480)	278,863
Interest payable and similar charges	2	(135,433)	(223,441)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,613,913)	55,422
Taxation	3	(188,681)	(68,167)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(2,425,232)	123,589

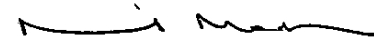
The operating loss for the year arises from the Company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Cruach Capital Limited**BALANCE SHEET****28 December 2013**

		28 December 2013 £	29 December 2012 £
	Notes		
FIXED ASSETS			
Tangible assets	4	1,243,435	2,981,778
Investments	5	13,286	13,568
		<u>1,256,721</u>	<u>2,995,346</u>
CURRENT ASSETS			
Debtors	6	11,949,033	16,325,782
Cash at bank		6,194	173
		<u>11,955,227</u>	<u>16,325,955</u>
CREDITORS			
Amounts falling due within one year	7	1,034,562	4,368,283
NET CURRENT ASSETS		<u>10,920,665</u>	<u>11,957,672</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,177,386</u>	<u>14,953,018</u>
CREDITORS			
Amounts falling due after more than one year	8	818,393	1,168,793
		<u>11,358,993</u>	<u>13,784,225</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	10	-	-
		<u>11,358,993</u>	<u>13,784,225</u>
CAPITAL AND RESERVES			
Called up equity share capital	12	2	2
Profit and loss account	13	11,358,991	13,784,223
SHAREHOLDERS' FUNDS	14	<u>11,358,993</u>	<u>13,784,225</u>

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 11/5/14 and are signed on their behalf by:


D Mouldsdales
Director

Cruach Capital Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and on a going concern basis, which is reliant on the continuing support of the other group companies and the group's lenders.

CONSOLIDATION

The Company has not prepared consolidated financial statements as it is a wholly owned subsidiary of the ultimate parent undertaking, DCM (Optical Holdings) Limited, which prepares consolidated accounts including subsidiaries. DCM (Optical Holdings) Limited, is a Company incorporated in Scotland.

The financial statements present information about the Company as an individual undertaking.

CASH FLOW STATEMENT

The Company has not prepared a cash flow statement in accordance with the exemption available to wholly owned subsidiaries of EC parent undertakings, as a statement of group cash flow is included in the consolidated financial statements of the parent company.

TURNOVER

The turnover shown in the profit and loss account represents rentals receivable under operating leases which are accounted for on an accruals basis, exclusive of Value Added Tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 15% straight line

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, 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 Company after deducting all of its liabilities.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Cruach Capital Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 December 2013

1 OPERATING (LOSS)/PROFIT

a) Operating (loss)/profit is stated after charging:

	28 December 2013	29 December 2012
	£	£
Depreciation of owned fixed assets	1,381,436	1,529,261
Depreciation of assets held under finance lease agreements	356,907	627,281
Auditor's fees	<u>3,475</u>	<u>3,410</u>

b) Exceptional costs in the year related to inter-company debt written off.

2 INTEREST PAYABLE AND SIMILAR CHARGES

	28 December 2013	29 December 2012
	£	£
Other interest	-	7,008
Finance charges	<u>135,433</u>	<u>216,433</u>
	<u>135,433</u>	<u>223,441</u>

3 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	28 December 2013	29 December 2012
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 23.25% (2012 – 24.5%)	-	-
Group relief:		-
Adjustments in respect of current period - group relief	(97,766)	-
Adjustments in respect of previous periods – corporation tax	<u>(90,915)</u>	<u>(5,932)</u>
Total current tax	<u>(188,681)</u>	<u>(5,932)</u>
Deferred tax:		
Origination and reversal of timing differences	-	(62,235)
Tax on profit on ordinary activities	<u>(188,681)</u>	<u>(68,167)</u>

Cruach Capital Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 December 2013

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%).

	28 December 2013	29 December 2012
	£	£
Profit on ordinary activities before taxation	(2,613,913)	55,422
Profit on ordinary activities by rate of tax	(607,645)	13,577
Expenses not deductible for tax purposes	310,365	43,882
Depreciation in excess of capital allowances	199,515	306,707
Adjustments to tax charge in respect of previous periods	(90,916)	(5,932)
Group relief	-	(364,166)
Total current tax (note 3(a))	(188,681)	(5,932)

4 TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 30 December 2012	15,833,840
Additions	-
Disposal	-
At 28 December 2013	15,833,840
Depreciation	
At 30 December 2012	12,852,062
Charge for the year	1,738,343
On disposals	-
At 28 December 2013	14,590,405
Net book value	
At 28 December 2013	1,243,435
At 29 December 2012	2,981,778

Finance Lease Agreements

Included within the net book value of £1,243,435 is £197,125 (2012 - £554,032) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £356,907 (2012 - £627,281).

Cruach Capital Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 December 2013

5 INVESTMENTS

	Investment in Subsidiaries £
Cost	
At 30 December 2012	13,568
Additions	-
At 28 December 2013	<u>13,568</u>
Impairment	
At 30 December 2012	-
Impairment in year	282
At 28 December 2013	<u>282</u>
Net book value	
At 28 December 2013	<u>13,286</u>
At 29 December 2012	<u>13,568</u>

The Company owns 100% of the issued share capital of the companies listed below:

DCM Laser Clinic Limited
Matland Limited
DCM Optical BV

6 DEBTORS

	28 December 2013 £	29 December 2012 £
Amounts owed by group undertakings	11,700,704	16,215,256
Prepayments	77,410	38,056
Corporation tax	90,415	-
VAT receivable	80,504	72,470
	<u>11,949,033</u>	<u>16,325,782</u>

7 CREDITORS: Amounts falling due within one year

	28 December 2013 £	29 December 2012 £
Trade creditors	260,143	403,131
Amounts owed to group undertakings	416,854	3,397,651
Corporation tax	-	249,653
Hire purchase and finance lease agreements	350,396	311,204
Other creditors	7,169	6,644
	<u>1,034,562</u>	<u>4,368,283</u>

8 CREDITORS: Amounts falling due after more than one year

	28 December 2013 £	29 December 2012 £
Hire purchase and finance lease agreements	<u>818,393</u>	<u>1,168,793</u>

Cruach Capital Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 December 2013

9 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	28 December 2013	29 December 2012
	£	£
Amounts payable within 1 year	446,760	446,760
Amounts payable between 1 and 2 years	446,760	446,760
Amounts payable between 3 and 5 years	446,760	893,520
	<u>1,340,280</u>	<u>1,787,040</u>
Less interest and finance charges relating to future periods	(171,491)	(307,043)
	<u>1,168,789</u>	<u>1,479,997</u>
Hire purchase agreements are analysed as follows:		
Current obligations	350,396	311,204
Non-current obligations	818,393	1,168,793
	<u>1,168,789</u>	<u>1,479,997</u>

10 DEFERRED TAXATION

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

	28 December 2013	29 December 2012
	£	£
Provision brought forward	-	62,235
Profit and loss account movement arising during the year	-	(62,235)
Provision carried forward	<u>-</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	28 December 2013	29 December 2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>-</u>	<u>-</u>

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3c of the Financial Reporting Standard 8 not to disclose transactions with other wholly owned group companies.

12 SHARE CAPITAL

	29 December 2013	29 December 2012
	£	£
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Cruach Capital Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 December 2013

13 PROFIT AND LOSS ACCOUNT

	28 December 2013	29 December 2012
	£	£
At 30 December 2012	13,784,223	14,160,634
Dividend paid	-	(500,000)
Retained profit for the financial year	(2,425,232)	123,589
At 28 December 2013	<u>11,358,991</u>	<u>13,784,223</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	28 December 2013	29 December 2012
	£	£
Profit for the financial year	(2,425,232)	123,589
Dividend paid	-	(500,000)
Opening shareholders' funds	<u>13,784,225</u>	<u>14,160,636</u>
Closing shareholders' funds	<u>11,358,993</u>	<u>13,784,225</u>

15 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Pacific Shelf 1741 Ltd holds an unlimited intercompany cross guarantee between the company and the other group companies.

At 28 December 2013 the other group companies' loans and overdrafts totalled £29,116,632 (29 December 2012: £29,909,187) excluding those of the Company.

16 ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking is DCM (Optical Holdings) Limited, a Company incorporated in Scotland. A copy of that Company's accounts is available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF. The Company is controlled by D Mouldsdale.