

Registration number: 04026676

# Bentham Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2013

Lanham & Francis  
Registered Auditors  
Church House  
Church Street  
Yeovil  
Somerset  
BA20 1HB

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# **Bentham Limited**

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The following pages do not form part of the statutory financial statements:

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**Bentham Limited**  
**Company Information**

**Directors**                Mrs E J Rendell  
                                 Mr I T H Gray  
                                 Mr P R Sinnett-Thomas  
                                 Mr M J Shobbrook  
                                 Mrs J Vine

**Registered office**      Polham Lane  
                                 Somerton  
                                 Somerset  
                                 TA11 6SP

**Auditors**                Lanham & Francis  
                                 Registered Auditors  
                                 Church House  
                                 Church Street  
                                 Yeovil  
                                 Somerset  
                                 BA20 1HB

## **Bentham Limited**

### **Strategic Report for the Year Ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

#### **Business review**

##### ***Fair review of the business***

Trading in the business categories where Bentham Group is active continued to be extremely competitive, with margins still under pressure.

Turnover decreased mainly due to a partial withdrawal from the highly competitive Amazon and eBay markets. Gross margins increased slightly. The IJT Direct subsidiary traded for a full year from Macedonia.

A reduction in advertising and finance expenditure led to a group net profit before taxation of £501k, a similar value to the previous year (£510k).

Careful attention is paid to stock control and holdings as, in our fast-moving environment, products become obsolescent at an ever-increasing rate. Group stock showed a fall of 22% from £2.77m to £2.15m at the year end. A result of the group's stringent credit control procedures was that bad debts were negligible.

A key objective of the group is to maintain liquidity. Group cash reserves increased from £893k to £1,094k. These reserves were used in part to fund a management buy-out in January 2014.

The directors consider the results to be highly satisfactory given the difficult trading conditions.

The group continues to be very profitable through efforts made to maintain turnover and rigorously control costs.

##### ***Key performance indicators***

The group's key financial and other performance indicators during the year were as follows:

	Unit	2013	2012
Turnover	£	20,833,740	23,370,925
Gross margin	£	3,885,032	4,243,236
Cash at bank	£	1,093,953	893,412
Debtors	£	1,106,796	1,464,132

##### **Turnover**

The group's target was to maintain turnover levels during a period of tough trading conditions, particularly in the public sector. Turnover fell, by 11%, but this was mainly due to the upheaval caused by the relocation of the subsidiary IJT Direct Limited, without which it is felt that targets would have been comfortably met.

##### **Gross margin**

Again, in difficult trading conditions a key target is to maintain gross margins. The group has achieved this and slightly improved margins from 18.15% to 18.65%.

##### **Cash at bank and debtors**

The group prides itself in not needing banking facilities. This is achieved by strong credit control and rigorous monitoring of cash flow. We are pleased to report that group cash at bank rose by 22% to £1.09m, whilst debtors fell 24% to £1.11m. No single external customer accounts for more than 2.5% of the total debtors figure.

**Bentham Limited**  
**Strategic Report for the Year Ended 31 December 2013**

..... *continued*

***Principal risks and uncertainties***

**Economic environment**

The office consumables industry is intensely competitive and actions of competitors, including manufacturers of products we sell, can negatively affect our business. Competition has been primarily on price, product availability, speed of delivery and credit availability. Generally pricing is aggressive in the industry and we expect pricing pressures to continue.

**Staff retention**

The success of our business is dependant, to a large extent, on the efforts and abilities of key members of staff, particular the senior members. The policy of Bentham Limited is to provide senior members of staff with benefits which are competitive to other leading companies, as well as to provide them with fulfilment opportunities for their future careers.

**Financial**

The company's principal financial instruments comprise bank balances, cash and short term deposits, as well as trade creditors and debtors. The main purpose of these financial instruments is to manage the company's funding and liquidity requirements.

The principal financial risks to which the company is exposed are those of price, liquidity, foreign currency and credit. Each of these is managed in accordance with board approved policies, as set out below.

**Price risk**

Changes in the industry and the economic environment can adversely affect the demand for the products we sell. Net sales can be dependant on demand for specific product categories, and any change in demand for or supply of such products could have a material effect on net sales and cause us to record further write downs of obsolete stock.

**Liquidity risk**

In respect of bank balances, liquidity risk is managed by closely monitoring movements and maintaining positive balances on accounts. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both credit and time limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**Currency risk**

The company imports largely from the Far East and from Europe and is at risk from currency movements, which can have an adverse effect on the purchase price of products.

**Credit risk**

The company's exposure to credit risk is managed by only dealing with other companies with strong credit ratings. The company uses credit insurance to verify the credit risk of each company on an individual basis.

Approved by the Board on 2.9.14 and signed on its behalf by:



Mrs E J Rendell  
Director

**Bentham Limited**  
**Directors' Report for the Year Ended 31 December 2013**

The directors present their report and the consolidated financial statements for the year ended 31 December 2013.

**Directors of the company**

The directors who held office during the year were as follows:

Mrs E J Rendell

Mrs D Moxon (resigned 2 January 2014)

The following directors were appointed after the year end:

Mr I T H Gray (appointed 2 January 2014)

Mr P R Sinnett-Thomas (appointed 2 January 2014)

Mr M J Shobbrook (appointed 2 January 2014)

Mrs J Vine (appointed 2 January 2014)

**Important post balance sheet events**

On 2 January 2014 the whole of the company's share capital was acquired by VSGT Limited. The owners of VSGT Limited were all in senior managerial roles in Bentham Limited at the time of the takeover, and were appointed directors of Bentham Limited on completion of the purchase.

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 2.9.14 and signed on its behalf by:



Mrs E J Rendell  
Director

## **Bentham Limited**

### **Statement of 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 group and the company 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 apply them consistently;
- make judgements 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Bentham Limited**

We have audited the financial statements of Bentham Limited for the year ended 31 December 2013, set out on pages 8 to 27. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities (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 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 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 and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

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



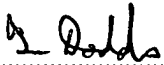
**Independent Auditor's Report to the Members of  
Bentham Limited**

*..... continued*

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

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

- adequate accounting records have not been kept 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.



.....  
Ian Dodds (Senior Statutory Auditor)  
For and on behalf of Lanham & Francis, Statutory Auditor

Church House  
Church Street  
Yeovil  
Somerset  
BA20 1HB

Date: 23.9.14

**Bentham Limited**  
**Consolidated Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £	2012 £
Turnover		20,833,740	23,370,925
Cost of sales		<u>(16,948,708)</u>	<u>(19,127,689)</u>
Gross profit		3,885,032	4,243,236
Administrative expenses		<u>(3,386,016)</u>	<u>(3,732,494)</u>
Group operating profit	2	499,016	510,742
Other interest receivable and similar income	6	2,381	2,626
Interest payable and similar charges	7	<u>-</u>	<u>(3,454)</u>
Profit on ordinary activities before taxation		501,397	509,914
Tax on profit on ordinary activities	8	<u>(112,118)</u>	<u>(125,362)</u>
Profit for the financial year attributable to members of the parent company	18	<u><u>389,279</u></u>	<u><u>384,552</u></u>

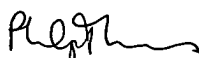
Turnover and operating profit derive wholly from continuing operations.

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

**Bentham Limited**  
**Consolidated Balance Sheet at 31 December 2013**

		2013		2012	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	9		331		741
Tangible fixed assets	10		101,609		105,261
<b>Current assets</b>					
Stocks	12	2,152,687		2,772,490	
Debtors	13	1,106,796		1,464,132	
Cash at bank and in hand		<u>1,093,953</u>		<u>893,412</u>	
		4,353,436		5,130,034	
Creditors: Amounts falling due within one year	14	<u>(2,374,817)</u>		<u>(3,385,592)</u>	
Net current assets			<u>1,978,619</u>		<u>1,744,442</u>
Total assets less current liabilities			2,080,559		1,850,444
Provisions for liabilities	15		<u>(836)</u>		-
Net assets			<u><u>2,079,723</u></u>		<u><u>1,850,444</u></u>
<b>Capital and reserves</b>					
Called up share capital	16	1,000		1,000	
Profit and loss account	18	<u>2,078,723</u>		<u>1,849,444</u>	
Shareholders' funds	19		<u><u>2,079,723</u></u>		<u><u>1,850,444</u></u>

Approved and authorised for issue by the Board on 2.9.14 and signed on its behalf by:



Mr P R Sinnett-Thomas  
Director

**Bentham Limited**  
**(Registration number: 04026676)**  
**Balance Sheet at 31 December 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Intangible fixed assets	9	-	333
Tangible fixed assets	10	92,284	92,437
Investments	11	101	101
		<u>92,385</u>	<u>92,871</u>
<b>Current assets</b>			
Stocks	12	1,907,517	2,520,603
Debtors	13	1,310,182	1,560,204
Cash at bank and in hand		1,075,304	870,679
		<u>4,293,003</u>	<u>4,951,486</u>
Creditors: Amounts falling due within one year	14	(2,332,768)	(3,307,312)
Net current assets		<u>1,960,235</u>	<u>1,644,174</u>
Total assets less current liabilities		2,052,620	1,737,045
Provisions for liabilities	15	(836)	-
Net assets		<u>2,051,784</u>	<u>1,737,045</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Profit and loss account	18	2,050,784	1,736,045
Shareholders' funds	19	<u>2,051,784</u>	<u>1,737,045</u>

Approved and authorised for issue by the Board on 29.14..... and signed on its behalf by:



.....  
Mr P R Sinnett-Thomas  
Director

**Bentham Limited**  
**Consolidated Cash Flow Statement for the Year Ended 31 December 2013**

**Reconciliation of operating profit to net cash flow from operating activities**

	2013 £	2012 £
Operating profit	499,016	510,742
Depreciation, amortisation and impairment charges	55,606	49,709
Loss on disposal of fixed assets	76	826
Decrease/(increase) in stocks	619,803	(256,934)
Decrease/(increase) in debtors	357,336	(125,825)
(Decrease)/increase in creditors	(995,304)	560,421
Net cash inflow from operating activities	<u>536,533</u>	<u>738,939</u>

**Cash flow statement**

	2013 £	2012 £
Net cash inflow from operating activities	<u>536,533</u>	<u>738,939</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	2,381	2,626
Interest paid	-	(3,454)
	<u>2,381</u>	<u>(828)</u>
Tax paid	<u>(126,753)</u>	<u>(188,912)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	-	(510)
Purchase of tangible fixed assets	(51,804)	(32,163)
Sale of tangible fixed assets	184	-
	<u>(51,620)</u>	<u>(32,673)</u>
Equity dividends paid	<u>(160,000)</u>	<u>(350,000)</u>
Net cash inflow before management of liquid resources and financing	<u>200,541</u>	<u>166,526</u>
Increase in cash	<u>200,541</u>	<u>166,526</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

**Bentham Limited**

**Consolidated Cash Flow Statement for the Year Ended 31 December 2013**

..... *continued*

**Reconciliation of net cash flow to movement in net debt**

	Note	2013 £	2012 £
Increase in cash		<u>200,541</u>	<u>166,526</u>
Movement in net debt	22	200,541	166,526
Net funds at 1 January	22	<u>893,412</u>	<u>726,886</u>
Net funds at 31 December	22	<u><u>1,093,953</u></u>	<u><u>893,412</u></u>

## **Bentham Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2013**

#### **1 Accounting policies**

##### **Basis of preparation**

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

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2013.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £474,739 (2012 - £390,137).

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### **Goodwill**

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

##### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	5 years straight line
Intellectual property	5 years straight line

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	Over the period of the lease
Equipment, fixtures and fittings	15% per annum straight line
Computer equipment	33% per annum straight line
Plant and machinery	20% per annum straight line

##### **Research and development**

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

## **Bentham Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2013**

**..... continued**

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### **Foreign currency**

##### **Company**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

##### **Group**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **Hire purchase and leasing**

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

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **Pensions**

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.



## Bentham Limited

### Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

#### 2 Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Operating leases - other assets	52,279	66,568
Foreign currency gains	(1,766)	(34,122)
Loss on sale of tangible fixed assets	76	826
Depreciation of owned assets	55,196	48,699
Amortisation	410	1,010
Auditor's remuneration	<u>32,489</u>	<u>29,172</u>

#### 3 Auditor's remuneration

	2013 £	2012 £
Audit of the financial statements	<u>12,000</u>	<u>10,000</u>
<b>Fees payable to the group's auditor and its associates for other services:</b>		
The audit of the company's subsidiaries' annual accounts	5,035	5,000
Other services	<u>15,454</u>	<u>14,172</u>
	<u>20,489</u>	<u>19,172</u>
	<u>32,489</u>	<u>29,172</u>

£12,000 (2012 - £10,000) of the fee for auditing the financial statements and £15,454 (2012 - £14,172) of other fees to auditors relates to the company.

#### 4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2013 No.	2012 No.
Administration and support	22	23
Sales	54	55
Distribution	<u>24</u>	<u>24</u>
	<u>100</u>	<u>102</u>

# **Bentham Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2013**

**..... continued**

The aggregate payroll costs were as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,463,199	2,511,409
Social security costs	80,971	86,533
Staff pensions	189,512	166,815
	<u>2,733,682</u>	<u>2,764,757</u>

### **5 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Remuneration (including benefits in kind)	146,367	161,588
Company contributions paid to money purchase schemes	<u>57,218</u>	<u>54,799</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

### **6 Other interest receivable and similar income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>2,381</u>	<u>2,626</u>

### **7 Interest payable and similar charges**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other interest payable	<u>-</u>	<u>3,454</u>

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 8 Taxation

#### Tax on profit on ordinary activities

	2013 £	2012 £
<b>Current tax</b>		
Corporation tax charge	108,626	124,098
Adjustments in respect of previous years	(212)	1,264
UK Corporation tax	108,414	125,362
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,704	-
Total tax on profit on ordinary activities	112,118	125,362

#### Factors affecting current tax charge for the year

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

The differences are reconciled below:

	2013 £	2012 £
Profit on ordinary activities before taxation	501,397	509,914
Corporation tax at standard rate	116,575	124,929
Depreciation in period in excess of capital allowances	(3,550)	2,339
Expenses not deductible for tax	775	607
Adjustment for lower tax rate in subsidiary	(3,381)	1,368
Adjustments in respect of prior years	212	(1,264)
Marginal relief	(2,217)	(2,617)
Total current tax	108,414	125,362

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 9 Intangible fixed assets

#### Group

	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 January 2013	2,000	3,510	5,510
At 31 December 2013	2,000	3,510	5,510
<b>Amortisation</b>			
At 1 January 2013	2,000	2,769	4,769
Charge for the year	-	410	410
At 31 December 2013	2,000	3,179	5,179
<b>Net book value</b>			
At 31 December 2013	-	331	331
At 31 December 2012	-	741	741

#### Company

	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 January 2013	2,000	3,000	5,000
At 31 December 2013	2,000	3,000	5,000
<b>Amortisation</b>			
At 1 January 2013	2,000	2,667	4,667
Charge for the year	-	333	333
At 31 December 2013	2,000	3,000	5,000
<b>Net book value</b>			
At 31 December 2013	-	-	-
At 31 December 2012	-	333	333

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 10 Tangible fixed assets

#### Group

	Short leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2013	62,826	96,960	619,009	56,293	835,088
Additions	6,450	1,191	44,163	-	51,804
Disposals	-	(650)	(885)	-	(1,535)
At 31 December 2013	69,276	97,501	662,287	56,293	885,357
<b>Depreciation</b>					
At 1 January 2013	62,826	82,186	541,346	43,469	729,827
Charge for the year	2,441	7,133	42,123	3,499	55,196
Eliminated on disposals	-	(390)	(885)	-	(1,275)
At 31 December 2013	65,267	88,929	582,584	46,968	783,748
<b>Net book value</b>					
At 31 December 2013	4,009	8,572	79,703	9,325	101,609
At 31 December 2012	-	14,774	77,663	12,824	105,261

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### Company

	Short leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2013	62,826	96,960	619,009	778,795
Additions	6,450	1,191	44,163	51,804
Disposals	-	(650)	(885)	(1,535)
At 31 December 2013	69,276	97,501	662,287	829,064
<b>Depreciation</b>				
At 1 January 2013	62,826	82,186	541,346	686,358
Charge for the year	2,441	7,133	42,123	51,697
Eliminated on disposals	-	(390)	(885)	(1,275)
At 31 December 2013	65,267	88,929	582,584	736,780
<b>Net book value</b>				
At 31 December 2013	4,009	8,572	79,703	92,284
At 31 December 2012	-	14,774	77,663	92,437

### 11 Investments held as fixed assets

#### Group

#### Company

	2013 £	2012 £
Shares in group undertakings and participating interests	101	101

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 January 2013	101	101
At 31 December 2013	101	101
<b>Net book value</b>		
At 31 December 2013	101	101
At 31 December 2012	101	101

### Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>			
IJT Direct Limited (UK based)	Ordinary shares	100%	Dormant
IJT Direct Limited (Jersey based)	Ordinary shares	100%	Mail order business supplies

For the year ending 31 December 2013 the subsidiary IJT Direct Limited (UK based) was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### 12. Stocks

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Stocks	2,152,687	2,772,490	1,907,517	2,520,603

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 13 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	503,248	724,095	502,950	692,056
Amounts owed by group undertakings	-	-	236,928	242,107
Other debtors	146,545	73,533	126,545	51,533
Directors' current accounts	93,100	-	93,100	-
Prepayments and accrued income	363,903	666,504	350,659	574,508
	<u>1,106,796</u>	<u>1,464,132</u>	<u>1,310,182</u>	<u>1,560,204</u>

Group debtors includes £nil (2012 - £2,868) receivable after more than one year and parent company debtors includes £nil (2012 - £2,868) receivable after more than one year.

This can be analysed as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other debtors	<u>-</u>	<u>2,868</u>	<u>-</u>	<u>2,868</u>

### 14 Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	1,814,301	2,866,703	1,799,980	2,800,948
Corporation tax	108,627	124,098	108,627	124,098
Other taxes and social security	282,350	213,517	282,350	213,481
Other creditors	735	49,191	735	49,191
Accruals and deferred income	168,804	132,083	141,076	119,594
	<u>2,374,817</u>	<u>3,385,592</u>	<u>2,332,768</u>	<u>3,307,312</u>



# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 15 Provisions

#### Group

	Deferred tax £	Total £
At 1 January 2013	-	-
Charged to the profit and loss account	836	836
At 31 December 2013	836	836

#### Analysis of deferred tax

	2013 £	2012 £
Accelerated allowances	836	-

#### Company

	Deferred tax £	Total £
At 1 January 2013	-	-
Charged to the profit and loss account	836	836
At 31 December 2013	836	836

#### Analysis of deferred tax

	2013 £	2012 £
Accelerated allowances	836	-

### 16 Share capital

#### Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

# **Bentham Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2013**

**..... continued**

### **17 Dividends**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Dividends paid</b>		
Current year interim dividend paid	<u>160,000</u>	<u>350,000</u>

### **18 Reserves**

#### **Group**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2013	1,849,444	1,849,444
Profit for the year	389,279	389,279
Dividends	<u>(160,000)</u>	<u>(160,000)</u>
At 31 December 2013	<u>2,078,723</u>	<u>2,078,723</u>

#### **Company**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2013	1,736,045	1,736,045
Profit for the year	474,739	474,739
Dividends	<u>(160,000)</u>	<u>(160,000)</u>
At 31 December 2013	<u>2,050,784</u>	<u>2,050,784</u>

# **Bentham Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2013**

..... *continued*

### **19 Reconciliation of movement in shareholders' funds**

#### **Group**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the group	389,279	384,552
Dividends	(160,000)	(350,000)
Net addition to shareholders' funds	229,279	34,552
Shareholders' funds at 1 January	1,850,444	1,815,892
Shareholders' funds at 31 December	<u>2,079,723</u>	<u>1,850,444</u>

#### **Company**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the company	474,739	390,137
Dividends	(160,000)	(350,000)
Net addition to shareholders' funds	314,739	40,137
Shareholders' funds at 1 January	1,737,045	1,696,908
Shareholders' funds at 31 December	<u>2,051,784</u>	<u>1,737,045</u>

### **20 Pension schemes**

#### **Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £189,512 (2012 - £166,815).

Contributions totalling £nil (2012 - £5,205) were payable to the scheme at the end of the year and are included in creditors.

# Bentham Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

### 21 Commitments

#### Operating lease commitments

##### Company

As at 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
<b>Land and buildings</b>		
Within two and five years	49,929	49,929
<b>Other</b>		
Within two and five years	-	-

### 22 Analysis of net debt

	At 1 January 2013 £	Cash flow £	At 31 December 2013 £
Cash at bank and in hand	893,412	200,541	1,093,953
Net funds	893,412	200,541	1,093,953

### 23 Post balance sheet events

On 2 January 2014 the whole of the company's share capital was acquired by VSGT Limited. The owners of VSGT Limited were all in senior managerial roles in Bentham Limited at the time of the takeover, and were appointed directors of Bentham Limited on completion of the purchase.

### 24 Related party transactions

#### Directors' advances and credits

	2013 Advance/ Credit £	2013 Repaid £	2012 Advance/ Credit £	2012 Repaid £
<b>Mrs E J Rendell</b>				
Interest free loan	7,000	-	-	-

## Bentham Limited

### Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

#### **Mrs D Moxon**

Interest free loan

86,100

-

-

-

#### **Other related party transactions**

During the year the company made the following related party transactions:

#### **Mrs D Moxon**

(Director)

Dividends paid £70,400. At the balance sheet date the amount due from/(to) Mrs D Moxon was £86,100 (2012 - £nil).

#### **Mrs E J Rendell**

(Director)

Dividends paid £8,000. At the balance sheet date the amount due from/(to) Mrs E J Rendell was £7,000 (2012 - £nil).

#### **Mr A Moxon-Tritsch**

(Husband of Mrs D Moxon)

Dividends paid £81,600. At the balance sheet date the amount due from Mr A Moxon-Tritsch was £101,552 (2012 - £47,313).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

#### **25 Control**

The company is controlled by Mr A Moxon-Tritsch.

# **Bentham Limited**

## **Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2013**

	2013		2012	
	£	£	£	£
<b>Turnover</b>				
Sales, UK		20,833,740		23,370,925
<b>Cost of sales</b>				
Opening stock	2,772,490		2,515,556	
Purchases	12,231,469		15,138,496	
Closing stock	(2,162,687)		(2,772,490)	
Wages and salaries	1,690,486		1,706,539	
Freight and carriage	2,410,216		2,573,710	
Commissions payable	8,500		-	
(Profit)/loss on foreign currency	(1,766)		(34,122)	
		(16,948,708)		(19,127,689)
Gross profit		3,885,032		4,243,236
<b>Administrative expenses</b>				
Employment costs	(1,178,274)		(1,390,069)	
Establishment costs	(155,502)		(182,239)	
General administrative expenses	(1,547,523)		(1,558,116)	
Finance charges	(449,035)		(551,535)	
Depreciation costs	(55,682)		(50,535)	
		(3,386,016)		(3,732,494)
Group operating profit		499,016		510,742
<b>Other interest receivable and similar income</b>				
Bank interest receivable		2,381		2,626
Interest payable and similar charges		-		(3,454)
Profit on ordinary activities before taxation		501,397		509,914

# Bentham Limited

## Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2013

	2013 £	2012 £
<b>Employment costs</b>		
Wages and salaries	626,346	643,698
Staff NIC (Employers)	80,971	86,533
Directors remuneration	146,367	161,172
Staff pensions	132,294	112,016
Directors' pensions	57,218	54,799
Commissions payable	112,695	304,888
Staff training	22,383	26,963
	<u>1,178,274</u>	<u>1,390,069</u>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Establishment costs</b>		
Rent	52,279	65,062
Rates	15,299	20,828
Light, heat and power	16,357	18,934
Insurance	43,189	41,418
Repairs and renewals	28,378	35,997
	<u>155,502</u>	<u>182,239</u>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>General administrative expenses</b>		
Telephone and fax	75,426	81,286
Computer software and maintenance costs	33,250	19,259
Printing, postage and stationery	51,118	37,783
Charitable donations	275	8,766
Hire of other assets	-	1,506
Sundry expenses	61,983	54,725
Cleaning	37,967	32,925
Auditor's remuneration - The audit of the company's annual accounts	17,035	15,000
Auditors' remuneration - non audit work	15,454	14,172
Consultancy fees	10,052	14,706
Legal and professional fees	55,709	47,665
Advertising	1,150,398	1,158,708
Travel and subsistence	32,842	66,096
Customer entertaining (disallowable for tax)	3,335	2,476
Bad debts written off	2,679	3,043
	<u>1,547,523</u>	<u>1,558,116</u>

**Bentham Limited**

**Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2013**

*..... continued*

	2013 £	2012 £
<b>Finance charges</b>		
Bank charges	449,035	551,535
	<u>2013</u> £	<u>2012</u> £
<b>Depreciation costs</b>		
Depreciation of short leasehold property	2,441	471
Depreciation of plant and machinery	7,133	7,149
Depreciation of fixtures and fittings	42,123	37,022
Depreciation of office equipment	3,499	4,057
(Profit)/loss on disposal of tangible fixed assets	76	826
Amortisation of goodwill	333	908
Amortisation of development costs	77	102
	<u>55,682</u>	<u>50,535</u>



# Bentham Limited

## Detailed Company Profit and Loss Account for the Year Ended 31 December 2013

	2013		2012	
	£	£	£	£
<b>Turnover</b>				
Sales, UK		19,703,731		21,720,424
<b>Cost of sales</b>				
Opening stock	2,520,603		2,020,903	
Purchases	12,838,472		15,024,383	
Closing stock	(1,917,517)		(2,520,603)	
Wages and salaries	1,690,486		1,706,539	
Freight and carriage	1,922,067		2,239,513	
Commissions payable	8,500		-	
(Profit)/loss on foreign currency	(1,766)		(34,122)	
		(17,060,845)		(18,436,613)
Gross profit		2,642,886		3,283,811
<b>Administrative expenses</b>				
Employment costs (analysed below)	(1,065,579)		(1,085,181)	
Establishment costs (analysed below)	(155,502)		(173,740)	
General administrative expenses (analysed below)	(474,090)		(937,898)	
Finance charges (analysed below)	(411,133)		(524,289)	
Depreciation costs (analysed below)	(52,106)		(46,376)	
		(2,158,410)		(2,767,484)
Operating profit		484,476		516,327
Profit on ordinary activities before investment income and interest		484,476		516,327
<b>Income from shares in group undertakings</b>				
Dividends from shares in group undertakings		100,000		-
<b>Other interest receivable and similar income</b>				
Bank interest receivable		2,381		2,626
<b>Interest payable and similar charges</b>				
Other interest payable		-		(3,454)
Profit on ordinary activities before taxation		586,857		515,499

# Bentham Limited

## Detailed Company Profit and Loss Account for the Year Ended 31 December 2013

	2013 £	2012 £
<b>Employment costs</b>		
Wages and salaries	626,346	643,698
Staff NIC (Employers)	80,971	86,533
Directors' remuneration	146,367	161,172
Staff pensions	132,294	112,016
Directors' pensions	57,218	54,799
Staff training	22,383	26,963
	<u>1,065,579</u>	<u>1,085,181</u>
	<b>2013</b> £	<b>2012</b> £
<b>Establishment costs</b>		
Rent	52,279	56,949
Rates	15,299	20,442
Light, heat and power	16,357	18,934
Insurance	43,189	41,418
Repairs and renewals	28,378	35,997
	<u>155,502</u>	<u>173,740</u>
	<b>2013</b> £	<b>2012</b> £
<b>General administrative expenses</b>		
Telephone and fax	43,751	81,286
Printing, postage and stationery	49,357	37,679
Charitable donations	275	8,766
Hire of other assets	-	1,506
Sundry expenses	61,983	54,722
Cleaning	37,967	32,925
Auditor's remuneration - The audit of the company's annual accounts	12,000	10,000
Auditors' remuneration - non audit work	15,454	14,172
Consultancy fees	10,052	14,706
Legal and professional fees	28,779	23,235
Advertising	175,616	587,372
Travel and subsistence	32,842	66,010
Customer entertaining (disallowable for tax)	3,335	2,476
Bad debts written off	2,679	3,043
	<u>474,090</u>	<u>937,898</u>
	<b>2013</b> £	<b>2012</b> £
<b>Finance charges</b>		
Bank charges	<u>411,133</u>	<u>524,289</u>

**Bentham Limited**

**Detailed Company Profit and Loss Account for the Year Ended 31 December 2013**

..... *continued*

	2013 £	2012 £
<b>Depreciation costs</b>		
Depreciation of short leasehold property	2,441	471
Depreciation of plant and machinery	7,133	7,149
Depreciation of fixtures and fittings	42,123	37,022
(Profit)/loss on disposal of tangible fixed assets	76	826
Amortisation of goodwill	333	908
	<u>52,106</u>	<u>46,376</u>