

SIRACOM LIMITED  
ANNUAL REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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SIRACOM LIMITED

COMPANY INFORMATION

DIRECTORS

D Thompson  
R Leggett  
M Ryan

SECRETARY

D Thompson

REGISTERED OFFICE

Unit T, The Loddon Centre  
Roentgen Road  
Daneshill East  
Basingstoke  
RG24 8NG

REGISTERED NUMBER

4285452 England and Wales

AUDITORS

Mumford & Co  
Chartered Accountants and Statutory Auditor  
The Old Rectory  
Church Street  
Weybridge  
Surrey KT13 8DE

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the performance and development of our business during the year and its position at the year end. This review is consistent with the size and the nature of our business and is written in the context of the risks and uncertainties we face.

Our company continues to sell computer hardware, software and support, mainly to schools, colleges and other educational establishments in the UK. The company's sales are organised as one division.

Our company remains a significant UK dealer for a US based computer hardware and software manufacturer, to the extent that in excess of 70% of our sales emanate from purchases from that supplier. The remaining sales are of a similar nature, emanating from a number of other UK and overseas suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

As with many businesses of our size, the business environment in which we operate is challenging. We have built excellent business relationships with our major supplier and with other important suppliers. We have maintained our position in the market by providing competitive and efficient product, service and support to our customers and by actively promoting our company and its products and services to gain new business.

DEVELOPMENT AND PERFORMANCE

With risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those which indicate the financial performance and strength of the company, being turnover, gross margin and current asset ratios.

Turnover for this year at £14,174K is 4% higher by £526K, compared to last year's turnover of £13,648K.

Gross profit is £582K higher this year, at £2,351K compared to £1,769K last year. The gross percentage margin improved significantly, with this year showing 16.59%, against 12.96% last year.

Profit on ordinary activities amounted to 7.96%, £1,129K this year, against 3.85%, £525K last year, an increase of £603K.

Our company has achieved this increase in profit on ordinary activities with a £582K increase in gross profit, and stable operating costs which have reduced marginally.

Our company's capital base has materially increased this year, due to an increased level of profitability and as a result of no distribution being made to shareholders, whereas last year dividends of £500K were paid. The current asset ratio has improved to 214% compared to last year when it stood at 152%.

Signed on behalf of the board of directors

  
**D Thompson**  
Director

Approved by the Board: 22 July 2015



REGISTERED NUMBER 4285452 England and Wales

### REPORT OF THE DIRECTORS

The directors present their annual report with the accounts of the company for the year ended 31 December 2014.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale and distribution of computer network systems.

### DIRECTORS

The directors in office in the year and their interests in the company's issued ordinary share capital were as follows:

	<u>31 December 2014</u>		<u>31 December 2013</u>	
	<u>Ordinary Shares</u>	<u>A' Ordinary Shares</u>	<u>Ordinary Shares</u>	<u>A' Ordinary Shares</u>
D Thompson	890	0	890	0
R Leggett	890	0	890	0
M Ryan	0	0	0	0
	<u>1,780</u>	<u>0</u>	<u>1,780</u>	<u>0</u>

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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 year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, 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 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.

### DIVIDENDS

The directors recommend that no final dividend be paid on the shares in issue for this year, (2013: £0) No interim dividend was paid during the year, (2013: £500,000).

### THIRD PARTY INDEMNITY PROVISIONS

There are no third party indemnity provisions required.

REGISTERED NUMBER 4285452 England and Wales

REPORT OF THE DIRECTORS continued

FINANCIAL INSTRUMENTS

The company has not traded in financial instruments this year.

FUTURE DEVELOPMENTS

During the next year, the company aims to expand it's business within the same market sector.

RESEARCH AND DEVELOPMENT

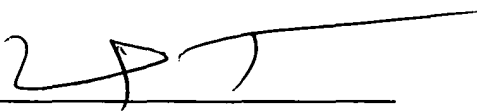
The company has no research and development activities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the board of directors

  
\_\_\_\_\_ 22/7/2015

**D Thompson**

Secretary

Approved by the Board: 22 July 2015

We have audited the financial statements of Siracom Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. 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 that 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 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (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 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 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.

SIRACOM LIMITED continued

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit/(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.

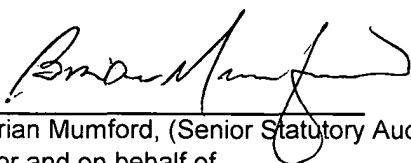
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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.



Brian Mumford, (Senior Statutory Auditor)  
For and on behalf of  
MUMFORD & CO  
Chartered Accountants and Statutory Auditor

The Old Rectory  
Church Street  
Weybridge  
Surrey KT13 8DE

Date: 22 July 2015

PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	Continuing Operations 2014	Acquisitions 2014	Discontinued Operations 2014	Total 2014	Total 2013
		£	£	£	£	£
TURNOVER	2	14,173,590	0	0	14,173,590	13,647,518
Cost of sales		(11,822,464)	0	0	(11,822,464)	(11,878,447)
GROSS PROFIT		2,351,126	0	0	2,351,126	1,769,071
Selling and distribution costs		(745,371)	0	0	(745,371)	(833,198)
Establishment expenses		(58,713)	0	0	(58,713)	(53,273)
Administrative expenses		(388,809)	0	0	(388,809)	(317,318)
OPERATING PROFIT	3	1,158,233	0	0	1,158,233	565,282
Interest receivable					0	966
Interest payable					(29,428)	(40,941)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION					1,128,805	525,307
TAXATION - UK corporation tax	7				(248,465)	(117,202)
PROFIT for the financial year after taxation					880,340	408,105
RETAINED PROFIT brought forward					1,480,441	1,573,316
PROFIT for the financial year after taxation					880,340	408,105
Dividends paid					0	(500,000)
Bonus shares issued					0	(980)
RETAINED PROFIT carried forward					2,360,781	1,480,441

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit (loss) for the above two financial years.

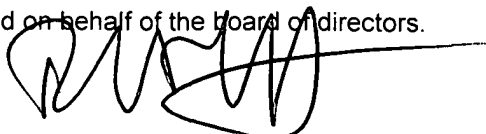


BALANCE SHEET AT 31 DECEMBER 2014REGISTERED AS A COMPANY IN ENGLAND & WALES 4285452

	<u>NOTES</u>	<u>2014</u>	<u>2013</u>
		£	£
FIXED ASSETS			
Tangible assets	8	30,805	40,935
CURRENT ASSETS			
Stock	9	927,630	1,219,206
Debtors	10	2,289,077	2,920,151
Cash at bank and in hand		1,163,550	96,995
		<u>4,380,257</u>	<u>4,236,352</u>
CREDITORS: amounts falling due within one year	11	<u>(2,047,080)</u>	<u>(2,792,489)</u>
NET CURRENT ASSETS		2,333,177	1,443,863
Deferred taxation provision	12	(1,021)	(2,177)
NET ASSETS		<u>2,362,961</u>	<u>1,482,621</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,780	1,780
Capital redemption reserve		400	400
Profit and loss account		<u>2,360,781</u>	<u>1,480,441</u>
SHAREHOLDERS' FUNDS		<u>2,362,961</u>	<u>1,482,621</u>

These financial statements were approved and authorised for issue by the Board.

Signed on behalf of the board of directors.



R Leggett  
Director

Approved by the board: 22 July 2015

CASH FLOW STATEMENTFOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	1,158,233	565,282
Depreciation charges	22,996	29,127
Loss on disposal of fixed assets	0	5,384
Increase/(decrease) in stocks	291,576	(342,628)
Increase in debtors	631,074	(572,627)
Increase/(decrease) in creditors	(877,776)	(28,900)
Net cash inflow from operating activities	<u>1,226,103</u>	<u>(344,362)</u>
CASH FLOW STATEMENT		
Net cash inflow from operating activities	1,226,103	(344,362)
Returns on investment and servicing of finance, as below	(29,428)	(39,975)
Taxation	(117,254)	(251,982)
Capital expenditure payments to acquire tangible fixed assets	<u>(12,866)</u>	<u>(10,403)</u>
	1,066,555	(646,722)
Equity dividends paid	0	(500,000)
	<u>1,066,555</u>	<u>(1,146,722)</u>
Management of liquid resources	0	0
Financing	0	0
Reduction in cash	<u>1,066,555</u>	<u>(1,146,722)</u>
Reconciliation of net cash flow to movement in net debt/funds		
(Reduction)/increase in cash in the period	<u>1,066,555</u>	<u>(1,146,722)</u>
Change in net debt	1,066,555	(1,146,722)
Net funds at 1 January 2014	96,995	1,243,717
Net funds at 31 December 2014	<u>1,163,550</u>	<u>96,995</u>

**NOTES TO CASH FLOW STATEMENT****GROSS CASH FLOWS**

Returns on investment and servicing of finance		
Interest received	0	966
Overdraft interest paid	(391)	(66)
Interest paid for invoice discounting	(29,003)	(40,875)
Other interest paid	(34)	0
	<u>(29,428)</u>	<u>(39,975)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	Balance brought forward £	Cash flows £	Balance carried forward £
Cash at bank and in hand	96,995	1,066,555	1,163,550
Bank overdraft	0	0	0
	<u>96,995</u>	<u>1,066,555</u>	<u>1,163,550</u>
Debt due within one year	0	0	0
Debt due after one year	0	0	0
Current asset investments	0	0	0
	<u>96,995</u>	<u>1,066,555</u>	<u>1,163,550</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

NOTE 1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Turnover

Turnover represents net invoiced sales of goods and services, excluding VAT.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Depreciation

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment, fixtures & fittings	20% straight line basis
Motor vehicles	25% straight line basis

Stock

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

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid are shown either as accruals or prepayments at the year end.

Leasing

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profit on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Going concern basis of accounting

The accounts have been prepared on the assumption that the company is able to carry on business as a going concern, which the directors consider appropriate.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 1 ACCOUNTING POLICIES continuedNOTE 2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. Of the company's turnover, 2.9 %, (2013: 1.2%), was attributable to geographical markets outside the United Kingdom. The analysis of turnover by activity and geographical area is as follows:-

	<u>2014</u> £	<u>2013</u> £
Turnover - comprising sale of computer hardware and software, licences and support	14,173,590	13,647,518
United Kingdom	13,767,755	13,488,560
European Union	400,291	153,861
United States of America	3,114	5,097
South Africa	2,430	0
	<u>14,173,590</u>	<u>13,647,518</u>

NOTE 3 OPERATING PROFIT

The operating results are analysed as follows:-

	<u>Continuing</u> £	<u>2014</u> <u>Discontinued</u> £	<u>Total</u> £	<u>Continuing</u> £	<u>2013</u> <u>Discontinued</u> £	<u>Total</u> £
Turnover	14,173,590	0	14,173,590	13,647,518	0	13,647,518
Cost of sales	(11,822,464)	0	(11,822,464)	(11,878,447)	0	(11,878,447)
Net operating expenses:						
Selling & distribution costs	(745,371)	0	(745,371)	(833,198)	0	(833,198)
Administration costs	(58,713)	0	(58,713)	(53,273)	0	(53,273)
Other operating income	(388,809)	0	(388,809)	(317,318)	0	(317,318)
Operating profit	<u>1,158,233</u>	<u>0</u>	<u>1,158,233</u>	<u>565,282</u>	<u>0</u>	<u>565,282</u>

The total figure for net operating expenses for continuing operations in 2014 includes £ 0, (2013: £0), in respect of acquisitions.

The operating profit is stated after charging or (crediting):

	<u>2014</u> £	<u>2013</u> £
Directors' remuneration	208,174	129,452
Pension of directors	0	0
Auditors' remuneration	20,500	16,269
Depreciation of tangible fixed assets	22,996	29,127
(Profit)/loss on disposal of fixed assets	0	5,384
Operating lease charges in respect of motor vehicle contract hire	64,228	62,203
Net (gains)/loses on foreign currency transactions	<u>(40,582)</u>	<u>(76,010)</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 4 DIRECTORS' REMUNERATION

	<u>2014</u>	<u>2013</u>
	£	£
Remuneration	208,174	129,452
Benefits in kind	35,819	20,346
Amounts receivable under long term incentive schemes	0	0
Contributions to a pension scheme	0	0
	<u>243,993</u>	<u>149,798</u>

The aggregate remuneration of highest paid director this year including benefits in kind amounted to £108,117

	<u>2014</u>	<u>2013</u>
	Number	Number
The number of directors to whom retirement benefits are accruing in respect of qualifying services for money purchase schemes is	2	2

No directors' pension premium payments were made this year.

NOTE 5 STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	<u>2014</u>	<u>2013</u>
	Number	Number
Management and administration	6	6
Sales and distribution	14	12
	<u>20</u>	<u>18</u>

The aggregate payroll costs of these persons were as follows:

	<u>2014</u>	<u>2013</u>
	£	£
Wages and salaries	673,473	666,660
Social security	69,073	71,198
Other pension costs	0	1,361
	<u>742,546</u>	<u>739,219</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 6 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2014</u> £	<u>2013</u> £
Interest payable:		
Bank loans and overdrafts	391	66
All other loans	0	0
Finance charges payable:		
Finance leases and hire purchase contracts	0	0
Invoice discounting	29,003	40,875
	<u>29,394</u>	<u>40,941</u>

NOTE 7 TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of charge in period:

Current tax:

UK Corporation tax on profits of the period	249,541	122,939
Adjustments in respect of previous periods	80	(16)
	<u>249,621</u>	<u>122,923</u>

Total current tax (note 7b)

Deferred tax:

Origination and reversal of timing differences	(1,156)	(5,721)
Effect of increased tax rate on opening liability	0	0
Increase in discount	0	0

Total deferred tax

Tax on profit on ordinary activities

	(1,156)	(5,721)
	<u>248,465</u>	<u>117,202</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 7 TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

## (b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (%). The differences are explained below:-

	<u>2014</u> £	<u>2013</u> £
Profit on ordinary activities before tax	1,128,805	525,307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	242,693	122,134
Effects of:		
Expenses not deductible for tax purposes	5,548	2,990
Capital allowances for period less than/in excess of depreciation	2,624	5,451
Smaller company and marginal rate tax saving	(1,324)	(7,636)
Utilisation of tax losses	0	0
Rollover relief on profit on disposal of property	0	0
Higher rate taxes on overseas earnings	0	0
Adjustments to tax charge in respect of previous periods	80	(16)
Current tax charge for period (note 7(a))	249,621	122,923

## ( c ) Factors that may affect future tax charges

None other than reduction in standard rate from 1 April 2015 to 20%

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 8 TANGIBLE FIXED ASSETS

	Fixtures fittings & computer equipment £	Motor vehicles £	Total £
Cost:			
At 1 January 2014	153,655	26,424	180,079
Additions	5,266	7,600	12,866
Disposals/scrapped	0	0	0
At 31 December 2014	158,921	34,024	192,945
Depreciation:			
At 1 January 2014	118,407	20,737	139,144
Charge for year	18,533	4,463	22,996
Disposals/scrapped	0	0	0
At 31 December 2014	136,940	25,200	162,140
Net Book Value:			
At 31 December 2014	21,981	8,824	30,805
At 31 December 2013	35,248	5,687	40,935

Included in the total net book value of tangible fixed assets held at 31 December 2014 was £0, (2013: £0), in respect of assets held under finance leases and hire purchase contracts.

NOTE 9 STOCK AND WORK IN PROGRESS

	2014 £	2013 £
Goods for resale	927,630	1,219,206
	<u>927,630</u>	<u>1,219,206</u>

NOTE 10 DEBTORS

Trade debtors (invoice discounted)	2,037,828	2,643,785
Invoice discounting receivable	142,429	0
VAT recoverable	49,312	172,469
Prepayments and deferred expenses	59,508	103,897
	<u>2,289,077</u>	<u>2,920,151</u>



NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 11 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£	£
Bank loans and overdrafts	0	0
Trade creditors	1,717,695	1,695,155
Corporation tax	255,306	122,939
Other taxes and social security costs	18,993	11,144
Invoice discounting (secured)	0	912,891
Provision for directors bonuses	3,648	0
Directors current accounts	4,452	5,011
Other creditors, accruals and deferred income	46,986	45,349
	<u>2,047,080</u>	<u>2,792,489</u>

NOTE 12 PROVISIONS FOR LIABILITIES

	Deferred Taxation £	Other Provisions £	Total £
Balance at 1 January 2014	2,177	0	2,177
Utilised during the year	(1,156)	0	(1,156)
Charge for the year	0	0	0
Adjustment to advance corporation tax	0	0	0
Balance at 31 December 2014	<u>1,021</u>	<u>0</u>	<u>1,021</u>

	<u>2014</u>	<u>2013</u>
	£	£
Deferred tax:		
Accelerated capital allowances	1,021	2,177
Tax losses carried forward	0	0
Undiscounted provision for deferred tax		
Discount	0	0
Discounted provision for deferred tax	<u>1,021</u>	<u>2,177</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014NOTE 13 CALLED UP SHARE CAPITAL

	<u>2014</u>	<u>2013</u>
	£	£
Authorised:		
5,000 Ordinary shares of £1 each	5,000	5,000
5,000 'A' Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
800 Ordinary shares of £1 each	1,780	1,780
0 'A' Ordinary shares of £1 each	<u>0</u>	<u>0</u>
	<u>1,780</u>	<u>1,780</u>

Grant of EMI (Enterprise Management Incentive) share options

On 5 November 2013, an option was granted to Mr M J Ryan, a director, for 220 Ordinary shares at an exercise price of £1,050 per share. The option is granted under the provisions of Schedule 5 of Income Tax (Earnings and Pensions) Act 2003. The option may be exercised by Mr M J Ryan in whole or in part as long as he remains employed by the Company.

The option or any balance of shares not exercised will lapse after a period of 10 years. If the whole of the option is exercised, this shareholding will equate to 11% of the ordinary share capital. Should the company increase the issued ordinary share capital prior to the exercise of the option, the number of shares granted will be increased pro rata and the price per share will be adjusted accordingly.

NOTE 14 CAPITAL REDEMPTION RESERVE

	<u>2014</u>	<u>2013</u>
	£	£
At 1 January 2014	400	400
Movements during the year	0	0
At 31 December 2014	<u>400</u>	<u>400</u>

NOTE 15 PROFIT AND LOSS RESERVE

At 1 January 2014	1,480,441	1,573,316
Profit for the financial year after taxation	880,340	408,105
Dividends	0	(500,000)
Bonus shares issued	<u>0</u>	<u>(980)</u>
At 31 December 2014	<u>2,360,781</u>	<u>1,480,441</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014

	<u>2014</u> £	<u>2013</u> £
<u>NOTE 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Profit (loss) for the financial year after taxation	880,340	408,105
Dividends	0	(500,000)
	<u>880,340</u>	<u>(91,895)</u>
Other recognised gains and losses relating to the year	0	0
Bonus issue of new share capital from reserves	0	(980)
New share capital subscribed	0	980
	<u>880,340</u>	<u>(91,895)</u>
Net addition to shareholders' funds	1,482,621	1,574,516
Opening shareholders' funds	<u>2,362,961</u>	<u>1,482,621</u>
Closing shareholders' funds	<u><u>2,362,961</u></u>	<u><u>1,482,621</u></u>

NOTE 17 LEASING COMMITMENTS

At 31 December 2014 the company has annual commitments as set out below, under non-cancellable operating leases for motor vehicle contract hire.

The annual commitments expire as follows:-

Within one year	25,496	47,057
Within two to five years	7,028	17,583
	<u>32,524</u>	<u>64,640</u>

NOTE 18 CONTINGENT LIABILITIES

There were no contingent liabilities at the date of the balance sheet.

NOTE 19 PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 0 , (2013 £1,361). Contributions totalling £ 0, (2013 £ 0 ) were payable to the fund at the year end and are included in creditors

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2014

NOTE 20 RELATED PARTY TRANSACTIONS, CONTROL RELATIONSHIPS AND OTHER MATTERS

Throughout the year, the company was under the control of Mr D Thompson and Mr R Leggett who are the major shareholders and the directors of the company.

During the year no dividends were paid to directors and their spouses.

NOTE 21 POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.