

Financial Statements Cornelius Specialties Limited

For the year ended 31 January 2014



Registered number: 05758693

Company Information

Directors	Mr J M Bilney Dr N D Prior
Company secretary	Mrs J M Prior
Registered number	05758693
Registered office	15C Rookwood Way Haverhill Suffolk CB9 8PB
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Crown House Crown Street Ipswich Suffolk IP1 3HS

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Directors' Report

For the year ended 31 January 2014

The directors present their report and the financial statements for the year ended 31 January 2014.

Directors' responsibilities statement

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

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

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

Directors

The directors who served during the year were:

Mr J M Bilney
Dr N D Prior

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report

For the year ended 31 January 2014

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

3/7/2014

and signed on its behalf.



Dr N D Prior
Director

Independent Auditors' Report to the Members of Cornelius Specialties Limited

We have audited the financial statements of Cornelius Specialties Limited for the year ended 31 January 2014, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and reconciliation of net cash flow to movement in net funds/debt 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 we are required to state to them in an Auditors' 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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 January 2014 and of its 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 Auditors' Report to the Members of Cornelius Specialties Limited

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report and in preparing the Directors' report.

A handwritten signature in black ink, appearing to read "James Brown UK LLP".

James Brown (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Ipswich
Date:

15 July 2014

Profit and Loss Account

For the year ended 31 January 2014

	Note	2014 £	2013 £
Turnover	1,2	2,348,026	2,293,331
Cost of sales		<u>(1,068,624)</u>	<u>(1,048,082)</u>
Gross profit		1,279,402	1,245,249
Distribution costs		(56,991)	(67,562)
Administrative expenses		<u>(1,098,017)</u>	<u>(1,109,445)</u>
Operating profit	3	124,394	68,242
Interest payable and similar charges	6	<u>(6,830)</u>	<u>(9,399)</u>
Profit on ordinary activities before taxation		117,564	58,843
Tax on profit on ordinary activities	7	<u>(1,734)</u>	<u>(5,450)</u>
Profit for the financial year	14	<u><u>115,830</u></u>	<u><u>53,393</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

Balance Sheet

As at 31 January 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		397,785		380,429
Current assets					
Stocks	9	462,072		540,181	
Debtors	10	488,258		340,194	
Cash at bank		57		5,392	
		<u>950,387</u>		<u>885,767</u>	
Creditors: amounts falling due within one year	11	<u>(612,511)</u>		<u>(659,035)</u>	
Net current assets			<u>337,876</u>		<u>226,732</u>
Total assets less current liabilities			<u>735,661</u>		<u>607,161</u>
Provisions for liabilities					
Deferred tax	12		<u>(37,497)</u>		<u>(24,827)</u>
Net assets			<u><u>698,164</u></u>		<u><u>582,334</u></u>
Capital and reserves					
Called up share capital	13		117,648		117,648
Share premium account	14		80,947		80,947
Profit and loss account	14		499,569		383,739
Shareholders' funds	15		<u><u>698,164</u></u>		<u><u>582,334</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Dr N D Prior
Director

3/7/2014

The notes on pages 8 to 16 form part of these financial statements.

Cash Flow Statement

For the year ended 31 January 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	16	(51,787)	282,713
Returns on investments and servicing of finance	17	(6,830)	(9,399)
Taxation		8,377	(28,491)
Capital expenditure and financial investment	17	(92,634)	(125,687)
(Decrease)/Increase in cash in the year		(142,874)	119,136

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 January 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(142,874)	119,136
Movement in net debt in the year	(142,874)	119,136
Net debt at 1 February 2013	(161,782)	(280,918)
Net debt at 31 January 2014	(304,656)	(161,782)

The notes on pages 8 to 16 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 January 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided excluding VAT and trade discounts. The management consider the company's point of sale to be when the goods leave the warehouse.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	over three to fifteen years
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1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 31 January 2014

1. Accounting Policies (continued)

1.7 Foreign currencies

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company which is the supply of high quality chemicals.

A geographical analysis is as follows:

	2014 £	2013 £
United Kingdom	1,338,375	1,064,302
Overseas	1,009,651	1,229,029
Total	<u>2,348,026</u>	<u>2,293,331</u>

Notes to the Financial Statements

For the year ended 31 January 2014

3. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	75,278	71,077
Auditors' remuneration	5,000	5,000
Operating lease rentals:		
- plant and machinery	51,979	50,509
- other operating leases	60,000	60,000
Research and development expenditure written off	28,621	16,763
	<u>28,621</u>	<u>16,763</u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	606,498	626,541
Social security costs	67,305	70,629
Other pension costs	18,594	18,550
	<u>692,397</u>	<u>715,720</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014	2013
	No.	No.
Production	13	14
Administration	2	2
Research and development	2	3
Management	1	1
	<u>18</u>	<u>20</u>

Notes to the Financial Statements

For the year ended 31 January 2014

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>110,894</u>	<u>101,064</u>
Company pension contributions to defined contribution pension schemes	<u>14,029</u>	<u>14,029</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

6. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	<u>6,830</u>	<u>9,399</u>

7. Taxation

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	11,498	14,105
Adjustments in respect of prior periods	(22,434)	-
Total current tax	<u>(10,936)</u>	<u>14,105</u>
Deferred tax (see note 12)		
Origination and reversal of timing differences	12,670	(8,655)
Tax on profit on ordinary activities	<u>1,734</u>	<u>5,450</u>

Notes to the Financial Statements

For the year ended 31 January 2014

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>117,564</u>	<u>58,843</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	23,513	11,769
Effects of:		
Expenses not deductible for tax purposes	668	378
Differences between capital allowances and depreciation	(12,683)	1,958
Adjustments to tax charge in respect of prior periods	(22,434)	-
Current tax (credit)/charge for the year (see note above)	<u>(10,936)</u>	<u>14,105</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Tangible fixed assets

	Plant & machinery £
Cost	
At 1 February 2013	1,101,223
Additions	92,634
At 31 January 2014	<u>1,193,857</u>
Depreciation	
At 1 February 2013	720,794
Charge for the year	75,278
At 31 January 2014	<u>796,072</u>
Net book value	
At 31 January 2014	<u>397,785</u>
At 31 January 2013	<u>380,429</u>

Notes to the Financial Statements

For the year ended 31 January 2014

9. Stocks

	2014	2013
	£	£
Work in progress	67,563	53,338
Finished goods and goods for resale	394,509	486,843
	<u>462,072</u>	<u>540,181</u>

10. Debtors

	2014	2013
	£	£
Trade debtors	430,705	287,563
Other debtors	9,497	12,598
Prepayments and accrued income	48,056	40,033
	<u>488,258</u>	<u>340,194</u>

11. Creditors:

Amounts falling due within one year

	2014	2013
	£	£
Bank overdrafts	304,713	167,174
Trade creditors	59,573	54,495
Amounts owed to group undertakings	136,302	345,518
Corporation tax	11,546	14,105
Other taxation and social security	18,412	18,759
Accruals and deferred income	81,965	58,984
	<u>612,511</u>	<u>659,035</u>

Bank overdrafts of £31,130 (2013 - £63) are secured by a mortgage debenture incorporating a specific equitable charge over the assets of the company and £273,583 (2013 - £167,111) are secured on certain trade debts.

12. Deferred taxation

	2014	2013
	£	£
At beginning of year	24,827	33,482
Other movement- profit and loss account	12,670	(8,655)
	<u>37,497</u>	<u>24,827</u>

Notes to the Financial Statements

For the year ended 31 January 2014

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	37,497	24,827

13. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
117,648 Ordinary shares of £1 each	117,648	117,648

14. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 February 2013	80,947	383,739
Profit for the financial year	-	115,830
At 31 January 2014	80,947	499,569

15. Reconciliation of movement in shareholders' funds

	2014	2013
	£	£
Opening shareholders' funds	582,334	528,941
Profit for the financial year	115,830	53,393
Closing shareholders' funds	698,164	582,334

Notes to the Financial Statements

For the year ended 31 January 2014

16. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	124,394	68,242
Depreciation of tangible fixed assets	75,278	71,077
Decrease/(increase) in stocks	78,109	(62,192)
(Increase)/decrease in debtors	(148,064)	166,597
Increase/(decrease) in creditors	27,712	(17,781)
(Decrease)/increase in amounts owed to group undertakings	(209,216)	56,770
Net cash (outflow)/inflow from operating activities	(51,787)	282,713

17. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(6,830)	(9,399)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(92,634)	(125,687)

18. Analysis of changes in net debt

	1 February 2013 £	Cash flow £	Other non-cash changes £	31 January 2014 £
Cash at bank and in hand	5,392	(5,335)	-	57
Bank overdraft	(167,174)	(137,539)	-	(304,713)
Net debt	(161,782)	(142,874)	-	(304,656)

19. Pension commitments

The company contributes to a defined contributions pension scheme. The total contributions for the year amounted to £18,594 (2013 - £18,550). At 31 January 2014 there were no unpaid contributions at the beginning and end of the year.

Notes to the Financial Statements

For the year ended 31 January 2014

20. Operating lease commitments

At 31 January 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
After more than 5 years	60,000	60,000	49,888	49,888

The parent company Cornelius Group plc has guaranteed to pay the above commitments in the event that Cornelius Specialties Limited is unable to do so.

21. Derivatives

At the year end the company was party to a number of foreign exchange contracts to sell \$360,000 (2013 - \$465,000) and to purchase €120,000 (2012 - €75,000). At 31 January 2014, the fair value of these agreements was an asset of £2,084 (2013 - liability of £228,971)

22. Related party transactions

During the year the company paid a management charge of £25,000 (2013 - £25,000) to Cornelius Group PLC.

The company made purchases of £50,958 (2013 - £61,291) from Cornelius Group PLC.

At 31 January 2014 the company owed Cornelius Group PLC £136,302 (2013 - £345,518)

23. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of this company is Cornelius Group plc by virtue of its 85% holding in Cornelius Specialties Limited.

The largest of undertakings for which group accounts have been drawn up is that headed by Cornelius Group plc. Copies of the group accounts can be obtained at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.