

SMP Group plc
FINANCIAL STATEMENTS
for the year ended
31 December 2013

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COMPANIES HOUSE

Company number 2627262

SMP Group plc

DIRECTORS AND OFFICERS

DIRECTORS

PJ Mitchell
B Slade
Dr JWS Oppenheimer
RK Bleek
NJA Buckley
PS Chapman
PJ Darwin
DR Jarvis
BD Jeffrey
BM Jeffrey
H Patel
NP Stagg
MI Turner

Chairman
Managing Director

SECRETARY

PS Chapman

COMPANY NUMBER

2627262 (England and Wales)

REGISTERED OFFICE

2 Swan Road
Woolwich
London SE18 5TT

BANKERS

Barclays Bank plc
Croydon Business Centre
1 North End
Croydon CRO 1RN

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

SMP Group plc

DIRECTORS' REPORT

The directors submit their report and the financial statements of SMP Group plc for the year ended 31 December 2013.

STRATEGIC REPORT

Information is not shown within the Directors' Report as it is instead included on page 4 within the Strategic Report under S414c(11).

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were those of lithographic, screen and digital printers.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £1,010,749 (2012: £1,048,497). The company did not pay a dividend during the year. The directors do not recommend payment of a final dividend.

DIRECTORS

The following directors have held office since 1 January 2013:

PJ Mitchell
B Slade
Dr JWS Oppenheimer
RK Bleek
NJA Buckley
PS Chapman
PJ Darwin
DR Jarvis
BD Jeffrey
BM Jeffrey
H Patel
NP Stagg
MI Turner
S Summers

(appointed 4 October 2013; resigned 28 March 2014)

RESEARCH AND DEVELOPMENT

The company carried out research and development as, in the opinion of the directors, continuity of investment in this area is essential for the maintenance of the company's market position and for future growth.

SMP Group plc

DIRECTORS' REPORT *(continued)*

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board

Dr JWS Oppenheimer
Director



Date: 20 June 2014

SMP Group plc

STRATEGIC REPORT

The directors submit their strategic report and the financial statements of SMP Group plc for the year ended 31 December 2013.

REVIEW OF THE BUSINESS

The Company's performance continues to compare favourably with that of many competitors, although our predictions in previous annual reports that market conditions would continue to be challenging has been proved correct. Notwithstanding, the turnover has increased by nearly 6% and the Company has maintained financial stability in an economic climate of relentless pressure on prices. Adherence to lean manufacturing principles and compliance with SEDEX criteria have continued to benefit both the Company and our clients.

The Directors have continued to exercise rigorous control of debtors and costs and to manage cash prudently. Thus the company has been able to maintain sustainable growth and to invest both in plant and in people. Wages, salaries and other costs have been carefully monitored and the Directors will continue to make every effort to ensure that the Company develops and prospers, remaining innovative and competitive in its ever-changing market sector.

The Directors plan to continue to grow the core businesses within the Company's existing markets as well as identifying and researching new opportunities and seeking to expand into new markets.

KEY PERFORMANCE INDICATORS

The Directors of the Company are pleased with its performance during the year ended 31 December 2013 and report that there is continued growth in all key areas of the business. They regard turnover and gross profit as being the main KPIs used in the business. Turnover rose to £32.27 million, which is a 6% increase on the previous year, with Gross Profit of £7.55 million and Operating Profit of £2.27 million.

MONITORING AND MANAGING RISK

There are a number of potential risks and uncertainties which could have a material impact on the company's long term performance. These risks are monitored by the Board on a regular basis.

The Board and management team consider the risk implications of all significant business decisions and risks are re-assessed on a regular basis to ensure that any changes in the company's operations, or the external environment, are identified and appropriately managed. The key risks affecting the business are as follows:

Operating risk – The company's reputation and continued success depends on its ability to provide services to customers safely, efficiently and cost effectively. The company operates under ISO 9001 – quality assurance, ISO 14001 – environmental assurance and ISO 18001 – health and safety assurance standards, which provide a framework to ensure the operational policies and procedures are communicated, understood and adhered to.

Market risk – The market in which the company operates is specialised and the company maintains its competitive advantage by providing a high level of customer service. The company keeps abreast of developments in the market by maintaining good relationships with existing and potential customers.

Personnel risk – The company places great emphasis on recruiting, training and retaining high quality competent staff. The directors consider succession planning issues on a regular basis.

Financial risk – As a privately owned company, SMP Group plc is principally funded from retained profits and is reliant on converting these profits into cash. Financial monitoring, forecasting and planning are continuous processes, with particular emphasis on balancing the maintenance of the gross profit margin with the delivery of a high quality service to customers.

SMP Group plc

STRATEGIC REPORT *(continued)*

FINANCIAL INSTRUMENTS

The company has no financial instruments.

By order of the board

Dr JWS Oppenheimer
Director

Date: 20 June 2014

A handwritten signature in black ink, appearing to be 'JWS Oppenheimer', written over the text 'By order of the board'.

SMP Group plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMP GROUP PLC

We have audited the financial statements on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 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

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/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 and the Strategic 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.



Geoff Wightwick (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

25 June 2014

SMP Group plc
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	32,268,405	30,471,022
Cost of sales (including exceptional item of £Nil (2012: £1,397,261) see Note 6)		(24,721,481)	(23,294,833)
Gross profit		<u>7,546,924</u>	<u>7,176,189</u>
Operating expenses	2	(5,276,925)	(5,302,290)
OPERATING PROFIT		<u>2,269,999</u>	<u>1,873,899</u>
Profit on disposal of fixed assets		29,841	75,795
		<u>2,299,840</u>	<u>1,949,694</u>
Investment income	3	9,515	16,291
Interest payable	4	(62,532)	(73,010)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>2,246,823</u>	<u>1,892,975</u>
Taxation	7	(1,236,074)	(844,478)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u><u>£1,010,749</u></u>	<u><u>£1,048,497</u></u>

Turnover and operating profit are derived from the company's continuing operations.

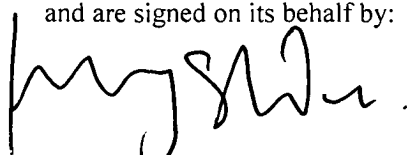
No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

SMP Group plc
BALANCE SHEET
31 December 2013

Company number 2627262

	<i>Notes</i>	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	3,656,083	4,187,199
Investments	9	100,236	100,011
		<u>3,756,319</u>	<u>4,287,210</u>
CURRENT ASSETS			
Stocks	10	401,600	508,264
Debtors	11	8,011,894	9,149,319
Cash at bank and in hand		5,439,313	1,506,205
		<u>13,852,807</u>	<u>11,163,788</u>
CREDITORS: Amounts falling due within one year	12	<u>(8,755,078)</u>	<u>(7,073,925)</u>
NET CURRENT ASSETS		<u>5,097,729</u>	<u>4,089,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,854,048</u>	<u>8,377,073</u>
CREDITORS: Amounts falling due after more than one year	13	(925,792)	(1,363,907)
PROVISION FOR LIABILITIES	14	(1,535,640)	(1,631,299)
NET ASSETS		<u>£6,392,616</u>	<u>£5,381,867</u>
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Profit and loss account	16	6,329,371	5,318,622
Other reserves	17	13,245	13,245
SHAREHOLDERS' FUNDS	18	<u>£6,392,616</u>	<u>£5,381,867</u>

The financial statements on pages 8 to 22 were approved by the board of directors for issue on 20 June 2014 and are signed on its behalf by:



B Slade

Director

SMP Group plc

CASH FLOW STATEMENT

for the year ended 31 December 2013

	<i>Notes</i>	2013 £	2012 £
Cash inflow from operating activities	19a	6,168,593	831,798
Returns on investments and servicing of finance	19b	(53,017)	(56,719)
Taxation		(1,050,568)	(976,715)
Capital expenditure and financial investment	19b	(171,728)	106,741
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		4,893,280	(94,895)
Financing	19b	(960,172)	(1,324,272)
INCREASE/(DECREASE) IN CASH IN THE YEAR		£3,933,108	£(1,419,167)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£	£
Increase/(decrease) in cash in the year		3,933,108	(1,419,167)
Change in net debt resulting from cash flows		960,172	1,324,272
New finance leases		(521,057)	(910,678)
MOVEMENT IN NET FUNDS IN THE YEAR		4,372,223	(1,005,573)
NET (DEBT)/FUNDS AT 1 JANUARY 2013		(765,837)	239,736
NET FUNDS/(DEBT) AT 31 DECEMBER 2013	19c	£3,606,386	£(765,837)

SMP Group plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Improvements to leasehold properties	4% straight line
Plant and machinery	varying between 5% and 20% straight line
Fixtures, fittings and equipment	20% of net book value
Computer and office equipment	15% straight line
Motor vehicles	20% straight line

INVESTMENTS

Long term investments are described as participating interests, and are classified as fixed assets. Participating interests are stated at cost. Provision is made for any permanent diminution in the value of fixed asset investments.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

LIABILITIES

Liabilities are recognised when the entity has an obligation to transfer economic benefits as a result of past transactions or events.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

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

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to the profit and loss account in the year it is incurred.

SMP Group plc

ACCOUNTING POLICIES *(continued)*

RETIREMENT BENEFITS

For defined contribution pension schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated using the exchange rates at the reporting date.

Gains and losses arising from change in exchange rates after the date of transactions are recognised in the profit and loss account.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and/or services provided in the normal course of business, net of discounts, and VAT.

Revenue from printing services is provided on a time and materials basis. Revenue is recognised at the contractual rates as hours are delivered and materials expenses are incurred.

SHARE BASED PAYMENTS

The Group issues equity-settled transactions to certain employees. Equity-settled share based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity, arising wholly within the United Kingdom.

	2013 £	2012 £
2 OPERATING EXPENSES		
Selling and distribution costs	2,726,106	2,463,982
Administration expenses	2,550,819	2,838,308
	<u>£5,276,925</u>	<u>£5,302,290</u>
3 INVESTMENT INCOME	2013 £	2012 £
Bank interest receivable	<u>£9,515</u>	<u>£16,291</u>
4 INTEREST PAYABLE	2013 £	2012 £
On bank loans, overdrafts and other loans repayable within five years		
Finance leases	56,426	70,203
Other interest payable	6,106	2,807
	<u>£62,532</u>	<u>£73,010</u>

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	owned assets	442,970	591,404
	leased assets	810,547	731,293
	Operating lease rentals:		
	plant and machinery	1,479	1,479
	other	520,851	531,269
	Auditor's remuneration:		
	audit	37,800	39,500
	advisory services	-	10,135
	taxation	6,650	6,000
	(Profit)/loss on foreign exchange	(72,483)	40,217
	Exceptional items -		
	* dilapidations provision	-	1,397,261
		<u> </u>	<u> </u>

* The amount represents a provision for dilapidations and associated property costs during the previous year. The tax effect on this item was £342,329.

6	EMPLOYEES	2013 No.	2012 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Production	135	129
	Sales	19	18
	Office and management	13	12
		<u>167</u>	<u>159</u>
		<u> </u>	<u> </u>
		£	£
	Staff costs for the above persons:		
	Wages and salaries	7,340,092	6,630,490
	Social security costs	893,718	807,294
	Other pension costs	182,700	177,544
		<u>£8,416,510</u>	<u>£7,615,328</u>
		<u> </u>	<u> </u>

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

	2013 £	2012 £
6 EMPLOYEES <i>(continued)</i>		
DIRECTORS' REMUNERATION		
Emoluments (including benefits in kind)	1,348,070	1,277,659
Company contributions to money purchase pension schemes	106,860	105,045
	<u>£1,454,930</u>	<u>£1,382,704</u>
The number of directors to whom relevant benefits are accruing under money purchase pension schemes	10	10
The highest paid director -		
Emoluments (including benefits in kind)	184,928	184,892
Company contributions to money purchase pension schemes	17,496	17,220
	<u>£202,424</u>	<u>£202,112</u>
7 TAXATION	2013 £	2012 £
Based on the profit for the year:		
UK corporation tax on profits of the year	1,303,293	982,352
Adjustments relating to prior years	28,440	-
Current tax	<u>1,331,733</u>	<u>982,352</u>
Deferred taxation:		
Origination and reversal of timing differences	(65,137)	(108,121)
Attributable to decrease in rate of deferred tax	(30,522)	(29,753)
	<u>(95,659)</u>	<u>(137,874)</u>
Tax on profit on ordinary activities	<u>£1,236,074</u>	<u>£844,478</u>
Factors affecting tax charge for the year:		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:		
Profit on ordinary activities before tax	2,246,823	1,892,975
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	522,386	463,728
Effects of:		
Expenses not deductible for tax purposes	700,922	420,169
Depreciation in excess of capital allowances	79,985	127,155
Short term timing differences	-	(28,700)
Adjustments relating to prior years	28,440	-
	<u>£1,331,733</u>	<u>£982,352</u>

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

8	TANGIBLE FIXED ASSETS	<i>Improvements to leasehold properties £</i>	<i>Plant and machinery £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Computer and office equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
	Cost						
	1 January 2013	183,705	9,271,083	270,480	350,553	981,296	11,057,117
	Additions	-	425,931	-	39,311	295,268	760,510
	Disposals	-	(522,094)	-	(21,455)	(237,278)	(780,827)
	31 December 2013	183,705	9,174,920	270,480	368,409	1,039,286	11,036,800
	Depreciation						
	1 January 2013	46,463	5,773,975	251,586	271,846	526,048	6,869,918
	Charged in the year	7,347	1,036,173	3,781	27,718	178,498	1,253,517
	Disposals	-	(521,423)	-	(21,442)	(199,853)	(742,718)
	31 December 2013	53,810	6,288,725	255,367	278,122	504,693	7,380,717
	Net book value						
	31 December 2013	£129,895	£2,886,195	£15,113	£90,287	£534,593	£3,656,083
	31 December 2012	£137,242	£3,497,108	£18,894	£78,707	£455,248	£4,187,199

The net book value of plant and machinery includes £2,316,037 (2012: £2,750,669) and the net book value of motor vehicles includes £455,038 (2012: £382,573) in respect of assets held under finance leases.

9	FIXED ASSET INVESTMENTS	<i>Associated undertakings £</i>	<i>Subsidiary undertakings £</i>	<i>Total £</i>
	1 January 2013	100,008	3	100,011
	Additions	225	-	225
	31 December 2013	£100,233	£3	£100,236

The subsidiary undertakings' unaudited accounts for the year to 31 December 2013 show reserves and capital of £3.

The company has not prepared consolidated accounts, as it is exempt under S400 of the Companies Act 2006.

Unaudited accounts for Breed Communications Limited at 31 December 2013 show a profit of £24,881 (2012: Loss £65,094) and negative reserves and capital of £90,691 (2012: £115,572).

Unaudited accounts for 3D Print Limited at 30 June 2013 show a loss of £166 and reserves and capital of £56.

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

9 FIXED ASSET INVESTMENTS *(continued)*

Subsidiary undertakings:	Country of registration	Proportion of ordinary shares held	Nature of business
Campaign Posters Limited	England	100%	Dormant
Last 4 Feet Limited	England	100%	Dormant
Associated undertakings:			
Breed Communications Limited	England	33%	Advertising services
3D Print Limited	England	25%	Advertising services

10	STOCKS	2013 £	2012 £
	Raw materials and consumables	345,834	432,265
	Work in progress	55,766	75,999
		<u>£401,600</u>	<u>£508,264</u>

11	DEBTORS	2013 £	2012 £
	Due within one year:		
	Trade debtors	6,438,945	8,063,252
	Amounts owed by group undertakings	1,136,646	794,393
	Amounts owed by associated undertaking	100,000	-
	Other debtors	16,636	11,542
	Prepayments and accrued income	319,667	280,132
		<u>£8,011,894</u>	<u>£9,149,319</u>

12	CREDITORS: Amounts falling due within one year	2013 £	2012 £
	BORROWINGS		
	Obligations under finance leases (Note 20)	907,135	908,135
		<u></u>	<u></u>
	Trade creditors	4,192,511	4,136,642
	Amounts owed to group undertakings	103	103
	Corporation tax	866,039	584,874
	Other taxation and social security costs	593,013	515,742
	Other creditors	123,960	123,960
	Accruals and deferred income	2,072,317	804,469
		<u>7,847,943</u>	<u>6,165,790</u>
		<u>£8,755,078</u>	<u>£7,073,925</u>

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

	2013	2012
	£	£
13 CREDITORS: Amounts falling due in more than one year		
Obligations under finance leases (Note 20)	£925,792	£1,363,907

Obligations under finance leases are secured by the assets to which they relate.

14 PROVISIONS FOR LIABILITIES	<i>Property dilapidations</i>	<i>Deferred taxation</i>	<i>Total</i>
	£	£	£
Balance at 1 January 2013	1,397,261	234,038	1,631,299
Transfer to profit and loss account	-	(95,659)	(95,659)
Balance at 31 December 2013	£1,397,261	£138,379	£1,535,640

Deferred taxation fully provided in the financial statements is as follows:

	<i>Amount provided</i>	
	2013	2012
	£	£
Excess of tax allowances over depreciation	141,416	237,530
Short term timing differences	(3,037)	(3,492)
	£138,379	£234,038

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

	2013 £	2012 £
15 SHARE CAPITAL		
Allotted, issued and fully paid: 50,000 ordinary shares of £1 each	£50,000	£50,000
16 PROFIT AND LOSS ACCOUNT	2013 £	2012 £
1 January 2013	5,318,622	4,270,125
Profit for the financial year	1,010,749	1,048,497
31 December 2013	£6,329,371	£5,318,622
17 OTHER RESERVES		<i>Share based payment reserve</i>
1 January and 31 December 2013		£13,245
18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013 £	2012 £
Profit after taxation	1,010,749	1,048,497
Opening shareholders' funds	5,381,867	4,333,370
Closing shareholders' funds	£6,392,616	£5,381,867
19 CASH FLOWS	2013 £	2012 £
a Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	2,269,999	1,873,899
Depreciation	1,253,517	1,322,697
Decrease/(increase) in stocks	106,664	(120,230)
Decrease/(increase) in debtors	1,137,425	(2,418,962)
Increase in creditors	1,400,988	174,394
Net cash flow from operating activities	£6,168,593	£831,798

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

		2013 £	2012 £
19	CASH FLOWS <i>(continued)</i>		
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	9,515	16,291
	Interest element of finance lease rental payments	(56,426)	(70,203)
	Interest paid	(6,106)	(2,807)
	Net cash outflow for returns on investment and servicing of income	£(53,017)	£(56,719)
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(239,453)	(304,392)
	Sale of tangible fixed assets	67,950	411,133
	Purchase of shares in associate	(225)	-
	Net cash (outflow)/inflow for capital expenditure and financial investment	£(171,728)	£106,741
	Financing		
	Capital element of finance lease rental payments	(960,172)	(1,324,272)
	Net cash outflow from financing	£(960,172)	£(1,324,272)
c	Analysis of net (debt)/funds		
	<i>At</i>		
	<i>1 January</i>		
	<i>2013</i>	<i>Cash flow</i>	<i>Other non</i>
	<i>£</i>	<i>£</i>	<i>cash</i>
			<i>changes</i>
			<i>£</i>
			<i>At</i>
			<i>31 December</i>
			<i>2013</i>
			<i>£</i>
	Cash at bank and in hand	1,506,205	3,933,108
	Finance leases	(2,272,042)	960,172
			(521,057)
	Total	£(765,837)	£3,606,386

d Major non-cash transactions

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £521,057 (2012: £910,678).

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

20 LEASING COMMITMENTS

	2013	2012
	£	£
Obligations under finance leases -		
Amounts payable within one year	907,135	908,135
Amounts payable between two and five years	925,792	1,363,907
	<u>£1,832,927</u>	<u>£2,272,042</u>

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

	2013	2012
	£	£
Land and buildings		
Expiring between two and five years	15,500	15,500
Expiring in more than five years	501,644	473,725
	<u>517,144</u>	<u>489,225</u>
Other		
Expiring within one year	13,327	-
Expiring between two and five years	21,782	38,260
	<u>35,109</u>	<u>38,260</u>
Total	<u>£552,253</u>	<u>£527,485</u>

21 PENSION COMMITMENTS

The company operates defined contribution pension schemes whose assets are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £182,700 (2012: £177,544). Contributions totalling £1,940 (2012: £1,940) were payable to the funds at the year end.

22 RELATED PARTY TRANSACTIONS

- a) During the year the company provided a loan to its associated undertaking, Breed Communications Limited. At 31 December 2013 the balance outstanding was £100,000. No interest is charged on this loan and it is repayable on demand.

During the year the company incurred consulting services costs totalling £2,742,957 (2012: £1,523,551) from Amarium House, a company in which the directors of SMP Group Holdings Limited have an interest. The amount outstanding at the year end was £1,421,301 (2012: £243,256).

- b) The company has taken advantage of the exemptions in FRS8 that transactions do not need to be disclosed with companies 100% of whose voting rights are controlled within the group.

SMP Group plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013 *(continued)*

23 CONTINGENT LIABILITIES

The company's bankers have a fixed and floating charge over the group and all its property and assets to secure all monies due from the company and/or any of the companies presently in the group.

24 HOLDING COMPANY

The ultimate holding company is SMP Group Holdings Limited, a company incorporated in England.

	2013 £	2012 £
25 CAPITAL COMMITMENTS		
Capital expenditure contracted for but not provided in the financial statements	£Nil	£308,830

26 EQUITY-SETTLED SHARE OPTION PLAN

The Group set up an Enterprise Management Incentive Share option plan on 31 May 2007 over the shares in SMP Group Holdings Limited. Options are granted at market value on the date of the grant. The vesting period is immediately or, subject to the option holder continuing to hold office or employment within the group. If options remain unexercised after a period of 10 years from the date of the grant, the option expires. Furthermore, options are forfeited if an employee leaves employment for any reason, or if the company commences winding up procedures.

Enterprise Management Incentive options:

	2013 Options number *	Weighted average exercise price *	2012 Options number *	Weighted average exercise price *
Outstanding at 1 January and 31 December	800	41.89	800	41.89

* The options number and exercise price are adjusted to reflect the sub-division of SMP Group Holdings Limited £1 ordinary shares into 10p ordinary shares.

The options outstanding at 31 December 2013 had a weighted average price of £41.89 (2012: £41.89) and a weighted average remaining contractual life of 3.5 years (2012: 4.5 years).

27 CONTROL

There is no overall controlling party.