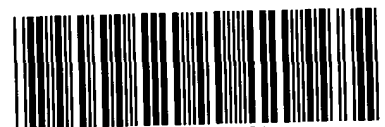


Company Registration No. 08063321 (England and Wales)

**DUFFELLS INVESTMENTS LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2014**

MONDAY



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# DUFFELLS INVESTMENTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N Bartholomew A Kunes J Kunes
<b>Company number</b>	08063321
<b>Registered office</b>	Unit 3 Commerce Park 19 Commerce Way Croydon Surrey CR0 4YL
<b>Auditors</b>	Baker Tilly UK Audit LLP Chartered Accountants STC House 7 Elmfield Road Bromley Kent BR1 1LT

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# DUFFELLS INVESTMENTS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors present the strategic report and financial statements for the year ended 31 December 2014.

### Review of the business

The group is a long established wholesale distributor of locks, security, ironmongery, UPVC repair and other specialist locking products to the UK and Ireland. Distribution of products takes place by courier following the day an order is placed by phone, fax, email or internet. There is also a trade counter where customers can collect items in person.

Management consider that the group is a one stop shop due to the vast product range held in stock and in terms of finding products through a special orders team. The group also offers a technical support service and it is an affiliate member of the Master Locksmiths Association and GAI (Guild of Architectural Ironmongers).

Management's main objectives include seeking to expand the customer base of the group and consequently improve profitability and to perform their duties within the relevant laws and regulations.

The company employed 74 staff at the end of 2014 as opposed to 82 at the beginning of 2014.

### Principal risks and uncertainties

The principal risks and uncertainties that the group faces are considered by management to be as follows:

Economic downturn - management acknowledges that it is important to maintain a close relationship with its key customers so that early signs of financial difficulties may be identified. Sales trends are also reviewed periodically so that early action can be taken in case of a decline in sales.

Financial risk - Cash flow is regularly monitored to ensure that sufficient facilities are in place. In order to maintain sufficient cash flow there are strict credit control procedures in place which helped to maintain minimal bad debt.

Competition - it is considered that the market in which the group operates is very competitive. In order to manage this particular risk the group provides quality service together with an extensive stock range and maintains a strong relationship with its key customers.

Reliance on key suppliers - the group's purchasing activities could expose it to over reliance on some suppliers. This risk is managed by having a wide supplier base.

Loss of key personnel - to avoid the operational difficulties that may be caused by this risk management seek to ensure that key employees are appropriately remunerated.

On behalf of the board

  
N Bartholomew  
Director

# DUFFELLS INVESTMENTS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2014

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

#### Principal activities

The principal activity of the company continued to be that of a holding company. The group's activities cover wholesale distribution of locks, security, ironmongery, UPVC repair and other specialist locking products to the UK and Ireland.

#### Results and dividends

The group's trading profit for the year, after taxation was £141,865 (2013 profit £17,819).

An interim ordinary dividend was paid amounting to £222,222 (2013 - £Nil). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Bartholomew  
A Kuness  
J Kuness

#### Auditors

Baker Tilly UK Audit LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.


#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

#### Strategic report

Information is not shown within this Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11).

On behalf of the board

  
N Bartholomew  
Director  
.....  
28/09/15

## **DUFFELLS INVESTMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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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 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 group 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 then apply them consistently;
- make judgements 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 group and 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 company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUFFELLS INVESTMENTS LIMITED**

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We have audited the group and parent company financial statements ("the financial statements") on pages 5 to 21. 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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept 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.

*Baker Tilly UK Audit LLP*

Richard Coates (Senior Statutory Auditor)  
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
STC House  
7 Elmfield Road  
Bromley  
Kent  
BR1 1LT  
*28 September 2015*

# DUFFELLS INVESTMENTS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December 2014 £	Period ended 31 December 2013 £
	Notes		
<b>Turnover</b>	<b>2</b>	12,682,585	1,257,637
Cost of sales		(9,159,966)	(897,572)
<b>Gross profit</b>		3,522,619	360,065
Distribution costs		(907,073)	(94,739)
Administrative expenses		(2,319,025)	(239,882)
<b>Operating loss</b>		296,521	25,444
Interest payable and similar charges	<b>6</b>	(46,944)	-
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	249,577	25,444
Tax on profit on ordinary activities	<b>7</b>	(107,712)	(7,625)
<b>Profit on ordinary activities after taxation</b>	<b>19</b>	141,865	17,819

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**DUFFELLS INVESTMENTS LIMITED**  
**BALANCE SHEETS**
**AS AT 31 DECEMBER 2014**

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Intangible assets	10	1,690,012	1,880,047	-	-
Tangible assets	11	515,197	439,830	-	-
Investments	12	-	-	2,583,360	2,583,360
		<u>2,205,209</u>	<u>2,319,877</u>	<u>2,583,360</u>	<u>2,583,360</u>
<b>Current assets</b>					
Stocks	13	1,218,387	1,007,191	-	-
Debtors	14	2,026,997	1,760,942	76,512	76,512
Cash at bank and in hand		6,354	2,238	-	-
		<u>3,251,738</u>	<u>2,770,371</u>	<u>76,512</u>	<u>76,512</u>
<b>Creditors: amounts falling due within one year</b>	15	(3,255,387)	(2,581,173)	(350,000)	(100,000)
<b>Net current (liabilities)/assets</b>		<u>(3,649)</u>	<u>189,198</u>	<u>(273,488)</u>	<u>(23,488)</u>
<b>Total assets less current liabilities</b>		<u>2,201,560</u>	<u>2,509,075</u>	<u>2,309,872</u>	<u>2,559,872</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(1,750,000)	(2,000,000)	(1,750,000)	(2,000,000)
<b>Provisions for liabilities</b>	17	(54,226)	(31,384)	-	-
<b>Net assets</b>		<u>397,334</u>	<u>477,691</u>	<u>559,872</u>	<u>559,872</u>
<b>Capital and reserves</b>					
Called up share capital	18	100	100	100	100
Share premium account	19	459,772	459,772	459,772	459,772
Profit and loss account	19	(62,538)	17,819	100,000	100,000
<b>Shareholders' funds</b>	20	<u>397,334</u>	<u>477,691</u>	<u>559,872</u>	<u>559,872</u>

The financial statements on pages 5 to 21 were approved by the Board of Directors and authorised for issue on 28/09/15 and are signed on its behalf by:

A. Kunes  
Director

J. Kunes  
Director



# DUFFELLS INVESTMENTS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December 2014 £	Period ended 31 December 2013 £
Net cash inflow from operating activities	25	228,748	35,685
Returns from investment and servicing of finance	25	(46,944)	-
Taxation		(71,362)	-
Capital expenditure and financial investment	25	(222,256)	(28,277)
Acquisitions and disposals	25	-	(23,491)
Equity dividends		(222,222)	-
Cash outflow before management of liquid resources and financing		(334,036)	(16,083)
Financing	25	386,896	15,104
<b>Increase/(decrease) in cash in the year</b>		<b>52,860</b>	<b>(979)</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

<b>Increase/(decrease) in cash in the year</b>		52,860	(979)
Net cash outflow from movement in debt and lease financing		(386,896)	(15,104)
Change in net debt resulting from cash flows		(334,036)	(16,083)
Debt acquired with subsidiary		-	(661,526)
Issue of loan notes		-	(2,100,000)
<b>Movement in net debt in the year</b>		<b>(334,036)</b>	<b>(2,777,609)</b>
Opening net debt		(2,777,609)	-
Closing net debt	25	(3,111,645)	(2,777,609)

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 1 Accounting policies

#### Basis of accounting

The financial statements are prepared under the historical cost convention.

#### Going Concern

After making reasonable enquiries, the board of directors consider that the group has adequate resources to continue its operations for the foreseeable future and therefore these financial statements have been prepared on a going concern basis.

#### Comparative period

The comparative period comprises trading from the date of acquisition of M.E. Duffell Limited on 22 November 2013 to 31 December 2013.

#### Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 December 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

The holding company has not presented its own profit and loss account as provided by Section 408 of the Companies Act 2006.

#### Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

Turnover is recognised on sale of goods.

#### Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over lease term of 10 years
Plant and machinery	25% Reducing balance
Computer equipment	20% Straight line
Fixtures, fittings and equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

#### Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 1 Accounting policies (Continued)

#### **Pensions**

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

#### **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **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.

#### **Financed receivables**

Trade debtors are subject to a financing agreement whereby an advance is received upon and secured against trade receivables.

Where the company had retained significant benefits and risks relating to the financed debts, separate presentation is adopted whereby the gross debts and a corresponding liability in respect of the advanced received are shown separately on the balance sheet, the interest element of the finance charge is recognised as it accrues and is included in the profit and loss account with other interest charges.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>3</b>	<b>Profit on ordinary activities before taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Amortisation of intangible assets	190,035	20,305
	Depreciation of tangible fixed assets		
	- owned	145,767	10,843
	Loss on disposal of tangible assets	1,122	16,463
	Operating lease rentals	161,631	12,625
	Auditor's remuneration for statutory audit	1,500	950
		<u>          </u>	<u>          </u>

### 4 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Directors	3	5
Office	40	33
Warehouse	33	26
	<u>          </u>	<u>          </u>
	76	64
	<u>          </u>	<u>          </u>

#### Employment costs

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,643,040	168,459
Social security costs	142,634	16,391
Other pension costs	34,185	3,665
	<u>          </u>	<u>          </u>
	1,819,859	188,515
	<u>          </u>	<u>          </u>

<b>5</b>	<b>Directors' remuneration</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	26,399	30,875
	Company pension contributions to money purchase pension schemes	437	2,794
		<u>          </u>	<u>          </u>
		26,836	33,669
		<u>          </u>	<u>          </u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 2).

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>6</b>	<b>Interest payable and similar charges</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	13	-
	Lease finance charges	42,003	-
	Other interest	4,928	-
		<u>46,944</u>	<u>-</u>
<b>7</b>	<b>Tax on profit on ordinary activities</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	U.K. corporation tax	84,870	7,625
	<b>Total current tax</b>	<u>84,870</u>	<u>7,625</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	22,842	31,384
	Deferred tax adjustments arising in previous periods	-	(31,384)
	<b>Total deferred tax</b>	<u>22,842</u>	<u>-</u>
	<b>Total tax on profit on ordinary activities</b>	<u>107,712</u>	<u>7,625</u>
	<b>Factors affecting the tax charge for the year</b>		
	The tax assessed for the year is higher than the standard rate of corporation tax of 21.50% (2013 - 20.55%). The differences are explained below:		
	Profit on ordinary activities before taxation	<u>249,577</u>	<u>25,444</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.5% (2013 - 20.55%)	<u>53,659</u>	<u>5,228</u>
	Effects of:		
	Expenses not deductible for tax purposes	15,638	53
	Depreciation/amortisation add back	72,197	7,100
	Capital allowances	(55,295)	(5,126)
	Marginal relief	(1,303)	-
	Chargeable disposals	-	370
	Other tax adjustments	(26)	-
		<u>31,211</u>	<u>2,397</u>
	<b>Current tax charge for the period</b>	<u>84,870</u>	<u>7,625</u>

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 8 Profit attributable to members of the parent company

	2014 £	2013 £
Dealt with in the financial statements of the parent company	222,222	100,000

### 9 Dividends

	2014 £	2013 £
Interim dividends paid on ordinary shares	222,222	-

### 10 Intangible assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	1,900,352
<b>Amortisation</b>	
At 1 January 2014	20,305
Charge for the year	190,035
At 31 December 2014	210,340
<b>Net book value</b>	
At 31 December 2014	1,690,012
At 31 December 2013	1,880,047

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 11 Tangible fixed assets

Group	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2014	295,934	386,564	61,752	9,156	753,406
Additions	15,824	165,760	40,772	-	222,356
Disposals	-	-	-	(9,156)	(9,156)
At 31 December 2014	311,758	552,324	102,524	-	966,606
<b>Depreciation</b>					
At 1 January 2014	77,112	195,202	33,328	7,934	313,576
On disposals	-	-	-	(7,934)	(7,934)
Charge for the year	31,176	97,350	17,241	-	145,767
At 31 December 2014	108,288	292,552	50,569	-	451,409
<b>Net book value</b>					
At 31 December 2014	203,470	259,772	51,955	-	515,197
At 31 December 2013	218,822	191,362	28,424	1,222	439,830

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 12 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	2,583,360
<b>Net book value</b>	
At 31 December 2014	2,583,360
At 31 December 2013	2,583,360

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
M. E. Duffell Limited	England	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
M. E. Duffell Limited	Wholesale of security products

### 13 Stocks

	Group 2014 £	2013 £	Company 2014 £	2013 £
Finished goods and goods for resale	1,218,387	1,007,191	-	-



# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 14 Debtors

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trade debtors	1,553,152	1,587,807	-	-
Amounts owed by group undertakings	-	-	76,412	76,412
Other debtors	386,947	104,497	100	100
Prepayments and accrued income	86,898	68,638	-	-
	<u>2,026,997</u>	<u>1,760,942</u>	<u>76,512</u>	<u>76,512</u>

Trade debtors have been pledged as security against amounts due in respect of financed receivables (note 15).

### 15 Creditors : amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank overdrafts	4,287	53,031	-	-
Trade creditors	1,563,752	1,516,028	-	-
Financed receivables	1,013,712	626,816	-	-
Corporation tax	84,871	71,363	-	-
Taxation and social security costs	127,823	107,367	-	-
Directors current accounts	44,150	51,740	-	-
Other creditors	350,176	100,922	350,000	100,000
Accruals and deferred income	66,616	53,906	-	-
	<u>3,255,387</u>	<u>2,581,173</u>	<u>350,000</u>	<u>100,000</u>
Debt due in one year or less	<u>350,000</u>	<u>100,000</u>	<u>350,000</u>	<u>100,000</u>

Bank overdrafts of £4,287(2013 - £53,031) are secured by a debenture and a fixed and floating charge given by M E Duffell Ltd to Barclays Bank plc.

Financed receivables totalling £1,013,712 (2013 - £626,816) are secured against the underlying trade debtors of the group (note 14).

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 16 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Other loans	1,750,000	2,000,000	1,750,000	2,000,000
<b>Analysis of loans</b>				
Wholly repayable within five years	2,100,000	2,100,000	2,100,000	2,100,000
Included in current liabilities	(350,000)	(100,000)	(350,000)	(100,000)
	1,750,000	2,000,000	1,750,000	2,000,000
<b>Debt maturity analysis</b>				
Amounts payable:				
In more than five years	1,750,000	2,000,000	1,750,000	2,000,000

Other loans represent the loan notes relating to the acquisition of M.E. Duffell Limited, which are redeemable by way of annual dividends to the extent that the profits are available for distribution. These loans are interest-free, unsecured and repayable in full by 2023.

### 17 Provisions for liabilities

Group	Deferred taxation £
Balance at 1 January 2014	31,384
Profit and loss account	22,842
Balance at 31 December 2014	54,226

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	54,226	31,384	-	-

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>18</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary shares of £1 each	100	100
		<u>          </u>	<u>          </u>
<b>19</b>	<b>Reserves</b>		
	<b>Group</b>		
		<b>Share</b>	<b>Profit</b>
		<b>premium</b>	<b>and loss</b>
		<b>account</b>	<b>account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2014	459,772	17,819
	Profit for the period	-	141,865
	Dividends paid	-	(222,222)
		<u>          </u>	<u>          </u>
	Balance at 31 December 2014	459,772	(62,538)
		<u>          </u>	<u>          </u>
	<b>Company</b>		
		<b>Share</b>	<b>Profit</b>
		<b>premium</b>	<b>and loss</b>
		<b>account</b>	<b>account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2014	459,772	100,000
	Profit for the year	-	222,222
	Dividends paid	-	(222,222)
		<u>          </u>	<u>          </u>
	Balance at 31 December 2014	459,772	100,000
		<u>          </u>	<u>          </u>

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

20	Reconciliation of movements in shareholders' funds Group	2014	2013
		£	£
	Profit for the financial year	141,865	17,819
	Dividends	(222,222)	-
		(80,357)	17,819
	Proceeds from issue of shares	-	459,772
	Net (depletion in)/addition to shareholders' funds	(80,357)	477,591
	Opening shareholders' funds	477,691	466,117
	Closing shareholders' funds	397,334	477,691
		2014	2013
	Company	£	£
	Profit for the financial year	222,222	100,000
	Dividends	(222,222)	-
		-	100,000
	Proceeds from issue of shares	-	459,869
	Net addition to shareholders' funds	-	559,869
	Opening shareholders' funds	559,872	3
	Closing shareholders' funds	559,872	559,872

### 21 Commitments under operating leases

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

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	44,218	-
Between two and five years	65,000	-
In over five years	-	122,357
	109,218	122,357

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 22 Retirement Benefits

#### Defined contribution scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. No contributions were outstanding and payable to the fund at the year end.

	2014 £	2013 £
Contributions payable by the group for the year	34,185	3,665

### 23 Related party relationships and transactions

#### Amounts due to directors

The directors of the company had loans during the year. The movement on these loans are as follows:

	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Directors' - loan account	(51,740)	212,518	(4,928)	200,000	(44,150)
	(51,740)	212,518	(4,928)	200,000	(44,150)

#### Dividends

The directors were paid dividends amounting to £200,001 (2013: £Nil).

#### Group

The group has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

### 24 Control

The directors are considered to be the overall controlling party due to their majority shareholding.

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 25 Notes to the cash flow statement

<b>Reconciliation of operating loss to net cash outflow from operating activities</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	296,521	25,444
Depreciation of tangible assets	145,767	10,843
Amortisation of intangible assets	190,035	20,305
Loss on disposal of tangible assets	1,122	16,463
Increase in stocks	(211,196)	(29,391)
Increase in debtors	(266,055)	(4,038)
Increase in creditors	72,554	(3,941)
<b>Net cash inflow from operating activities</b>	<b>228,748</b>	<b>35,685</b>
<b>Analysis of cash flows for headings netted in the cash flow statement</b>		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(4,941)	-
Invoice discounting charges paid	(42,003)	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(46,944)</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible assets	(222,356)	(28,923)
Receipts from sale of tangible assets	100	646
<b>Net cash outflow from capital expenditure &amp; financial investment</b>	<b>(222,256)</b>	<b>(28,277)</b>
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertakings	-	(23,491)
<b>Net cash outflow from acquisitions and disposals</b>	<b>-</b>	<b>(23,491)</b>
<b>Financing</b>		
Increase in financed receivables	386,896	15,104
<b>Net cash inflow from financing</b>	<b>386,896</b>	<b>15,104</b>

# DUFFELLS INVESTMENTS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 25 Notes to the cash flow statement (Continued)

#### Analysis of net debt

	1 January 2014 £	Cash flow £	Other non- cash changes £	31 December 2014 £
Net cash:				
Cash at bank and in hand	2,238	4,116	-	6,354
Bank overdrafts	(53,031)	48,744	-	(4,287)
	<u>(50,793)</u>	<u>52,860</u>	<u>-</u>	<u>2,067</u>
Debt:				
Financed receivables	(626,816)	(386,896)	-	(1,013,712)
Debts falling due within one year	(100,000)	-	(250,000)	(350,000)
Debts falling due after one year	(2,000,000)	-	250,000	(1,750,000)
	<u>(2,726,816)</u>	<u>(386,896)</u>	<u>-</u>	<u>(3,113,712)</u>
<b>Net debt</b>	<u>(2,777,609)</u>	<u>(334,036)</u>	<u>-</u>	<u>(3,111,645)</u>