

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2013
for
S.A.V. United Kingdom Limited**

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S.A.V. United Kingdom Limited

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for the Year Ended 31 December 2013**

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S.A.V. United Kingdom Limited
Company Information
for the Year Ended 31 December 2013

DIRECTORS: L C Fabricius
J O Hansen

SECRETARY: L C Fabricius

REGISTERED OFFICE: Scandia House
Boundary Road
Woking
Surrey
GU21 5BX

REGISTERED NUMBER: 00513621 (England and Wales)

AUDITOR: Baker Tilly UK Audit LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

S.A.V. United Kingdom Limited

Strategic Report for the Year Ended 31 December 2013

The directors submit their strategic report of SAV United Kingdom Limited (Company Registration No. 00513621) for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the supply of heating and plumbing systems and the components therein.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's turnover for the year was £7,084,238 (2012: £7,754,897), a decrease of 8.7%. This reduction has occurred due to a reduction in sales of its core FlatStation product. The company accordingly reallocated resources to its' related company EC Power GB Limited which grew significantly in the year and so the company was still able to report a profit of £344,676.

The company's business has strengthened significantly with net assets increasing from £813,815 to £1,158,491, cash at bank increasing from £141,933 to £341,610 and the company having £661,645 of unutilised finance available to it within its invoice discounting facility.

After the year end the company has signed a distribution agreement on one of its key products and so forecasts for turnover and profitability to rise above the levels of the prior year 2012 result.

KEY PERFORMANCE INDICATORS

The company considers its Key Performance Indicators to be turnover and gross profit.

	2013 £	2012 £
Sales	7,084,238	7,754,897
Gross profit	2,421,576	2,846,940
Gross profit margin	34.2%	36.7%

PRINCIPAL RISKS AND UNCERTAINTIES

The directors review the principal risks and uncertainties facing the company on a regular basis and ensure systems and policies are continuously updated to reflect any changes, they work in an efficient manner to minimise those risks and help achieve the company's objectives.

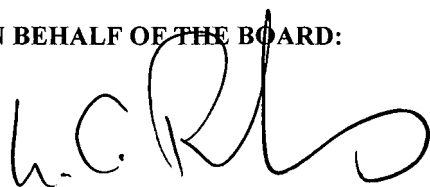
Credit Risk

The company has a significant and diverse customer base, ranging from large contractors to individual operations. This, combined with undertaking stringent credit checks and the implementation of further safeguards, where necessary, minimises credit risk.

Liquidity Risk

The company controls its cash flow by utilising commercial financing of its invoices, secured by its book debts. The directors monitor this on a daily basis to maintain the company's cash flow and manage the timing of the purchase of stock.

ON BEHALF OF THE BOARD:



L C Fabricius - Director

Date: 12/6/14

S.A.V. United Kingdom Limited

**Report of the Directors
for the Year Ended 31 December 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The company's trading profit for the year after taxation was £344,676 (2012: £409,928).

Dividends of £Nil (2012: £Nil) were paid in the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

RESEARCH AND DEVELOPMENT

The company is engaged in ongoing research and development aimed at improving and developing the next generation of Combined Heat & Power (CHP) units and improving the energy efficiency and monitoring systems of heating systems.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

L C Fabricius
J O Hansen

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 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 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.

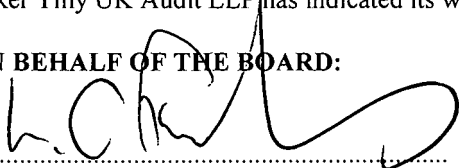
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

ON BEHALF OF THE BOARD:



L C Fabricius - Director

Date: 12/6/14

**Report of the Independent Auditor to the Members of
S.A.V. United Kingdom Limited**

We have audited the financial statements on pages five to fourteen. 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 a Report of the Auditor 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 three, 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 FRC's website at 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 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 Strategic Report and the Report of the Directors 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.

Baker Tilly UK Audit LLP

CHRISTOPHER HURREN FCA (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Date: *20 June 2014*

S.A.V. United Kingdom Limited

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

	Notes	31/12/13 £	31/12/12 £
TURNOVER	2	7,084,238	7,754,897
Cost of sales		<u>(4,662,662)</u>	<u>(4,907,957)</u>
Gross profit		2,421,576	2,846,940
Other operating expenses (net)		<u>(2,000,538)</u>	<u>(2,347,389)</u>
OPERATING PROFIT	5	421,038	499,551
Interest receivable and similar income		<u>10,707</u>	<u>4,845</u>
		431,745	504,396
Interest payable and similar charges	6	<u>(57,766)</u>	<u>(65,302)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		373,979	439,094
Tax on profit on ordinary activities	7	<u>(29,303)</u>	<u>(29,166)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>344,676</u></u>	<u><u>409,928</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

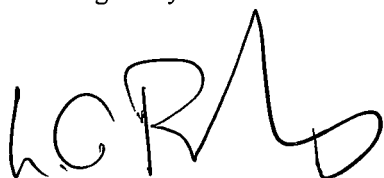
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Balance Sheet
31 December 2013

	Notes	31/12/13 £	31/12/12 £
FIXED ASSETS			
Tangible assets	8	1,686,034	1,692,205
Investments	9	<u>102,886</u>	<u>102,886</u>
		<u>1,788,920</u>	<u>1,795,091</u>
CURRENT ASSETS			
Stocks	10	1,091,690	823,670
Debtors	11	1,936,280	1,473,489
Cash at bank and in hand		<u>341,610</u>	<u>141,933</u>
		3,369,580	2,439,092
CREDITORS			
Amounts falling due within one year	12	<u>(3,247,359)</u>	<u>(2,645,777)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>122,221</u>	<u>(206,685)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,911,141	1,588,406
CREDITORS			
Amounts falling due after more than one year	13	(712,547)	(745,732)
PROVISIONS FOR LIABILITIES	16	<u>(40,103)</u>	<u>(28,859)</u>
NET ASSETS		<u><u>1,158,491</u></u>	<u><u>813,815</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Capital redemption reserve	18	10,344	10,344
Profit and loss account	18	<u>1,098,147</u>	<u>753,471</u>
SHAREHOLDERS' FUNDS	22	<u><u>1,158,491</u></u>	<u><u>813,815</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 12/6/14.....
and were signed by:



.....
L C Fabricius - Director

S.A.V. United Kingdom Limited

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

1. ACCOUNTING POLICIES

Basis of accounting

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, SAV Holding (UK) Limited, a company incorporated in England.

Going concern

The directors have assessed the operations of the company's group and have determined that, despite the company's net current liabilities position, in view of the support of its United Kingdom group, the company can expect to have sufficient working capital to meet its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Turnover is shown net of Value Added Tax for goods sold and services provided to external customers.

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost, net of depreciation and any provision for impairment. 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:

Freehold property - over 50 years

Plant and machinery - over 3 to 5 years

Freehold land is not depreciated.

Stocks

Stock is valued at the lower of cost and net realisable value. Cost of finished goods and 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.

Deferred tax

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 company'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. Timing differences that result in a deferred tax asset are only recognised to the extent that they are reasonably believed to be recoverable. Deferred tax is measured on a non-discounted basis.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

S.A.V. United Kingdom Limited

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

1. ACCOUNTING POLICIES - continued

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

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

Pension contributions

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

2. TURNOVER

In the year to 31 December 2013 2% (2012 - 1%) of the company's turnover was to markets outside the United Kingdom.

3. STAFF COSTS

	31/12/13	31/12/12
	£	£
Wages and salaries	1,888,949	1,650,684
Social security costs	221,740	192,481
Other pension costs	<u>22,035</u>	<u>132,842</u>
	<u><u>2,132,724</u></u>	<u><u>1,976,007</u></u>

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

	31/12/13	31/12/12
Management and administration	9	9
Sales and distribution	<u>32</u>	<u>27</u>
	<u><u>41</u></u>	<u><u>36</u></u>

4. DIRECTORS' EMOLUMENTS

	31/12/13	31/12/12
	£	£
Directors' remuneration	345,467	296,860
Defined contribution pension cost	<u>-</u>	<u>7,842</u>
	<u><u>304,702</u></u>	<u><u>304,702</u></u>

Information regarding the highest paid director is as follows:

	31/12/13	31/12/12
	£	£
Emoluments etc	<u><u>173,027</u></u>	<u><u>152,130</u></u>

S.A.V. United Kingdom Limited

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

5. OPERATING PROFIT

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

	31/12/13	31/12/12
	£	£
Depreciation - owned assets	90,084	87,138
Depreciation - assets on hire purchase contracts	15,864	6,590
Profit on disposal of fixed assets	(225)	(4,123)
Auditor's remuneration	<u>13,000</u>	<u>13,000</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31/12/13	31/12/12
	£	£
Bank interest	54,468	63,682
Hire purchase	<u>3,298</u>	<u>1,620</u>
	<u>57,766</u>	<u>65,302</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31/12/13	31/12/12
	£	£
Current tax:		
UK corporation tax	10,299	48,609
Prior year under / (over) provision	<u>7,760</u>	<u>(17,228)</u>
Total current tax	18,059	31,381
Deferred tax	<u>11,244</u>	<u>(2,215)</u>
Tax on profit on ordinary activities	<u>29,303</u>	<u>29,166</u>

S.A.V. United Kingdom Limited

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

7. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/13 £	31/12/12 £
Profit on ordinary activities before tax	<u>373,979</u>	<u>439,094</u>
Profit on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 20% (2012 - 24%)	74,796	105,383
Effects of:		
Expenses not deductible for tax purposes	2,565	16,787
Capital allowances in excess of depreciation	(5,696)	-
Depreciation in excess of capital allowances	-	2,109
Utilisation of tax losses	-	(8,803)
Adjustments to tax charge in respect of previous periods	7,760	(17,228)
Research and development	(62,217)	(64,500)
Small companies tax rate	-	(2,189)
Other tax adjustments	851	(178)
	<u>18,059</u>	<u>31,381</u>
Current tax charge	<u>18,059</u>	<u>31,381</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST				
At 1 January 2013	1,556,897	530,502	100,406	2,187,805
Additions	-	54,901	45,484	100,385
Disposals	<u>-</u>	<u>-</u>	<u>(3,238)</u>	<u>(3,238)</u>
At 31 December 2013	<u>1,556,897</u>	<u>585,403</u>	<u>142,652</u>	<u>2,284,952</u>
DEPRECIATION				
At 1 January 2013	44,585	408,738	42,277	495,600
Charge for year	23,138	59,510	23,300	105,948
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(2,630)</u>	<u>(2,630)</u>
At 31 December 2013	<u>67,723</u>	<u>468,248</u>	<u>62,947</u>	<u>598,918</u>
NET BOOK VALUE				
At 31 December 2013	<u>1,489,174</u>	<u>117,155</u>	<u>79,705</u>	<u>1,686,034</u>
At 31 December 2012	<u>1,512,312</u>	<u>121,764</u>	<u>58,129</u>	<u>1,692,205</u>

S.A.V. United Kingdom Limited

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

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2013	39,538
Additions	<u>41,246</u>
At 31 December 2013	<u>80,784</u>
DEPRECIATION	
At 1 January 2013	6,590
Charge for year	<u>15,864</u>
At 31 December 2013	<u>22,454</u>
NET BOOK VALUE	
At 31 December 2013	<u>58,330</u>
At 31 December 2012	<u>32,948</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2013 and 31 December 2013	<u>102,886</u>
NET BOOK VALUE	
At 31 December 2013	<u>102,886</u>
At 31 December 2012	<u>102,886</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Cimberio (CIM) Limited

Country of incorporation: England

Nature of business: Dormant company

	%		
Class of shares:	holding		
Ordinary	50.00	31/12/13	31/12/12
		£	£
Aggregate capital and reserves		<u>560,615</u>	<u>560,615</u>

10. STOCKS

	31/12/13	31/12/12
	£	£
Stocks	<u>1,091,690</u>	<u>823,670</u>

S.A.V. United Kingdom Limited

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

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/13	31/12/12
	£	£
Trade debtors	868,868	710,109
Amounts owed by group undertakings	525,102	462,180
Other debtors	473,936	227,554
Prepayments	<u>68,374</u>	<u>73,646</u>
	<u><u>1,936,280</u></u>	<u><u>1,473,489</u></u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/13	31/12/12
	£	£
Bank loans (see note 14)	51,172	48,434
Hire purchase contracts (see note 15)	17,738	10,306
Trade creditors	1,167,602	1,009,068
Amounts owed to group undertakings	729,000	727,187
Corporation tax	21,410	48,609
Other taxation and social security costs	507,415	393,073
Other creditors	674,716	329,896
Accrued expenses	<u>78,306</u>	<u>79,204</u>
	<u><u>3,247,359</u></u>	<u><u>2,645,777</u></u>

Included within other creditors is an amount of £588,355 (2012: £287,004) which relates to invoice discounting and is secured by a charge over the company's book debts.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/13	31/12/12
	£	£
Bank loans (see note 14)	673,868	724,760
Hire purchase contracts (see note 15)	<u>38,679</u>	<u>20,972</u>
	<u><u>712,547</u></u>	<u><u>745,732</u></u>

Included within bank loans are two loans of £483,789 and £241,251 which are repayable by monthly instalments until May 2025 and January 2026 respectively. Interest is payable on these loans at 3% and 3.45% above the bank's base rate. Both loans are secured by way of a fixed charge over the assets of the company.

14. BANK LOANS

An analysis of the maturity of loans is given below:

	31/12/13	31/12/12
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u><u>51,172</u></u>	<u><u>48,434</u></u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u><u>52,955</u></u>	<u><u>50,196</u></u>

S.A.V. United Kingdom Limited

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

14. BANK LOANS - continued

	31/12/13 £	31/12/12 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>170,194</u>	<u>161,811</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years by instalments	<u>450,719</u>	<u>512,753</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31/12/13 £	31/12/12 £
Net obligations repayable:		
Within one year	17,738	10,306
Between one and five years	<u>38,679</u>	<u>20,972</u>
	<u>56,417</u>	<u>31,278</u>

16. PROVISIONS FOR LIABILITIES

		Deferred tax £
Balance at 1 January 2013		28,859
Charge to profit and loss account during year		<u>11,244</u>
Balance at 31 December 2013		<u>40,103</u>
	31/12/13 £	31/12/12 £
Capital allowances in excess of depreciation	<u>40,103</u>	<u>28,859</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/13 £	31/12/12 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

18. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 January 2013	753,471	10,344	763,815
Profit for the year	<u>344,676</u>		<u>344,676</u>
At 31 December 2013	<u>1,098,147</u>	<u>10,344</u>	<u>1,108,491</u>

S.A.V. United Kingdom Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2013

19. CONTROL

The company's ultimate and immediate parent company is SAV Holding (UK) Limited, a company registered in England. SAV Holding (UK) Limited is controlled by its board of directors.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in other debtors is an amount of £305,317 due from Mr L Fabricius (2012: £167,130), and an amount of £106,101 due from Mr J Hansen (2012: £900). Both are directors of the company. The maximum overdrawn positions of their loan accounts in the year were £305,317 and £106,101 (2012: £223,865 and £901) respectively. During the year interest of £9,500 (2012: £4,797) and £1,185 (2012: nil) was charged to Mr L Fabricius and Mr J Hansen respectively.

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

At the year end the company owed £560,616 (2012: £560,616) to Cimberio (CIM) Limited ("CIM"), its subsidiary undertaking..

During the year the company made purchases of £685,847 (2012: £386,249) from Cimberio Valve s.a. Suisse and Giacomo Cimberio SPA, companies related by virtue of common interests. At the year end the company owed these companies £249,138 (2012: £144,141).

Administration and distribution expenses of £45,007 (2012: £49,041) were also recharged to FAR United Kingdom Limited ("FAR"), a fellow subsidiary. In addition, the company made purchases of £63,649 (2012: £54,825) from FAR. At the year end SAV United Kingdom Limited owed £167,037 (2012: £165,224) to FAR.

Administration and distribution expenses of £1,494,420 (2012: £963,568) were also recharged to E C Power GB Limited ("ECP"), a fellow subsidiary. At the year end SAV United Kingdom Limited was owed £525,102 (2012: £462,180) by ECP.

The company invoices customers on behalf of CIM, FAR and ECP. These are treated as sales and trade debtors within the related companies and therefore excluded from sales and trade debtors in the accounts of SAV United Kingdom Limited. At the year end, CIM, FAR and ECP had trade debtors of £Nil, £31,819 and £965,941 (2012: £nil, £50,962 and £537,870) respectively, relating to amounts invoiced on their behalf by the company.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/12/13	31/12/12
	£	£
Profit for the financial year	<u>344,676</u>	<u>409,928</u>
Net addition to shareholders' funds	344,676	409,928
Opening shareholders' funds	<u>813,815</u>	<u>403,887</u>
Closing shareholders' funds	<u><u>1,158,491</u></u>	<u><u>813,815</u></u>