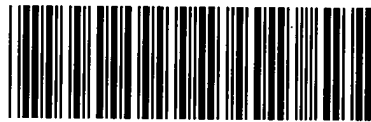


Registration number 02872607

PETROFER U.K. PLC
Annual report and financial statements
for the year ended 31 December 2014

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PETROFER U.K. PLC

Company information

Directors	S. J. Gregory C.H.M. Fischer
Secretary	TL Company Secretarial Limited
Company number	02872607
Registered office	Harcourt Business Park Halesfield 17 Telford Shropshire TF7 4PW
Independent Auditors	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Business address	Harcourt Business Park Halesfield 17 Telford Shropshire TF7 4PW
Bankers	Lloyds Bank Plc Business and Corporate Services Centre 3rd Floor 125 Colmore Row Birmingham

PETROFER U.K. PLC

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent Auditors' report to the Members of PETROFER U.K. PLC	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 18

PETROFER U.K. PLC

Strategic report for the year ended 31 December 2014

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

Review of the Business

2014 saw further improvements to the financial situation of the company with increased sales and profits. This was helped by a stable raw material situation and a stronger sterling/Euro exchange rate. The improvement in the UK manufacturing economy was evidenced by the existing customer base being much stronger in product sales demand. Margin improved through both the exchange rate and raw material prices, this along with overhead costs being kept under control resulted in increased profitability. Personnel levels remained stable and investment in their skills, training and aspirations increased along with improvement in our corporate image, the result of this is that business was seen to further consolidate and be structured for future growth.

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to consumer demand and raw materials purchase costs in Euro. As part of the management of these risks the company maintains a Euro Bank account in order to mitigate currency pressures.

Key performance indicators

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Results

The profit for the financial year amounted to £171,136 (2013 - £121,851).

Financial risk management

The company's operations expose it to financial risks that include the effects of changes in currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Currency risk

The company is exposed to foreign currency risk as the majority of its purchases are in Euro. The directors monitor the fluctuation of foreign currency and exchange rates to minimise such impact.

Credit risk

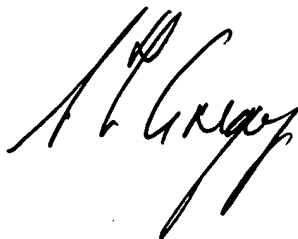
Given the relatively small size of major customers, the company has procedures in place to closely manage the credit risk on these smaller customers.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable requirements.

By the order of the Board

TL Company Secretarial Limited
Company secretary
Date: 3 March 2015



PETROFER U.K. PLC

Directors' report for the year ended 31 December 2014

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

Principal activities

The principal activity of the company is the distribution of industrial oils and chemicals.

Business Review

The directors' Business Review and summary of risks and uncertainties is contained within the Strategic Report. There were no dividends proposed for the financial year (2013 - nil).

Financial Instruments

Details of the company's financial instruments and policies are included in the notes to the financial statements.

Payments of creditors

It is the company's policy to pay trade creditors within the trade terms stipulated by the creditor. Payments for group balances are made on a variable basis.

Creditor days in relation to trade creditors outstanding at the year end is 6 days (2013 - 4 days).

Directors

The directors who served during the year and upto the date of signing the financial statements are as stated below:

C.H.M. Fischer
S.J. Gregory

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PETROFER U.K. PLC

Directors' report for the year ended 31 December 2014

..... continued

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

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

In so far as the directors are aware:

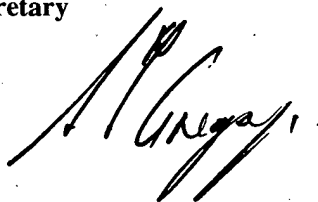
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Independent Auditors

PricewaterhouseCoopers LLP have been reappointed as auditor for the ensuing year in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board on 3 March 2015 and signed by the order of the Board

TL Company Secretarial Limited
Company secretary



**Independent auditors' report to the members of
PETROFER U.K. PLC**

Report on the financial statements

Our opinion

In our opinion, Petrofer U.K. PLC's financial statements (the "financial statements"):

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

What we have audited

Petrofer U.K. PLC's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

**Independent auditors' report to the members of
PETROFER U.K. PLC**

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- ~whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- ~the reasonableness of significant accounting estimates made by the directors; and
- ~the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ian Wall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3 March 2015

PETROFER U.K. PLC

Profit and loss account for the year ended 31 December 2014

		Continuing operations	
		2014	2013
	Notes	£	£
Turnover	2	3,733,416	3,501,402
Cost of sales		(2,616,794)	(2,493,101)
Gross profit		<u>1,116,622</u>	<u>1,008,301</u>
Distribution costs		(413,385)	(408,534)
Administrative expenses		(496,785)	(458,497)
Other operating income		<u>9,608</u>	<u>5,646</u>
Profit on ordinary activities before taxation		216,060	146,916
Tax on profit on ordinary activities	6	(44,924)	(25,065)
Profit for the year	14	<u><u>171,136</u></u>	<u><u>121,851</u></u>

There are no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and profit for the financial year as stated above and their historical cost equivalents.

All amounts relate to continuing operations.

The notes on pages 9 to 18 form an integral part of these financial statements.

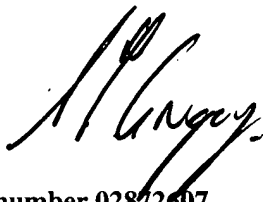
PETROFER U.K. PLC

**Balance sheet
as at 31 December 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		62,697		15,723
Current assets					
Stocks	8	385,694		306,180	
Debtors	9	740,117		722,389	
Cash at bank and in hand		287,316		184,576	
		<u>1,413,127</u>		<u>1,213,145</u>	
Creditors: amounts falling due within one year	10	<u>(360,536)</u>		<u>(294,797)</u>	
Net current assets			<u>1,052,591</u>		<u>918,348</u>
Total assets less current liabilities			1,115,288		934,071
Provisions for liabilities	11		<u>(10,081)</u>		<u>-</u>
Net assets			<u>1,105,207</u>		<u>934,071</u>
Capital and reserves					
Called up share capital	13		50,000		50,000
Profit and loss account	14		1,055,207		884,071
Total Shareholders' funds	15		<u>1,105,207</u>		<u>934,071</u>

The financial statements on pages 6 to 19 were approved by the Board on 3 March 2015 and signed on its behalf by

S. J. Gregory
Director



C.H.M. Fischer
Director

Registration number 02872607

The notes on pages 9 to 18 form an integral part of these financial statements.

PETROFER U.K. PLC

Cash flow statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		216,060	146,916
Depreciation		7,560	4,735
Gain on disposal of fixed assets		(2,750)	-
(Increase)/decrease in stocks		(79,514)	13,651
(Increase) in debtors		(17,728)	(35,915)
Increase/(decrease) in creditors		60,060	(86,501)
Net cash inflow from operating activities		<u>183,688</u>	<u>42,886</u>
Cash flow statement			
Net cash inflow from operating activities		183,688	42,886
Taxation	21	(29,164)	(17,502)
Capital expenditure	21	(51,784)	(3,210)
Increase in cash in the year		<u>102,740</u>	<u>22,174</u>
Reconciliation of net cash flow to movement in net funds (Note 22)			
Increase in cash in the year		102,740	22,174
Net funds at 1 January 2014		184,576	162,402
Net funds at 31 December 2014		<u>287,316</u>	<u>184,576</u>

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1. Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Turnover is recognised when the risks and rewards of ownership have passed which, dependent on the contractual terms, may be at the point of despatch or acceptance by the customer.

Other incomes refer to recharge of costs incurred for assisting other subsidiary companies held by the parent company which are recognised when the services are provided.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment	-	25% Straight Line
Laboratory equipment	-	15% Reducing Balance
Office equipment	-	15% Reducing Balance
Motor vehicles	-	25% Reducing Balance

1.4. Leasing

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

1.5. Stocks

Stocks are valued at the lower of cost and net realisable value.

Cost is based on the moving average method. Net realisable value is based on the estimated selling price, less further costs expected to be incurred to completion and disposal.

1.6. Pensions

The company does not operate a pension scheme but makes payments to individual schemes held by the employees. The pension cost represents the payments made to these schemes.

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

1.7. Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the profit and loss account.

1.8. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; and

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Financial instruments

Trade and other debtors

Trade and other debtors are recognised and carried at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

2. Turnover

An analysis of turnover by geographical destination is:

	2014 £	2013 £
United Kingdom	3,733,416	3,497,326
Other EU Countries	-	4,076
	<u>3,733,416</u>	<u>3,501,402</u>

All Turnover originated in the United Kingdom.
Only one class of turnover exists.

3. Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	7,560	4,735
Net foreign exchange loss	2,939	-
Operating lease rentals (note 16)		
- Land and buildings	60,000	60,000
- Others	26,532	26,532
Auditors' remuneration - audit	<u>12,100</u>	<u>12,100</u>
and after crediting:		
Profit on disposal of tangible fixed assets	2,750	-
Net foreign exchange gain	<u>-</u>	<u>579</u>

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

4. Employees

Number of employees	2014	2013
The average monthly numbers of employees (including the directors) during the year were:		
Direct sales	4	4
Office and Management	4	4
Field service	3	3
Technical/logistical	3	3
	<u>14</u>	<u>14</u>

Employment costs	2014	2013
	£	£
Wages and salaries	506,590	466,126
Social security costs	49,241	46,713
Other pension costs (note 5)	27,644	23,205
	<u>583,475</u>	<u>536,044</u>

4.1. Directors' remuneration	2014	2013
	£	£
Remuneration and other emoluments	98,738	90,935
Pension contributions	6,000	6,000
	<u>104,738</u>	<u>96,935</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

5. Pension costs

The company makes payments to individual schemes held by employees. The pension charge represents contributions due from the company and amounted to £27,644 (2013 - £23,205). The company paid all contributions as at 31 December 2014 (2013 - all paid).

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in year	2014 £	2013 £
Current tax		
UK corporation tax	34,843	25,065
Total current tax charge	<u>34,843</u>	<u>25,065</u>
Deferred tax		
Timing differences, origination and reversal	10,081	-
Total deferred tax	<u>10,081</u>	<u>-</u>
Tax on profit on ordinary activities	<u>44,924</u>	<u>25,065</u>

Factors affecting tax charge for year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (21.5 %) (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>216,060</u>	<u>146,916</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 : 23.25%)	46,453	33,791
Effects of:		
Expenses not deductible for tax purposes	-	7
Capital allowances (in excess of) depreciation	(12,409)	(622)
Losses brought forward now utilised	-	(8,376)
Changes in rates during the year	799	265
Total current tax charge	<u>34,843</u>	<u>25,065</u>

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These included a reduction in the main rate to 20% from 1 April 2015. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

7. Tangible fixed assets	Computer equipment	Laboratory equipment	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2014	85,657	77,182	50,167	23,790	236,796
Additions	11,190	-	-	43,344	54,534
Disposals	-	-	-	(9,995)	(9,995)
At 31 December 2014	<u>96,847</u>	<u>77,182</u>	<u>50,167</u>	<u>57,139</u>	<u>281,335</u>
Accumulated depreciation					
At 1 January 2014	85,657	74,583	45,139	15,694	221,073
On disposals	-	-	-	(9,995)	(9,995)
Charge for the year	1,837	390	1,503	3,830	7,560
At 31 December 2014	<u>87,494</u>	<u>74,973</u>	<u>46,642</u>	<u>9,529</u>	<u>218,638</u>
Net book values					
At 31 December 2014	<u>9,353</u>	<u>2,209</u>	<u>3,525</u>	<u>47,610</u>	<u>62,697</u>
At 31 December 2013	<u>-</u>	<u>2,599</u>	<u>5,028</u>	<u>8,096</u>	<u>15,723</u>

8. Stocks	2014 £	2013 £
Finished goods and goods for resale	<u>385,694</u>	<u>306,180</u>

9. Debtors	2014 £	2013 £
Trade debtors	671,745	666,608
Other debtors	1,100	1,100
Prepayments and accrued income	67,272	54,681
	<u>740,117</u>	<u>722,389</u>

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

10. Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	49,374	37,523
Amounts owed to group undertaking	67,600	33,896
Corporation tax	13,242	7,563
Other taxation and social security	173,642	174,724
Accruals and deferred income	56,678	41,091
	<u>360,536</u>	<u>294,797</u>

Amounts owed to group undertakings are interest-free and repayable on demand.

11. Provisions for liabilities	Deferred taxation (Note 12) £	Total £
Movements in the year	10,081	10,081
At 31 December 2014	<u>10,081</u>	<u>10,081</u>

12. Provision for deferred taxation	2014 £	2013 £
Accelerated capital allowances	10,081	-
Provision for deferred tax	<u>10,081</u>	<u>-</u>
Deferred tax charge in profit and loss account	10,081	
Provision at 31 December 2014	<u>10,081</u>	

PETROFER U.K. PLC

Notes to the financial statements for the year ended 31 December 2014

..... continued

13. Called up Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Equity Shares		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
14. Reserves	Profit and loss account	Total
	£	£
At 1 January 2014	884,071	884,071
Profit for the financial year	171,136	171,136
At 31 December 2014	<u>1,055,207</u>	<u>1,055,207</u>
15. Reconciliation of movements in shareholders' funds.	2014	2013
	£	£
Profit for the financial year	171,136	121,851
Opening shareholders' funds	934,071	812,220
Closing shareholders' funds	<u>1,105,207</u>	<u>934,071</u>
16. Financial commitments		

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

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	-	-	5,885	-
Between one and five years	60,000	60,000	25,238	25,806
	<u>60,000</u>	<u>60,000</u>	<u>31,123</u>	<u>25,806</u>

PETROFER U.K. PLC

Notes to the financial statements
for the year ended 31 December 2014

..... continued

17. Transactions with directors

Advances to directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2014	2013	in year
	£	£	£
S. J. Gregory	<u>3,202</u>	<u>1,699</u>	<u>5,000</u>

18. Related party transactions

The value of transactions undertaken with group companies in the normal course of business was as follows:

Sales to Petrofer Chemie £nil (2013: £nil). Purchases from Petrofer Chemie £2,486,016 (2013: £2,395,643). Balances outstanding in relation to these transactions are separately disclosed in the financial statements.

19. Ultimate parent undertaking

The only group in which the results of the company are consolidated is that headed by Petrofer GmbH, a company registered in Germany. The financial statements of Petrofer GmbH are not available to the public.

The company's ultimate parent company is Fischer Equity GmbH & Co KG.

20. Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	216,060	146,916
Depreciation	7,560	4,735
Gain on disposal of fixed assets	(2,750)	-
(Increase)/decrease in stocks	(79,514)	13,651
(Increase) in debtors	(17,728)	(35,915)
Increase/(decrease) in creditors	60,060	(86,501)
Net cash inflow from operating activities	<u><u>183,688</u></u>	<u><u>42,886</u></u>

PETROFER U.K. PLC

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

21. Gross cash flows

	2014	2013
	£	£
Taxation		
Corporation tax paid	(29,164)	(17,502)
Capital expenditure		
Payments to acquire tangible assets	(54,534)	(3,210)
Receipts from sales of tangible assets	2,750	-
	<u>(51,784)</u>	<u>(3,210)</u>

22. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	184,576	102,740	287,316
Net funds	<u>184,576</u>	<u>102,740</u>	<u>287,316</u>

PETROFER U.K. PLC

Detailed trading profit and loss account for the year ended 31 December 2014

	2014		2013	
	£	£	£	£
Sales				
Sales		3,733,416		3,497,326
Sales - Europe		-		4,076
		<u>3,733,416</u>		<u>3,501,402</u>
Cost of sales				
Opening stock	306,180		319,831	
Materials	2,592,147		2,379,121	
Carriage	<u>104,161</u>		<u>100,329</u>	
	3,002,488		2,799,281	
Closing stock	<u>(385,694)</u>		<u>(306,180)</u>	
		<u>(2,616,794)</u>		<u>(2,493,101)</u>
Gross profit	30%	1,116,622	29%	1,008,301
Distribution costs		413,385		408,534
Administrative expenses		<u>496,785</u>		<u>458,497</u>
		<u>(910,170)</u>		<u>(867,031)</u>
		206,452		141,270
Other operating income				
Consultancy income		<u>9,608</u>		<u>5,646</u>
		9,608		5,646
Operating profit	6%	<u>216,060</u>	4%	<u>146,916</u>
		<u><u> </u></u>		<u><u> </u></u>

PETROFER U.K. PLC

Distribution costs and administrative expenses for the year ended 31 December 2014

	2014	2013
	£	£
Distribution costs		
Wages and salaries (excl. NI)	263,952	249,477
Employer's NI contributions	25,709	24,925
Staff pension costs	12,755	11,328
Carriage outwards	59,401	70,575
Motor running expenses	47,850	48,578
Sundry expenses - allowable	3,718	3,651
	<u>413,385</u>	<u>408,534</u>
Administrative expenses		
Wages and salaries	143,900	125,714
Directors' remuneration	98,738	90,935
Employer's NI contributions	23,532	21,788
Directors' pension costs	6,000	6,000
Staff pension costs	8,889	5,877
Rent	60,000	60,000
Premises Cost	34,820	34,225
Insurance	25,730	25,460
Motor expenses	8,837	-
Travelling and entertainment	5,396	4,838
Legal and professional	3,862	4,068
Accountancy	4,500	4,500
Audit	12,466	12,477
Bank charges	1,506	1,514
Bad debts	(110)	8,852
(Profit) on exchange	-	(579)
Loss on exchange	2,939	-
General expenses	50,970	48,093
Depreciation on computer equipment	3,340	1,578
Depreciation on lab equipment	390	458
Gain on disposal of tangible assets	(2,750)	-
Depreciation motor vehicles	3,830	2,699
	<u>496,785</u>	<u>458,497</u>