

Company Registration No. 08028721 (England and Wales)

SP MACBETH 5 LTD
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014

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COMPANIES HOUSE

SP MACBETH 5 LTD

DIRECTORS AND ADVISERS

Directors

T Brain
T Hamlett
P Cuthill

Secretary

T Brain

Company number

08028721

Registered office

Unit 3 Shepperton Business Park
Govett Avenue
Shepperton
Middlesex
TW17 8BA

Registered auditors

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

SP MACBETH 5 LTD

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 21

SP MACBETH 5 LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

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

Review of the business

The directors are pleased to report that the group continues to trade at acceptable profit levels and reports an increase in turnover of 18% over the whole group despite the difficult trading conditions in the year. This has also produced an increase in Gross Profit of 16% which reflects that the business has not "bought" increased turnover. The reported consolidated turnover and profit show a larger increase as the comparative period was not a complete year.

The business has identified 3 key areas in which it faces some form of exposure but has taken steps to minimise each case.

- Exposure to exchange rates in its foreign activities has been addressed by the business both buying and selling in the three major currencies, Sterling, Euros and US Dollars. Activities have meant that it holds cash balances in each of these currencies thus alleviating any major changes to exchange rates.
- The market in which the business operates is finite and to address this, the business continues to develop its product portfolio to offer more and more to its customers.
- The business has identified that there is a shortage of staff with the right level of skills on the market and to address this it has commenced a program of recruiting staff and putting them through "apprentice" style training courses to ensure that the correct skill levels are reached.

The business's principal financial instruments comprise of bank balances, stock, trade debtors and trade creditors. The purpose of these financial instruments is to finance the business's operations.

Bank balances are held in such a way as to minimise interest and charges paid.

Trade debtors are controlled using a very strict credit control program to minimise the risk of bad debts and to ensure that there is enough liquidity in the business to pay its trade creditors.

On behalf of the board



T Brain

Director

19 November 2014

SP MACBETH 5 LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

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

Principal activities

The group acts as distributors, dealers and wholesalers of bearings and other products to the engineering industry.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

An interim ordinary dividend was paid amounting to £270,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2013:

T Brain
T Hamlett
P Cuthill

Auditors

In accordance with the company's articles, a resolution proposing that Jacob Cavenagh & Skeet be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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;
- 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 group 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 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.

SP MACBETH 5 LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

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.

On behalf of the board



T Brain

Director

19 November 2014

SP MACBETH 5 LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SP MACBETH 5 LTD

We have audited the group and parent company financial statements (the "financial statements") of SP Macbeth 5 Ltd for the year ended 31 March 2014 set out on pages 6 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Annual Report 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.

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 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

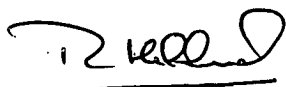
SP MACBETH 5 LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF SP MACBETH 5 LTD

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.



Richard Haffenden MA (Cantab) FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

..... 1 December 2014

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

SP MACBETH 5 LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Year ended 31.03.14 £	Period from 21.05.12 to 31.03.13 £
Turnover	2	14,470,892	10,399,208
Cost of sales		(9,561,843)	(6,839,273)
Gross profit		4,909,049	3,559,935
Administrative expenses		(3,085,498)	(2,539,167)
Operating profit	3	1,823,551	1,020,768
Other interest receivable and similar income		-	7
Interest payable and similar charges	4	(153,943)	(144,386)
Profit on ordinary activities before taxation		1,669,608	876,389
Tax on profit on ordinary activities	5	(435,785)	(257,083)
Profit on ordinary activities after taxation		1,233,823	619,306

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.

SP MACBETH 5 LTD

BALANCE SHEETS

AS AT 31 MARCH 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets	8	1,325,983	1,491,731	-	-
Tangible assets	9	70,636	132,182	-	-
Investments	10	-	-	5,234,245	5,234,245
		<u>1,396,619</u>	<u>1,623,913</u>	<u>5,234,245</u>	<u>5,234,245</u>
Current assets					
Stocks	11	4,371,729	3,500,523	-	-
Debtors	12	3,783,415	3,399,456	53,823	60,414
Cash at bank and in hand		203,222	240,788	5,583	3,235
		<u>8,358,366</u>	<u>7,140,767</u>	<u>59,406</u>	<u>63,649</u>
Creditors: amounts falling due within one year	13	(5,712,485)	(5,658,546)	(2,711,970)	(2,691,132)
Net current assets		<u>2,645,881</u>	<u>1,482,221</u>	<u>(2,652,564)</u>	<u>(2,627,483)</u>
Total assets less current liabilities		<u>4,042,500</u>	<u>3,106,134</u>	<u>2,581,681</u>	<u>2,606,762</u>
Creditors: amounts falling due after more than one year	14	(1,395,787)	(1,416,821)	(1,395,787)	(1,416,821)
Provisions for liabilities	15	(4,976)	(11,399)	-	-
		<u>2,641,737</u>	<u>1,677,914</u>	<u>1,185,894</u>	<u>1,189,941</u>
Capital and reserves					
Called up share capital	17	1,018,934	1,018,934	1,018,934	1,018,934
Share premium account	18	150,674	150,674	150,674	150,674
Profit and loss account	18	1,472,129	508,306	16,286	20,333
Shareholders' funds	19	<u>2,641,737</u>	<u>1,677,914</u>	<u>1,185,894</u>	<u>1,189,941</u>

Approved by the Board and authorised for issue on 19 November 2014



T Brain
Director

Company Registration No. 08028721

SP MACBETH 5 LTD

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,608,048		391,781
Returns on investments and servicing of finance				
Interest received	-	-	7	
Interest paid	(80,886)		(89,565)	
Net cash outflow for returns on investments and servicing of finance		(80,886)		(89,558)
Taxation		(420,219)		(338,223)
Capital expenditure				
Payments to acquire tangible assets	(29,964)		(16,956)	
Net cash outflow for capital expenditure		(29,964)		(16,956)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		(2,677,106)	
Net cash outflow for acquisitions and disposals		-		(2,677,106)
Equity dividends paid		(270,000)		(111,000)
Net cash inflow/(outflow) before management of liquid resources and financing		806,979		(2,841,062)
Financing				
(Repayment of)/increase in invoice financing	(54,134)		2,291,439	
Repayment of long term bank loan	(87,500)		87,500	
Repayment of other short term loans	(702,911)		702,911	
Net cash (outflow)/inflow from financing		(844,545)		3,081,850
(Decrease)/increase in cash in the year		(37,566)		240,788

SP MACBETH 5 LTD

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014		2013	
		£		£	
	Operating profit	1,823,551		1,020,768	
	Depreciation of tangible assets	23,163		51,566	
	Amortisation of intangible assets	165,748		165,748	
	Loss on disposal of tangible assets	68,347		-	
	Increase in stocks	(871,206)		(923,299)	
	Increase in debtors	(390,550)		(513,850)	
	Increase in creditors within one year	788,995		590,848	
	Net cash inflow from operating activities	1,608,048		391,781	
2	Analysis of net debt	1 April 2013	Cash flow	Other non-cash changes	31 March 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	240,788	(37,566)	-	203,222
	Debts falling due within one year	(2,994,350)	757,045	-	(2,237,305)
	Debts falling due after one year	(1,416,821)	87,500	(66,466)	(1,395,787)
		(4,411,171)	844,545	-	(3,633,092)
	Net debt	(4,170,383)	806,979	(66,466)	(3,429,870)
3	Reconciliation of net cash flow to movement in net debt	2014		2013	
		£		£	
	(Decrease)/increase in cash in the year	(37,566)		240,788	
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	844,545		(3,081,850)	
	Change in net debt resulting from cash flows	806,979		(2,841,062)	
	Deferred consideration	(66,466)		(1,329,321)	
	Movement in net debt in the year	740,513		(4,170,383)	
	Opening net debt	(4,170,383)		-	
	Closing net debt	(3,429,870)		(4,170,383)	

SP MACBETH 5 LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 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.

No profit and loss account is presented for S P Macbeth 5 Limited as provided by section 408 of the Companies Act 2006.

1.4 Turnover

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

1.5 Goodwill

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

1.6 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:

Land and buildings Leasehold	over lease term of 7 years
Plant and machinery	at individual rates up to 33.3%
Computer equipment	over 5 years
Fixtures, fittings & equipment	over 6 years

1.7 Leasing

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

1.8 Investments

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

1.9 Stock

Work in progress is valued at the lower of cost and net realisable value.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of two of its directors. Contributions payable are charged to the profit and loss account in the year they are payable. These contributions are invested separately from the group's assets.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

SP MACBETH 5 LTD

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

1 Accounting policies (Continued)

1.12 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.

2 Turnover

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

3 Operating profit	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	165,748	165,748
Depreciation of tangible assets	23,163	51,566
Loss on disposal of tangible assets	68,347	-
Loss on foreign exchange transactions	22,535	56,209
Operating lease rentals		
- Plant and machinery	67,388	66,310

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,200; 2013: £2,600)	15,590	18,270
Tax and accountancy	2,630	1,200
	18,220	19,470

4 Interest payable	2014 £	2013 £
On bank loans and overdrafts	66,713	29,858
On other loans wholly repayable within five years	10,876	34,476
On overdue tax	3,297	-
Other interest	73,057	80,052
	153,943	144,386

SP MACBETH 5 LTD

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

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	441,848	268,482
	Adjustment for prior years	360	-
	Total current tax	442,208	268,482
	Deferred tax		
	Origination and reversal of timing differences	(6,423)	(11,399)
		(6,423)	(11,399)
		435,785	257,083
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,669,608	876,389
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013 - 24%)	384,010	210,333
	Effects of:		
	Non deductible expenses	46,353	51,988
	Capital allowances	11,485	7,120
	Adjustments to previous periods	360	-
	Adjustment of effective rate of tax	-	(959)
		58,198	58,149
	Current tax charge for the year	442,208	268,482

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit for the financial year	265,953	131,333

SP MACBETH 5 LTD

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

7	Dividends	2014	2013
		£	£
	Ordinary interim paid	270,000	111,000
8	Intangible fixed assets		
	Group		Goodwill
			£
	Cost		
	At 1 April 2013 & at 31 March 2014		1,657,479
	Amortisation		
	At 1 April 2013		165,748
	Charge for the year		165,748
	At 31 March 2014		331,496
	Net book value		
	At 31 March 2014		1,325,983
	At 31 March 2013		1,491,731

SP MACBETH 5 LTD

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

9 Tangible fixed assets

Group	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2013	123,670	564,277	653,968	1,341,915
Additions	-	27,790	2,174	29,964
Disposals	-	(84,000)	-	(84,000)
At 31 March 2014	123,670	508,067	656,142	1,287,879
Depreciation				
At 1 April 2013	95,685	477,126	636,922	1,209,733
On disposals	-	(15,653)	-	(15,653)
Charge for the year	7,483	9,322	6,358	23,163
At 31 March 2014	103,168	470,795	643,280	1,217,243
Net book value				
At 31 March 2014	20,502	37,272	12,862	70,636
At 31 March 2013	27,985	87,151	17,046	132,182

10 Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 April 2013 & at 31 March 2014	5,234,245
Net book value	
At 31 March 2014	5,234,245
At 31 March 2013	5,234,245

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.

SP MACBETH 5 LTD

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

10 Fixed asset investments

(Continued)

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 %
Subsidiary undertakings		
Godiva Bearings Group Ltd	UK	Ordinary 100.00
Godiva Bearings Ltd	UK	Ordinary 100.00
Godiva Bearings (Southern) Ltd	UK	Ordinary 100.00
Autosport Bearings and Components Ltd	UK	Ordinary 100.00
Disc Springs and Components Ltd	UK	Ordinary 100.00

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

	Principal activity
Godiva Bearings Group Ltd	Holding company
Godiva Bearings Ltd	Holding company
Godiva Bearings (Southern) Ltd	Distribution and wholesale of bearings
Autosport Bearings and Components Ltd	Distribution and wholesale of bearings
Disc Springs and Components Ltd	Dormant

11 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	<u>4,371,729</u>	<u>3,500,523</u>	<u>-</u>	<u>-</u>

SP MACBETH 5 LTD

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

12 Debtors

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trade debtors	3,590,006	3,207,404	-	-
Other debtors	1,641	9,140	-	-
Prepayments and accrued income	191,768	182,912	53,823	60,414
	<u>3,783,415</u>	<u>3,399,456</u>	<u>53,823</u>	<u>60,414</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014 £	2013 £	2014 £	2013 £
Amounts owed by group undertakings	<u>3,299,550</u>	<u>3,158,380</u>	<u>-</u>	<u>-</u>

13 Creditors : amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Amount due under invoice financing	2,237,305	2,291,438	-	-
Bank loans and overdrafts	-	702,911	702,911	702,911
Trade creditors	2,646,192	1,932,277	-	-
Amounts owed to group undertakings	-	-	2,709,270	1,984,421
Corporation tax	321,830	299,841	-	-
Taxes and social security costs	91,939	124,920	-	-
Other creditors	127,732	-	-	-
Accruals and deferred income	287,487	307,159	2,700	3,800
	<u>5,712,485</u>	<u>5,658,546</u>	<u>2,711,970</u>	<u>2,691,132</u>

The amounts due under invoice financing are secured by a fixed and floating charge over the assets of the company.

SP MACBETH 5 LTD

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

14 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans	-	87,500	-	87,500
Deferred consideration	1,395,787	1,329,321	1,395,787	1,329,321
	<u>1,395,787</u>	<u>1,416,821</u>	<u>1,395,787</u>	<u>1,416,821</u>

Loan maturity analysis

In more than one year but not more than two years	-	87,500	-	87,500
In more than two years but not more than five years	1,395,787	1,329,321	1,395,787	1,329,321
	<u>1,395,787</u>	<u>1,329,321</u>	<u>1,395,787</u>	<u>1,329,321</u>

15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 April 2013	11,399
Profit and loss account	(6,423)
Balance at 31 March 2014	<u>4,976</u>

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	<u>4,976</u>	<u>11,399</u>	<u>-</u>	<u>-</u>

16 Pension and other post-retirement benefit commitments

Defined contribution

	2014 £	2013 £
Contributions payable by the group for the year	<u>16,205</u>	<u>17,623</u>

SP MACBETH 5 LTD

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

17 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
10,000 Ordinary A shares of £1 each	10,000	10,000
3 Ordinary B shares of £1 each	3	3
1,008,931 Preference shares of £1 each	1,008,931	1,008,931
	<u>1,018,934</u>	<u>1,018,934</u>

18 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 April 2013	150,674	508,306
Profit for the year	-	1,233,823
Dividends paid	-	(270,000)
Balance at 31 March 2014	<u>150,674</u>	<u>1,472,129</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 April 2013	150,674	20,333
Profit for the year	-	265,953
Dividends paid	-	(270,000)
Balance at 31 March 2014	<u>150,674</u>	<u>16,286</u>

SP MACBETH 5 LTD

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

19 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Profit for the financial year	1,233,823	619,306
Dividends	(270,000)	(111,000)
Shares issued	-	1,018,934
Premium on shares issued	-	150,674
Net addition to shareholders' funds	963,823	1,677,914
Opening shareholders' funds	1,677,914	-
Closing shareholders' funds	2,641,737	1,677,914
	2014	2013
Company	£	£
Profit for the financial year	265,953	131,333
Dividends	(270,000)	(111,000)
Shares issued	-	1,018,934
Premium on shares issued	-	150,674
Net (depletion in)/addition to shareholders' funds	(4,047)	1,189,941
Opening shareholders' funds	1,189,941	-
Closing shareholders' funds	1,185,894	1,189,941

20 Financial commitments

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

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	21,870	21,870	9,619	4,810
Between two and five years	35,175	35,175	39,550	50,778
In over five years	122,160	122,160	-	-
	179,205	179,205	49,169	55,588

SP MACBETH 5 LTD

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

21 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	239,266	391,244
Company pension contributions to defined contribution schemes	13,738	15,155

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

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	148,598	183,920
Company pension contributions to defined contribution schemes	12,500	12,500

22 Employees

Number of employees

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

	2014 Number	2013 Number
Office and management	9	9
Sales and distribution	38	38
	47	47

Employment costs

	2014 £	2013 £
Wages and salaries	1,562,246	1,333,319
Social security costs	156,100	132,132
Other pension costs	16,205	17,623
	1,734,551	1,483,074

23 Control

The ultimate controlling parties of the group at the year end were T Hamlett, P Cuthill and T Brain.

SP MACBETH 5 LTD

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

24 Related party relationships and transactions

The following directors were paid dividends during the year as outlined in the table below:

	2014	2013
	£	£
P Cuthill	66,000	22,200
T Hamlett	111,000	49,950
T Brain	93,000	38,850
	<u>270,000</u>	<u>111,000</u>