

HEIL FARID European Company Limited

Annual report
for the year ended

31 December 2014

Registered no: SC053003



HEIL FARID European Company Limited

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HEIL FARID European Company Limited

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Directors and advisors

Directors

Marco Orecchia

Charles Clinch

Registered office

Taxi Way

Hillend Industrial Estate

Dunfermline

Fife

KY11 9ES

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

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Bankers

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19 Canning Street

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Strategic report for the year ended 31 December 2014

Company registration number SC053003

Business review and principal activities

The principal activity of HEIL FARID European Company Limited (the “company”) is the manufacture and service of refuse collection equipment. The principal activity of the company remained unchanged throughout the year and the directors do not anticipate any change in the principal activity in the foreseeable future.

Principal risks and uncertainties

The introduction of Whole Vehicle Type Approval, (WVTA) on 29th October 2014 has resulted in increased lead-times due to the necessity of obtaining approved certification for completed vehicles. VOSA and VCA have been under increasing pressure since Q4 2014 to meet the high demand for WVTA testing of vehicles. This has resulted in the building of a backlog of completed vehicles awaiting test which will impact on timing of sales in 2015.

The company is committed to becoming a local test centre however, VOSA have a waiting list of prospective test centres.

Market trading conditions for Refuse Collection Vehicles (RCVs) have slowly improved from the days of austerity and the credit crunch which has initially benefited the private sector but not the local authority, (LA) municipalities. The private sector and contract hire/rental companies have all seized the initiative to invest to address ageing fleets not replaced during the last three years. Local authorities have been tied to their restricted austerity budgets with squeeze on capital purchases and cuts to front line service.

Price risk

The company operates in a competitive market which is a continuing risk and could result in the loss of sales to key customers. The company seeks to reduce this risk by building strong relationships with customers and offering tailor made options to vehicles at customer request.

The company is also susceptible to fluctuations in steel prices which are dependent on world demand.

The management seeks to reduce the impact of commodity price risk by negotiating fixed prices in supplier contracts over a fixed term where possible.

Credit risk

The company's core debtors are local authorities and UK Corporates, due to the size and stability of the debtors, the management do not believe that credit risk to the company is significant.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets and by the use of bank facilities and loans.

Appropriate trade terms are negotiated with suppliers and customers. Management review these terms and the relationships with suppliers and customers on a regular basis and manage any exposure on normal trade terms.

Strategic report for the year ended 31 December 2014
Company registration number SC053003 (continued)

Interest rate risk

The company had debt at 31 December 2014 of £950,570 (2013: £1,236,097) which is at variable rates of interest and a finance lease of £139,908 (2013: £nil) which is at a fixed rate of interest. The directors believe that debt can be repaid from future cash flows arising from operations without any significant exposure risk to the company but review any movements to interest rates on a regular basis.

The company monitors cash flow on an ongoing basis to ensure that interest costs on the utilisation of an arranged bank overdraft are kept to a minimum level.

Development and performance of the company

Turnover of manufacture components and services grew by £0.1m from £17.1m in 2013 to £17.2m in 2014. The increase was due to the difficult market conditions in 2014 mentioned above which resulted in lower sales to local authority municipalities.

The turnover from third party products decreased by £3.2m from £9m in 2013 to £5.8m in 2014. This will fluctuate from year to year due to the customer decision on whether to purchase a chassis independently or to purchase through the company.

Sales to overseas markets increased by 50% from £1.6m in 2013 to £3.2m in 2014.

The results for the company show a profit on ordinary activities before taxation of £230,868 (2013: £140,892) for the year and turnover of £23,016,664 (2013: £26,135,661).

Key performance indicators

The company's key performance measurement is the gross margin percentage by product stream. The company achieved a gross margin percentage of 17% in 2014 compared to 14% in 2013.

The directors are satisfied with the performance of the company for the year under review.

Approved by the Board



Charles Clinch
Director

Dated: 11/5/2015

Directors' report for the year ended 31 December 2014

Company registration number SC053003

Results and Dividends

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

During the year the directors recommended that a dividend of £114,130 be declared and paid on 15 December 2014, (2013: £1,216,800).

Going Concern

The company's business activities, together with the factors likely to affect its future development and position are included in the strategic report. The company's financial risk management policies for managing price, credit, liquidity and interest rate risk are set out in the strategic report.

The directors have a reasonable expectation that the company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Marco Orecchia
Charles Clinch

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 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.

Directors' report for the year ended 31 December 2014
Company registration number SC053003 (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.

Disclosure of information to Auditors

Each of the persons who are a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Approved by the Board



Charles Clinch

Director

Dated:

11/5/2015

**Independent auditors' report to the members of HEIL FARID
European Company Limited**

Report on the financial statements

Our opinion

In our opinion, HEIL FARID European Company Limited'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 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

HEIL FARID European Company Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account 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 the preparation of the financial statements 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.

Independent auditors' report to the members of HEIL FARID European Company Limited (continued)

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 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

**Independent auditors' report to the members of HEIL FARID
European Company Limited (continued)**

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 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.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

Dated: 12 May 2015

**Profit and Loss Account
for the year ended 31 December 2014**

	Note	2014 £	2013 £
Turnover			
Continuing operations	2	23,016,664	21,470,266
Acquired operations		-	4,665,395
		23,016,664	26,135,661
Cost of sales		(19,154,597)	(22,430,492)
Gross profit		3,862,067	3,705,169
Administrative expenses		(3,574,880)	(3,273,692)
Exceptional item	3	-	(238,000)
Operating profit			
Continuing operations		287,187	101,149
Acquired operations		-	92,328
	4	287,187	193,477
Interest receivable and similar income	7	120	1,304
Interest payable and similar charges	8	(56,439)	(53,889)
Profit on ordinary activities before taxation		230,868	140,892
Tax on profit on ordinary activities	10	305,891	15,138
Profit for the financial year	19	536,759	156,030

All the above figures relate to continuing activities.

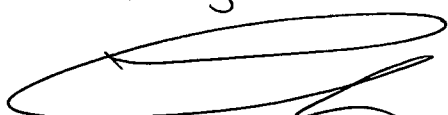
There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above, and their historical cost equivalents.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains or losses has been presented.

Balance Sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	11	<u>781,300</u>	<u>583,387</u>
Current assets			
Stocks	12	5,022,120	3,361,215
Debtors	13	3,360,995	3,908,458
Cash at bank and in hand		-	1,578,535
		<u>8,383,115</u>	<u>8,848,208</u>
Creditors: amounts falling due within one year	14	<u>(5,794,883)</u>	<u>(6,289,167)</u>
Net current assets		<u>2,588,232</u>	<u>2,559,041</u>
Total assets less current liabilities		3,369,532	3,142,428
Creditors: amounts falling after more than one year.	15	(662,733)	(948,260)
Provisions for liabilities	16	(944,939)	(854,937)
Net assets		<u>1,761,860</u>	<u>1,339,231</u>
Capital and reserves			
Called up share capital	18	15,000	15,000
Profit and loss account	19	<u>1,746,860</u>	<u>1,324,231</u>
Total shareholder's funds	20	<u>1,761,860</u>	<u>1,339,231</u>

The financial statements on pages 9 to 23 were approved by the board of directors on
11th May 2015 and were signed on its behalf by:



Charles Clinch
Director

**Notes to the financial statements
for the year ended 31 December 2014****1 Accounting policies**

These 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.

Cash flow statement

The company has taken advantage of the exemptions conferred by FRS 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and the parent undertaking, FEG BRIVIO S.P.A., includes the company in its published group financial statements.

Turnover

Turnover represents the net invoiced value of units, spares and services sold including, where applicable, chassis, hoists and other third party supplied goods. Turnover is recognised when the goods are dispatched to the contracted point of delivery.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Freehold land is not depreciated.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:

Buildings - freehold	Straight line over 50 years
Buildings - improvements	Straight line over 3 to 10 years
Plant and machinery	Straight line over 5 to 10 years
Computer equipment	Straight line over 3 to 5 years

Research and development expenditure

Expenditure in respect of research and development is charged against profits in the year in which it is incurred.

Inventories

Finished goods are valued at cost of labour and materials plus an addition for factory overheads, or at estimated net realisable value, if lower.

Raw materials are valued at the lower of cost and estimated net realisable value.

**Notes to the financial statements
for the year ended 31 December 2014 (continued)****Taxation**

Current tax is provided at amounts expected to be paid or (recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future.

A net deferred tax asset is recognised as recoverable and therefore only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which future reversal of underlying timing differences can be deducted.

Deferred tax assets and liabilities recognised are not discounted.

Amounts payable and receivable in foreign currencies

Monetary assets and liabilities are re-translated into pounds sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Operating leases

Operating lease payments are charged against profits in the year in which they are incurred.

Defined contribution pension scheme

The company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the company contributions payable to the scheme in respect of the accounting period.

Warranties

The company has made a provision in respect of the estimated warranty costs which will be incurred over the standard warranty period. Where extended warranty cover has been purchased by customers the revenue is deferred and recognised over the extended warranty period.

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

2 Turnover - by destination

	2014	2013
	£	£
UK	19,855,311	24,534,422
Other	3,161,353	1,601,239
	<u>23,016,664</u>	<u>26,135,661</u>

Turnover was entirely attributable to the manufacture, sale and service of refuse collection equipment.

3 Exceptional item

There were no exceptional items charged to the profit and loss account in 2014 (2013: £238,000). The exceptional item in 2013 related a charge to the profit and loss account in respect of the settlement of the Defined Benefit Pension Scheme.

4 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:-		
Auditors' remuneration	25,000	23,000
Depreciation	133,412	131,020
Hire of plant and machinery	189,165	117,525
Foreign exchange losses	9,120	24,388
Operating lease rentals:		
Buildings	108,100	108,100
Motor vehicles	112,471	107,385

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

5 Directors' emoluments

	2014	2013
	£	£
Aggregate emoluments	24,000	16,000

One director received emoluments in respect of their services to the company (2013: one). No retirement benefits are accruing to directors, (2013: £nil) and no contributions were paid under the defined contribution scheme.

6 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2014	2013
	Number	Number
Production	148	135
Selling & distribution	11	8
Administration	20	18
	179	161

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	4,611,182	4,230,559
Social security costs	398,578	397,624
Other pension costs (note 23)	188,330	148,616
	5,198,090	4,776,799

**Notes to the financial statements
for the year ended 31 December 2014 (continued)****7 Interest receivable and similar income**

	2014	2013
	£	£
Inter-company	-	1,204
Bank	120	100
	120	1,304

8 Interest payable and similar charges

	2014	2013
	£	£
Inter-company	45,381	45,266
Bank	11,058	8,623
	56,439	53,889

9 Dividends

Dividends of £114,130 were declared and paid to FARID UK Limited on 15 December 2014, (2013: £1,216,800).

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

10 · Tax on profit on ordinary activities

	2014 £	2013 £
Current tax:		
UK corporation tax at 21.50%, (2013: 23.25%), on the profit for the year on ordinary activities	-	73,798
Adjustments in respect of prior years	(65,811)	10,389
Current tax (credit) / charge for the year	(65,811)	84,187
Deferred tax:		
Reversal of timing differences	52,273	(44,585)
Pension charge	-	(47,600)
Recoverable assets from prior period	(292,353)	-
Effect of tax rate change	-	(7,140)
Tax on profit on ordinary activities	(305,891)	(15,138)

The tax assessed for the year is lower, (2013: higher), than the standard rate of corporation tax in the UK (21.50%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	230,868	140,892
Profit on ordinary activities multiplied by standard rate in the UK 21.50% (2013:23.25%)	49,637	32,757
Effects of:		
Expenses/(Income) not deductible for tax purposes and other permanent differences	6,557	(2,474)
Movement in potential deferred tax asset not recognised	-	-
Accelerated capital allowances/other timing differences	(56,194)	(1,301)
Pension charge in excess of pension relief	-	55,335
Utilisation of losses	-	(10,519)
Adjustments in respect of prior years	(65,811)	10,389
Current tax (credit) / charge for the year	(65,811)	84,187

**Notes to the financial statements
for the year ended 31 December 2014 (continued)****10 Tax on profit on ordinary activities (continued)**

Estimated losses of £1,425,910 available for carry forward against future trading profits were transferred on 1 May 2013 when the assets and liabilities of FARID UK Limited were transferred at book value to HEIL FARID European Company Limited. The deferred tax asset arising from the carried forward losses has been recognised in 2014 as there is sufficient evidence that the company will generate sufficient profit to utilise the value. The amount of the deferred tax asset recognised in the period was £285,182, (2013: £nil)

During the year, a change in the UK Corporation tax rate from 23% to 21% was effective from 1 April 2014.

In addition, a number of further changes to the UK Corporation tax system were announced in the March 2014 UK Budget statement. Legislation to reduce the main rate of corporation tax to 20% from 1 April 2015 was included in the Finance Act 2013, which was substantively enacted on 2 July 2013. The closing deferred tax balances have therefore been re-measured accordingly.

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

11 Tangible fixed assets

	Freehold land, buildings and building improvements £	Plant and machinery £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 January 2014	1,260,758	760,853	288,129	51,076	2,360,816
Additions	-	247,649	83,676	-	331,325
At 31 December 2014	1,260,758	1,008,502	371,805	51,076	2,692,141
Accumulated Depreciation					
At 1 January 2014	865,977	638,688	221,688	51,076	1,777,429
Charge for year	10,578	64,651	58,183	-	133,412
At 31 December 2014	876,555	703,339	279,871	51,076	1,910,841
Net book value					
At 31 December 2014	384,203	305,163	91,934	-	781,300
At 31 December 2013	394,781	122,165	66,441	-	583,387

The freehold land and buildings includes the cost of freehold land £125,890, (2013: £125,890), which is not depreciated.

12 Stocks

	2014 £	2013 £
Raw materials and consumables	4,774,310	3,087,494
Finished goods	247,810	273,721
	5,022,120	3,361,215

The replacement cost of stock is not materially different from book value.

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

13 Debtors

	2014	2013
	£	£
Amounts falling due within one year		
Trade debtors	2,860,165	3,703,648
Amounts owed by group undertakings	522	8,443
Other debtors	21,984	14,141
Prepayments and accrued income	116,943	143,296
Corporation tax	76,199	-
Deferred tax	285,182	38,930
	<u>3,360,995</u>	<u>3,908,458</u>

14 Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	25,289	-
Bank loan	31,479	31,479
Trade creditors	1,873,176	2,136,576
Amounts owed to group undertakings	1,139,989	1,363,038
Other tax and social security	106,738	112,718
Accruals and deferred income	2,612,041	2,571,558
Corporation tax	-	73,798
Deferred tax	6,171	-
	<u>5,794,883</u>	<u>6,289,167</u>

Amounts owed to group undertakings include an unsecured loan of £256,357, (2013: £256,357) to FEG Brivio S.P.A. accruing interest at 4.56%, repayable in quarterly instalments expiring 31 March 2018. The remaining balance is an unsecured normal trading account balance with Farid Industrie S.P.A. in 2014 of £883,631 (2013: £1,106,681)

A bank overdraft facility from Barclays is secured by a fixed charge on the freehold properties.

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

15 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to group undertakings	576,809	833,164
Bank loan	85,924	115,096
	<u>662,733</u>	<u>948,260</u>

Barclays Bank Plc originally advanced a loan facility of £280,000 to Farid UK on the 3 October 2003 which is repayable over 15 years. Interest was charged at a fixed rate of 6.1% over the first 10 years and thereafter at a variable rate of 1.250% above base rate. Current repayments are made in instalments of £2,623 per month. The loan was transferred to the company on 1 May 2013 and is secured by a charge, registered 20 June 2013 over the property of the company.

16 Provisions for liabilities

	Warranty provision £
At 1 January 2014	854,937
Profit and loss account - created in year	597,347
Utilised in year	(507,345)
At 31 December 2014	<u>944,939</u>

The warranty provision reflects the company's expected cost of meeting anticipated warranty claims for refuse collection equipment.

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

17 Deferred tax

	2014		2013	
	Recognised £	Unrecognised £	Recognised £	Unrecognised £
Accelerated capital allowances	(6,171)	-	38,930	-
Trading losses	285,182	-	-	-
Total deferred taxation	279,011	-	38,930	-

The deferred tax asset of £285,182 in respect of trading losses (2013: £nil) has been recognised in the tax as there is sufficient evidence that the company will trade profitably in the future and the asset will be recovered.

18 Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
15,000 (2013:15,000) Ordinary shares of £1 each	15,000	15,000

19 Profit and loss account

	2014 £	2013 £
At 1 January	1,324,231	8,916,459
Profit for the financial year	536,759	156,030
Dividends paid	(114,130)	(7,748,258)
At 31 December	1,746,860	1,324,231

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

20 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
At 1 January	1,339,231	8,931,459
Profit for the financial year	536,759	156,030
Dividends paid	(114,130)	(7,748,258)
At 31 December	<u>1,761,860</u>	<u>1,339,231</u>

21 Contingent liabilities

The company has granted a guarantee to the Commissioners of Customs & Excise for £100,000 (2013: £100,000).

22 Leases

(i) Land and buildings

At 31 December the company had minimum annual commitments under operating leases expiring within the following periods:

	2014	2013
	£	£
From one to two years	<u>108,100</u>	<u>108,100</u>
	<u>108,100</u>	<u>108,100</u>

(ii) Other

At 31 December 2014 the company had minimum annual commitments under operating leases expiring within the following periods:

	2014	2013
	£	£
Within one year	9,191	25,660
From one to two years	18,043	41,509
From two to five years	<u>142,255</u>	<u>28,868</u>
	<u>169,489</u>	<u>96,037</u>

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

23 Pension arrangements

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme which commenced on 1 May 2010. The cost of company contributions to the scheme was £188,330 (2013: £148,616), of which £nil was accrued as at 31 December 2014 (2013: £nil)

24 Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is FEG Brivio Spa, a company incorporated in Italy.

FEG Brivio Spa is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of FEG Brivio Spa are available from its registered office FEG Brivio Spa, Corso Re Umberto 1, Turin, Italy.