

Wallace Group Limited
Annual report and financial statements
for the year ended 30 November 2014

Registered Number SC245921



Wallace Group Limited

Annual report and financial statements for the year ended 30 November 2014

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Wallace Group Limited

Directors and advisers for the year ended 30 November 2014

Directors

H Turnbull

J Turnbull

K Turnbull

Secretary

H Turnbull

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

141 Bothwell Street

Glasgow

G2 7QE

Solicitors

MacRoberts

152 Bath Street

Glasgow

G2 4TB

Levy & McRae

266 St Vincent Street

Glasgow

G2 5RL

Registered office

Wallace House

Whitehouse Road

Stirling

FK7 7TA

Bankers

Clydesdale Bank plc

23 South Methven Street

Perth

PH1 5PQ

Wallace Group Limited

Directors' report for the year ended 30 November 2014

Registered Number SC245921

The directors present their report and the audited consolidated financial statements for the year ended 30 November 2014.

Business review and principal activities

Wallace Group Limited ("the company") comprises Stirling Stone Ltd, Toffolo Stirling Ltd, Natstone Developments Ltd, Construction Materials Consultants Ltd and Stone Design Ltd, offering a unique, diverse service within the dimensional stone industry throughout the United Kingdom.

The directors take into consideration:

- The likely consequences of any decision in the long term.
- The interests of the groups employees.
- The need to foster the groups business relationships with suppliers, customers and others.
- The impact of the group operations on the community and the environment.
- The desirability for the group maintaining a reputation for high standards of business conduct.
- The need to act fairly as between the company's members.

The results for the group show a loss for the financial year of £99,509 (2013: profit £19,855) and sales of £6,770,087 (2013: £7,455,551). The consolidated profit and loss account for the year is set out on page 7.

The group has net assets of £264,018 (2013: £363,527).

Future outlook

The domestic sector continues to be very difficult but the directors anticipate an upturn in activity to be reflected in next year's results.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from other stone companies, employee retention and material availability.

Key performance Indicators ("KPIs")

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

Wallace Group Limited

Directors' report for the year ended 30 November 2014 (continued)

Dividends and deductions from reserves

The directors do not recommend payment of a dividend to equity holders. The loss for the financial year of £99,509 (2013: profit £19,855) will be deducted from reserves.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as listed on page 1.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company 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 group and the company and of the profit or loss of the group for that year. 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 and 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.

Wallace Group Limited

Directors' report for the year ended 30 November 2014 (continued)

Auditors and Disclosure of information to independent auditors

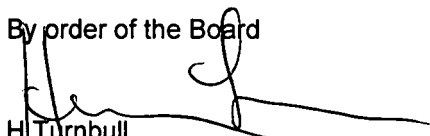
Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Small company provisions

This report has been prepared, where appropriate, prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to be 'H Turnbull', written over the printed name.

H Turnbull

Director

26 August 2015

Wallace Group Limited

Independent auditors' report to the members of Wallace Group Limited

Report on the financial statements

Our opinion

In our opinion, Wallace Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2014 and of the group's loss 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

The financial statements comprise:

- the Balance Sheets as at 30 November 2014;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include 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 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Wallace Group Limited

Independent auditors' report to the members of Wallace Group Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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 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) ("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 group's and 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.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
26 August 2015

Wallace Group Limited

Consolidated profit and loss account for the year ended 30 November 2014

	Note	Year ended 30 Nov 2014 £'000	Year Ended 30 Nov 2013 £'000
Turnover	1	6,770	7,456
Cost of sales		(4,597)	(5,222)
Gross profit		2,173	2,234
Administrative expenses		(2,318)	(2,280)
Other operating income		46	63
Operating (loss)/profit	4	(99)	17
Interest payable and similar charges	5	(1)	(2)
(Loss)/profit on ordinary activities before taxation		(100)	15
Tax on (loss)/profit on ordinary activities	6	-	5
(Loss)/Profit for the financial year	18	(100)	20

All items dealt with in arriving at (loss)/profits on ordinary activities before taxation relate to continuing operations.

The group has no recognised gains and losses other than the (loss)/profit above and therefore no separate statement of total recognised gains and losses has been presented.

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

Wallace Group Limited

Balance sheets as at 30 November 2014

	Note	Group 30 Nov 2014 £'000	Company 30 Nov 2014 £'000	Group 30 Nov 2013 £'000	Company 30 Nov 2013 £'000
Fixed assets					
Intangible assets	8	116	-	127	-
Tangible assets	9	21	-	30	-
Investments	10	-	40	-	40
		137	40	157	40
Current assets					
Stocks	12	57	-	68	-
Debtors	13	1,769	14	1,903	-
Cash at bank and in hand		314	-	404	14
		2,140	14	2,375	14
Creditors: amounts falling due within one year	14	(2,007)	-	(2,158)	-
Net current assets		133	14	217	14
Total assets less current liabilities		270	54	374	
Creditors: amounts falling due after more than one year	15	(6)	-	(10)	-
Net assets		264	54	364	54
Capital and reserves					
Called up share capital	17	125	125	125	125
Profit and loss account	18	139	(71)	239	(71)
Total shareholders' funds	19	264	54	364	54

The financial statements on pages 7 to 24 were approved by the board of directors on 26 August 2015 and were signed on its behalf by:


H Turnbull
 Director

Wallace Group Limited

Consolidated cash flow statement for the year ended 30 November 2014

	Note	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
Net cash (outflow)/inflow from operating activities	22	(86)	81
Returns on investment and servicing of finance			
Interest paid		-	(2)
Taxation			(8)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	-
Net cash (outflow)/inflow before financing		(86)	71
Financing			
Decrease in debt		(4)	(5)
(Decrease)/increase in cash	21	(90)	66

Wallace Group Limited

Accounting policies

The financial statements are prepared on a 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 accounting policies have been consistently applied. There have been no changes in accounting policy during the financial year. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and all its subsidiary undertakings made up to 30 November 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

Intangible assets

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is amortised through the profit and loss account over its estimated economic life. The estimated economic life of goodwill is twenty years.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic life of the asset concerned. The principal annual rates used for this purpose are:

Plant and machinery	25%	(reducing balance)
Fixtures and fittings	25%	(reducing balance)
Motor vehicles	25%	(reducing balance)

Hire purchase contracts and operating leases

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value after making the due allowance for obsolete and slow moving items.

Government grants

Grants that are related to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

Wallace Group Limited

Accounting policies (continued)

Turnover

Turnover represents amounts invoiced to outside customers, net of trade discounts and value added tax, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced. Turnover from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts immediately as such losses are foreseen.

Taxation

The tax charge is composed of current tax and deferred tax. Current tax is based on the profit for the year at the current rate. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. A deferred tax asset is not recognised unless it is more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing difficulties can be deducted. Deferred tax assets and liabilities recognised have, not been discounted.

Pension

The pension costs charged against profits represent the amounts of contributions payable into individual plans for the benefit of employees.

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014

1 Turnover

All sales are from one class and are made in the United Kingdom.

2 Directors' emoluments

The remuneration paid to the directors of the company was:

	Year ended 30 Nov 2014	Year ended 30 Nov 2013
	£'000	£'000
Aggregate emoluments	796	934
Contributions to money purchase schemes	2	2
	798	936

Retirement benefits are accruing to nine (2013: none) directors under a defined contribution pension scheme.

Highest paid director	Year ended 30 Nov 2014	Year ended 30 Nov 2013
	£'000	£'000
Aggregate emoluments	165	177

3 Employee information

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

	Year ended 30 Nov 2014 Number	Year ended 30 Nov 2013 Number
Production	33	33
Administration	7	10
	40	43

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

3 Employee information (continued)

Staff costs (for the above persons):	Year ended 30 Nov 2014	Year ended 30 Nov 2013
	£'000	£'000
Wages and salaries	1,484	1,466
Social security costs	186	174
Other pension costs (note 24)	11	9
	1,681	1,649

4 Operating (loss)/profit

	Year ended 30 Nov 2014	Year ended 30 Nov 2013
	£'000	£'000
Operating (loss)/profit is stated after charging:		
Depreciation charge for the year:		
- Tangible owned fixed assets	7	10
Goodwill amortisation	11	13
Services provided by the company's auditors:		
- Fees payable for the audit	29	29
- Fees payable for other services – tax compliance	13	13
Operating lease rentals – land and buildings	100	100

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

5 Interest payable and similar charges

	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
Hire purchase contracts	1	1
Other interest	-	1
	1	2

6 Tax on (loss)/profit on ordinary activities

	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
Current tax		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior years	-	(5)
Tax on (loss)/profit on ordinary activities	-	(5)

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 21.66% (2013: 23.33%). The differences are explained below:

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

6 Tax on (loss)/profit on ordinary activities (continued)

	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
(Loss)/profit on ordinary activities before tax	(100)	15
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.66% (2012: 23.33 %)	(21)	3
Effects of:		
Expenses not deductible for tax and other permanent differences	3	5
Depreciation for the year in excess of capital allowances/STTDs	3	2
Tax losses utilised	15	(10)
Adjustment in respect of prior year	-	(5)
Tax at small rates	-	-
Current tax charge for the year	-	(5)

A deferred tax asset of £70,611 (2013: £55,404) has not been recognised at the year-end due to the uncertainty over its future recoverability.

7 (Loss)/Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the 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:

	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
Retained (loss)/profit by subsidiary undertakings	(99)	17
Dealt with in the financial statements of the company	-	-
Consolidated (loss)/profit for the year	(99)	17

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

8 Intangible assets

Group	Goodwill £'000
Cost	
At 1 December 2013 and 30 November 2014	245
Accumulated amortisation	
At 1 December 2013	118
Charge for the year	11
At 30 November 2014	129
Net book amount	
At 30 November 2014	116
At 30 November 2013	127

9 Tangible fixed assets

Group	Motor Vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 December 2013	31	280	7	318
Disposals	(8)	-	-	(8)
At 30 November 2014	23	280	7	310
Accumulated depreciation				
At 1 December 2013	17	264	7	288
Charge for the year	3	4	-	7
Disposals	(6)	-	-	(6)
At 30 November 2014	14	268	7	289
Net book amount				
At 30 November 2014	9	12	-	21
At 30 November 2013	14	16	-	30

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

10 Fixed asset investments

	2014	2013
Company	£'000	£'000
At 30 November 2013 and at 30 November 2014	40	40

The directors believe that the carrying value of the investments is supported by their underlying net assets.

11 Interest in group undertakings

Name of subsidiary undertaking	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Stirling Stone Limited	Scotland	£1 ordinary shares	100%	Supply and fixing of natural stone
Toffolo Stirling Limited	Scotland	£1 ordinary shares	100%	Supply and installation of marble and granite
Stone Design Limited	Scotland	£1 ordinary shares	100%	Sourcing, design and budgetary control and fixing of natural stone
Construction Materials Consultants Limited	Scotland	£1 ordinary shares	100%	Consultancy service relating to material analysis
Natstone Developments Limited	Scotland	£1 ordinary shares	100%	Developing and letting of property
Stirling Stone (Restoration) Limited	Scotland	£1 ordinary shares	100%	Dormant
Natstone Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Sealants Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Stone	Scotland	£1 ordinary shares	100%	Dormant
Toffolo Limited	Scotland	£1 ordinary shares	100%	Dormant
Quality Stone Limited	Scotland	£1 ordinary shares	100%	Dormant
Steading Developments Limited	Scotland	£1 ordinary shares	100%	Dormant

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

12 Stocks

Group	30 Nov 2014 £'000	30 November 2013 £'000
Raw materials and consumables	57	68

13 Debtors

	Group 30 Nov 2014 £'000	Company 30 Nov 2014 £'000	Group 30 Nov 2013 £'000	Company 30 Nov 2013 £'000
Trade debtors	489	-	376	-
Amounts recoverable on contracts	305	-	277	-
Amounts due by group undertakings	-	14	-	-
Corporation Tax	-	-	5	-
Other debtors	944	-	1,210	-
Prepayments and accrued income	31	-	35	-
	1,769	14	1,903	-

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

14 Creditors: amounts falling due within one year

	Group	Company	Group	Company
	30 Nov	30 Nov	30 Nov	30 Nov
	2014	2014	2013	2013
	£'000	£'000	£'000	£'000
Obligations under hire purchase contracts	5	-	5	-
Payments received on account	629	-	469	-
Trade creditors	643	-	998	-
Corporation tax	-	-	-	-
Other taxation and social security	111	-	121	-
Other creditors	436	-	381	-
Accruals and deferred income	183	-	184	-
	2,007	-	2,158	-

15 Creditors: amounts falling due after more than one year

	30 Nov	30 Nov
Group	2014	2013
	£'000	£'000
Obligations under hire purchase contracts	6	10

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

16 Loans and other borrowings

	30 Nov 2014	30 Nov 2013
Group	£'000	£'000
Obligations under hire purchase contracts	11	15

The maturity of debt is as follows:

	30 Nov 2014	30 Nov 2013
Group	£'000	£'000
In one year or less	5	5
Between one and two years	6	10
	11	15

The net hire purchase obligations to which the group has committed to are:

	30 Nov 2014	30 Nov 2013
Group	£'000	£'000
In one year or less	5	5
Between two and five years	6	10
	11	15

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

17 Called up share capital

	30 Nov 2014	30 Nov 2013
Group	£'000	£'000
Authorised		
250,000 (2013: 250,000) ordinary shares of £1 each	250	250
Allotted and fully paid		
125,001 (2013: 125,001) ordinary shares of £1 each	125	125

	30 Nov 2014	30 Nov 2013
Company	£'000	£'000
Authorised		
250,000 (2013: 250,000) ordinary shares of £1 each	250	250
Allotted and fully paid		
125,001 (2013: 125,001) ordinary shares of £1 each	125	125

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

18 Profit and loss account

	Group £'000	Company £'000
At 1 December 2013	239	(71)
(Loss)/profit for the financial year	(100)	-
At 30 November 2014	139	(71)

19 Reconciliation of movements in shareholders' funds

	Group 30 Nov 2014 £'000	Company 30 Nov 2014 £'000	Group 30 Nov 2013 £'000	Company 30 Nov 2013 £'000
Opening shareholders' funds	364	54	344	54
(Loss)/profit for the financial year	(100)	-	20	-
Closing shareholders' funds	264	54	364	54

20 Financial commitments

At the year end the group had annual commitments under non-cancellable operating leases as follows:

	30 Nov 2014 Land and buildings £	30 Nov 2013 Land and buildings £
Expiring between 2 – 5 years	100,000	100,000

The company had no annual commitments under non-cancellable operating leases.

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

21 Analysis of net funds

	Note	At 1 December 2013 £'000	Cash flows £'000	At 30 November 2014 £'000
Net cash				
Cash at bank and in hand		404	(90)	314
Debt				
Obligations under Hire Purchase		(15)	4	(11)
Net funds	23	389	(86)	303

22 Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 30 Nov 2014 £'000	Year ended 30 Nov 2013 £'000
Operating (loss)/profit	(99)	17
Depreciation	7	10
Goodwill amortisation	11	13
Loss on disposal	1	1
Decrease/(Increase) in stocks	11	(9)
Decrease/(Increase) in debtors	134	(124)
(Decrease)/ Increase in creditors	(151)	173
Net cash (outflow)/inflow from operating activities	(86)	81

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2014 (continued)

23 Reconciliation of net cash flow to movement in net funds

	Note	30 Nov 2014 £'000	30 Nov 2013 £'000
(Decrease)/Increase in cash		(90)	66
Cash outflow from financing		4	5
Change in net funds		(86)	71
Opening net funds		389	318
Closing net funds	21	303	389

24 Pension costs

The company operates an executive pension plan for the directors and a group personal pension scheme for all other employees. Both of these are defined contribution schemes. The contributions paid to these schemes amounted to £11,479 (2013: £9,290).

25 Ultimate controlling party

The ultimate controlling party of the group is the Turnbull family by way of their aggregate majority shareholding.

Wallace Group Limited is the only company to consolidate the company's financial statements.

26 Related party transactions

During the year the Group incurred expenses to the value of £41,171 (2013: £279,731) on behalf of Ramoyle Group Limited. The debtor balance owed by Ramoyle Group as at 30 November 2014 of £930,022 (2013: £1,118,851) is included within other debtors. The directors have considered the recoverability of this debtor and are confident that it will be fully received.

The entities are related through the common directorships of H Turnbull and J Turnbull.