

REGISTERED NUMBER: 07803833

**Report of the Directors and
Consolidated Financial Statements for the year ended 30 June 2013
for
DC RMS Holdings Limited**



DC RMS Holdings Limited (Registered number: 07803833)

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for the year ended 30 June 2013**

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DC RMS Holdings Limited

Company Information for the year ended 30 June 2013

DIRECTORS: J M Stampa Orwin
A Littlejohns
C Stoddart

SECRETARY: Kate Scruby

REGISTERED OFFICE: 6th Floor
One London Wall
London
EC2Y 5EB

REGISTERED NUMBER: 07803833

AUDITORS: Ernst & Young LLP
Statutory Auditor
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

DC RMS Holdings Limited (Registered number: 07803833)

Report of the Directors for the year ended 30 June 2013

The directors submit their report and the audited financial statements for the year ended 30 June 2013 which disclose the financial performance for the year and state of affairs of DC RMS Holdings Ltd as at that date.

PRINCIPAL ACTIVITY

The company is a global provider of risk management services through the following service lines;

- Risk management consultancy supporting international corporates to assess, mitigate and manage risk globally
- Intelligence services supported by a team of expert risk analysts
- Information Travel & Response, including crisis management, travel security, political and natural disaster evacuation response services
- Maritime security for vessels transiting areas at a high risk of piracy and/or criminality
- Offshore project security planning and project management to the Oil & Gas industry

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Groups key financial and other performance indicators were as follows:

	2013	2012
	£'000	£'000
Group turnover	64,860	41,829
EBITDA	3,451	3,447
EBITDA margin	5.3%	8.2%
Total operating profit	857	3,088
Profit/(loss) after tax	(2,732)	2,587
Cash balances	6,328	1,755
Equity shareholders' funds	(31)	2,587
Average number of employees	109	93

The Group has enjoyed a continued strong demand for consultancy risk analysis and assessment and crisis and evacuation response solutions, typically supporting international organisations wishing to operate in emerging markets. The group has invested in technology enabled solutions to support its international client base to manage the risks to their people and international assets in both developed and emerging markets.

The maritime security market has faced continued proliferation and a reduction in perceived risk of piracy due, for example, to the continued work of private companies in combination with the EU NAVFOR naval presence. The Group continues to work closely with UK governmental and international authorities to ensure that all operations delivered by DC RMS Ltd in support of its clients are safe, ethical, proportionate and fully compliant.

The Group continued to lead the global market in the provision of security planning and consultancy for Offshore Projects for the Oil and Gas industry with significant projects during this financial year.

The Directors were satisfied with the revenue of £64.9m (2012 - £41.8m) and operating profit of £0.9m (2012 - £3.1m) in the context of the reduced maritime market. However, the Directors recognised that an organisational restructure and further funding was required. The Board has agreed actions and has executed a plan to strengthen the financial position of the Group, including new owners and a significant new working capital facility.

RISK REVIEW

The Board accepts final responsibility for the risk management and internal control systems of the group. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safety of all manpower involved in operations;
- The safeguarding of the Group's assets;
- The zero tolerance to threat of bribery and corruption;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Crisis management and business continuity planning; and
- Responsible behaviour towards all stakeholders.

DC RMS Holdings Limited (Registered number: 07803833)

Report of the Directors (continued) for the year ended 30 June 2013

Principal risks affecting long term value

Whilst there are many potential risks that could affect the business the Directors consider that there are the following principal risks:

Risk of human injury

The group recognises that the nature of the business can present hazardous working environments to its staff, subcontractors and clients. The group has invested in significant health and safety initiatives including training, site assessment operating procedures, audits and reporting to ensure that wherever possible such risks are mitigated to an acceptable level.

Availability and retention of employees, clients and subcontractors

The ability to recruit, vet, retain and train our human assets is a critical part of the company's ability to deliver reliable services to our clients in remote parts of the world. The group has established a strong global network of vetted and flexible resources which enables the business to scale its operations effectively in response to client needs.

Exposure to unpredictable economic, political, regulatory and legal risks

The nature of operating in emerging and complex markets inevitably increases the commercial, financial and legal risks and as such professional advice is sought where appropriate.

The effect of competition

Whilst the group has built its reputation and brand on the principles of safety and quality of service the group operates in a sector that has several international competitors. The group aims to differentiate its service by delivering consistently high quality, reliable, innovative and safe services supported by rigorously compliant operational procedures.

Reduction in level of threat posed by piracy

The demand for offshore risk management services is driven by the risk of physical attack by pirate or terrorist groups for the purpose of financial gain or political motive. As regards the services provided to clients operating in or transiting through the Indian Ocean, should the government of Somalia or the governments of surrounding countries eradicate the risk of further attacks from pirates then it is probable that the demand for the services provided today by the group off the East African Coast will reduce dramatically. The Directors are mindful of this risk and continue to drive an appropriate balance in the Group's portfolio of services available to our clients.

The Board has developed detailed risk assessment policies and processes which are applied to all areas of the business. All operations are risk assessed both operationally and commercially, and appropriate risk management and / or mitigation measures are applied as required.

DIVIDENDS

There were no dividends made in respect of the year ended 30 June 2013 (2012: £18,065).

EVENTS SINCE THE BALANCE SHEET DATE

There has been a change in the management structure of the Group in September 2013 with Jeremy Stampa Orwin becoming Executive Chairman (previously Chief Executive Officer). Andrew Littlejohns was appointed as Chief Executive Officer and Craig Stoddart as Chief Financial Officer in September 2013.

In April 2014, in order to strengthen the balance sheet of the company and the DCRMS Holdings Group and to simplify the global structure of the Drum Cussac brand, the company acquired Drum Cussac Limited and 66.6% of Drum Cussac Nigeria bringing c.£8m of net assets into the Group.

The company has sought external investment in order to provide growth capital and support the required restructuring. This process has been run in conjunction with professional advisors, KPMG. As a result, on July 10th 2014, Dora Capital Ltd acquired DCRMS Holdings Ltd, and made available a funding facility of £3.5m to the company. On the basis of this fundraising, the Directors consider the Company to be a going concern.

DC RMS Holdings Limited (Registered number: 07803833)

Report of the Directors (continued) for the year ended 30 June 2013

DIRECTORS

The directors shown below have held office during the period from 1 July 2012 to the date of this report, unless otherwise stated.

J M Stampa Orwin
M N Lambton (terminated 12/9/2013)
C W Stoddart (appointed 11/9/2013)
A Littlejohns (appointed 10/9/2013)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

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.

GOING CONCERN

The Group continues to deliver and win new business with major international companies, however due to the decline in East African piracy, the reduced perception of risk as a result and the diminishing returns due to increased competition, the maritime sector is increasingly challenging.

The new management team has taken decisive action to reduce costs without impacting on its ability to deliver operationally to its high standards and has restructured the Group to strengthen the Net Assets by £8m. At the same time, the strategic direction of the business has been realigned to provide a platform for further growth in 2014 and beyond. Whilst the Group had over £1m in cash at end of June 2014, fresh funding was required to fund the future growth and restructuring. As a result, on July 10th 2014 Dora Capital Ltd acquired DC RMS Holdings Ltd and made available a funding facility of £3.5m to the company.

For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

DC RMS Holdings Limited (Registered number: 07803833)

**Report of the Directors (continued)
for the year ended 30 June 2013**

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

SUBSTANTIAL SHAREHOLDINGS

The following shareholders have a holding of ordinary voting shares in excess of 10%:

J M Stampa-Orwin 83.8%.

From 10 July 2014 Dora Capital owned 100% of the shareholding.

ON BEHALF OF THE BOARD:


.....
Craig Stoddart - Director

Date: 3/8/2014

Report of the Independent Auditors to the Members of DC RMS Holdings Limited

We have audited the financial statements of DC RMS Holdings Limited for the year ended 30 June 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, 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 Report of the Directors and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements. 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 of the parent company's affairs as at 30 June 2013 and of the group's loss 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 Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Ernst & Young LLP

Tony McCartney (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

Date: 3/8/2014.....

DC RMS Holdings Limited (Registered number: 07803833)

Consolidated Profit and Loss Account for the year ended 30 June 2013

	Notes	Year ended 30/6/13 £'000	Period 1/10/11 to 30/6/12 £'000
TURNOVER	2	64,860	41,829
Cost of sales		<u>(50,968)</u>	<u>(32,221)</u>
GROSS PROFIT		13,892	9,608
Administrative expenses		<u>(13,035)</u>	<u>(6,520)</u>
OPERATING PROFIT	5	857	3,088
Interest receivable and similar income		<u>5</u>	<u>27</u>
		862	3,115
Interest payable and similar charges	6	<u>(5)</u>	<u>(61)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		857	3,054
Tax on profit/(loss) on ordinary activities	7	<u>(3,589)</u>	<u>(467)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(2,732)</u></u>	<u><u>2,587</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year and prior period.

DC RMS Holdings Limited (Registered number: 07803833)

**Consolidated Balance Sheet
30 June 2013**

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Intangible assets	9	-	1,934
Tangible assets	10	<u>1,350</u>	<u>1,442</u>
		<u>1,350</u>	<u>3,376</u>
CURRENT ASSETS			
Stocks	12	-	2
Debtors	13	16,992	25,124
Cash at bank		<u>6,328</u>	<u>1,755</u>
		23,320	26,881
CREDITORS			
Amounts falling due within one year	14	<u>(24,701)</u>	<u>(27,670)</u>
NET CURRENT LIABILITIES		<u>(1,381)</u>	<u>(789)</u>
NET (LIABILITIES)/ASSETS		<u>(31)</u>	<u>2,587</u>
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Profit and loss account	17	<u>(31)</u>	<u>2,587</u>
SHAREHOLDERS' FUNDS	22	<u>(31)</u>	<u>2,587</u>

The financial statements were approved by the Board of Directors on 3/8/2014 and were signed on its behalf by:


.....
C. Stoddart

DC RMS Holdings Limited (Registered number: 07803833)

**Company Balance Sheet
30 June 2013**

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Investments	11	<u>3</u>	<u>3</u>
		<u>3</u>	<u>3</u>
CURRENT ASSETS			
Debtors	13	157	-
Cash at bank		120	-
		<u>277</u>	<u>-</u>
CREDITORS			
Amounts falling due within one year	14	<u>(156)</u>	<u>(8)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>121</u>	<u>(8)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>124</u>	<u>(5)</u>
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Profit and loss account	17	<u>124</u>	<u>(5)</u>
SHAREHOLDERS' FUNDS	22	<u>124</u>	<u>(5)</u>

The financial statements were approved by the Board of Directors on 3/8/2014 and were signed on its behalf by:

.....
C. Stoddart

DC RMS Holdings Limited (Registered number: 07803833)**Consolidated Cash Flow Statement
for the year ended 30 June 2013**

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	23	8,885	2,533
Returns on investments and servicing of finance	24	-	(34)
Taxation		(3,732)	(371)
Capital expenditure	24	<u>(580)</u>	<u>(578)</u>
		4,573	1,550
Acquisitions of subsidiaries acquired net of cash		-	3
Net cash acquired with subsidiaries		<u>-</u>	<u>202</u>
Increase in cash in the period		<u>4,573</u>	<u>1,755</u>
<hr/>			
Reconciliation of net cash flow to movement in net cash	25		
Increase in cash in the period		4,573	1,755
Change in net cash resulting from cash flows		<u>4,573</u>	<u>1,755</u>
Movement in net cash in the period		4,573	1,755
Net cash at 1 July		<u>1,755</u>	<u>-</u>
Net cash at 30 June		<u>6,328</u>	<u>1,755</u>

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements for the year ended 30 June 2013

1. ACCOUNTING POLICIES

Basis of preparation

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

After making appropriate enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the financial statements.

The presentational currency of the group and company is Pounds Sterling. The company's functional currency is Pounds Sterling.

Basis of consolidation

The group financial statements consolidate the financial statements of DC RMS Holdings Limited and all its subsidiary undertakings drawn up to 30 June 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

No company profit and loss account is presented as permitted by section 408 of the Companies Act 2006.

Going concern

The Group continues to deliver and win new business with major international companies, however due to the decline in East African piracy, the reduced perception of risk as a result and the diminishing returns due to increased competition, the maritime sector is increasingly challenging.

The new management team has taken decisive action to reduce costs without impacting on its ability to deliver operationally to its high standards and has restructured the Group to strengthen the Net Assets by £8m. At the same time, the strategic direction of the business has been realigned to provide a platform for further growth in 2014 and beyond. Whilst the Group had over £1m in cash at end of June 2014, fresh funding was required to fund the future growth and restructuring. As a result, on July 10th 2014 Dora Capital Ltd acquired DC RMS Holdings Ltd and made available a funding facility of £3.5m to the company.

For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents the amounts derived from the provision of services, stated net of value added tax.

Turnover represents the value of services provided under contract to the extent that there is a right to consideration and is recorded at the value of the consideration date. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of services provided to the date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Goodwill

Goodwill arising on acquisitions is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of up to 10 periods. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial period following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each asset evenly over its estimated useful life:

Plant and machinery	- 10% - 50% on cost
Fixtures and fittings	- 33% on cost
Computer equipment and software	- 33% - 100% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events 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 exception:

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.

Foreign currencies

Transactions in foreign currencies are recorded at the 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.

All differences are taken to the profit and loss account.

Related party transactions

The group has taken advantage of the exemptions available in the Companies Act 2006 to not disclose related party transactions with wholly owned subsidiary companies.

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. TURNOVER AND SEGMENTAL ANALYSIS

The turnover and profit before taxation are attributable to the principal activities of the Group as set out in the Directors report. The company has elected to not provide segmental analysis information in accordance with SSAP25 SME business criteria.

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

3. STAFF COSTS

	Year ended 30/6/13 £'000	Period 1/10/11 to 30/6/12 £'000
Wages and salaries	4,939	1,721
Social security costs	<u>491</u>	<u>199</u>
	<u>5,430</u>	<u>1,920</u>

The average monthly number of employees during the period was as follows:

	Year ended 30/6/13	Period 1/10/11 to 30/6/12
Operations and administration	<u>109</u>	<u>93</u>

4. DIRECTORS' EMOLUMENTS

	Year ended 30/6/13 £'000	Period 1/10/11 to 30/6/12 £'000
Aggregate remuneration in respect of qualifying services	<u>306</u>	<u>141</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 30/6/13 £'000	Period 1/10/11 to 30/6/12 £'000
Other operating leases	532	8
Depreciation – owned assets	660	244
Goodwill amortisation	205	115
Goodwill provision for impairment	1,729	-
Auditor's remuneration - audit of the group financial statements	20	6
Auditor's remuneration - audit of the subsidiary financial statements	74	24
Auditor's remuneration - tax services	<u>20</u>	<u>3</u>

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30/6/13 £'000	Period 1/10/11 to 30/6/12 £'000
Other interest payable	<u>5</u>	<u>61</u>
	<u>5</u>	<u>61</u>

7. TAXATION

Analysis of the tax charge

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

	Year ended 30/6/13 £'000	Period 1/7/11 to 30/6/12 £'000
Current tax:		
UK corporation tax – current year	<u>3,491</u>	<u>423</u>
Total current tax	<u>3,491</u>	<u>423</u>
Deferred tax:		
Origination and reversal of timing differences – prior year adjustment	(21)	-
Origination and reversal of timing differences – current year	<u>119</u>	<u>44</u>
Total deferred tax	<u>98</u>	<u>44</u>
Tax on profit on ordinary activities	<u>3,589</u>	<u>467</u>

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

7. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	Year ended 30/6/13 £'000	Period 1/7/11 to 30/6/12 £'000
Profit on ordinary activities before tax	<u>857</u>	<u>3,054</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.75% (2012 – 25.15%)	204	768
Effects of:		
Expenses not deductible for tax purposes	535	(396)
Decelerated capital allowances	31	7
Short term timing differences	-	63
Adjustments to tax charge in respect of previous periods	10	-
Irrecoverable withholding tax suffered	2,703	-
Excess foreign tax on overseas income	-	40
Income taxable in respect of earlier periods	70	-
Utilisation of tax losses not previously recognised	(71)	-
Tax losses arising in the period – not recognised	24	-
Difference in tax rate on loss carry back	<u>(15)</u>	<u>(59)</u>
Current year tax charge	<u>3,491</u>	<u>423</u>

Full credit relief for the overseas withholding tax suffered was not available in the year due to the loss making position of the company

Factors that may affect future tax charges

In the Budget announcement of 20 March 2013 the Chancellor of the Exchequer announced Budget tax changes to further decrease the rate of UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015, which have an effect on the group's future tax position. As at the balance sheet date of 30 June 2013, the tax changes announced in the Budget are not 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the financial statements at the date.

The effect of the reduction in the tax rate to 20% would be to reduce the deferred tax liability as at 30 June 2013 to £66,000.

8. PROFIT OF PARENT COMPANY

The profit dealt with in the financial statements of the parent company is £129,000 (2012: Loss £5,000).

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

9. INTANGIBLE FIXED ASSETS

Group	<i>Goodwill</i> £'000
COST	
At 1 July 2013	2,049
Additions	<u>-</u>
At 30 June 2013	<u>2,049</u>
AMORTISATION	
At 1 July 2013	115
Amortisation for period	205
Provision for impairment	<u>1,729</u>
At 30 June 2013	<u>2,049</u>
NET BOOK VALUE	
At 30 June 2013	<u><u>-</u></u>
At 1 July 2012	<u><u>1,934</u></u>

A provision for impairment was made to fully write-down the goodwill following the Directors' assessment of the appropriate carrying value at the year-end. The value in use model was prepared based on forecast cash flows for the next three years, a long term growth rate and a discount rate appropriate to the risk profile of the business.

10. TANGIBLE FIXED ASSETS

Group	<i>Plant and machinery</i> £'000	<i>Fixtures and fittings</i> £'000	<i>Computer equipment & software</i> £'000	<i>Totals</i> £'000
COST				
At 1 July 2013	1,360	111	215	1,686
Additions	262	12	306	580
Disposals	<u>(39)</u>	<u>-</u>	<u>(2)</u>	<u>(41)</u>
At 30 June 2013	<u>1,583</u>	<u>123</u>	<u>519</u>	<u>2,225</u>
DEPRECIATION				
At 1 July 2013	187	15	42	244
Charge for period	502	26	132	660
Disposals	<u>(13)</u>	<u>(15)</u>	<u>(1)</u>	<u>(29)</u>
At 30 June 2013	<u>676</u>	<u>26</u>	<u>173</u>	<u>875</u>
NET BOOK VALUE				
At 30 June 2013	<u><u>907</u></u>	<u><u>97</u></u>	<u><u>346</u></u>	<u><u>1,350</u></u>
At 1 July 2012	<u><u>1,173</u></u>	<u><u>96</u></u>	<u><u>173</u></u>	<u><u>1,442</u></u>

The notes form part of these financial statements

DC RMS Holdings Limited (Registered number: 07803833)

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

11. FIXED ASSET INVESTMENTS

Company

	<i>Shares in group undertakings £'000</i>
COST AND NET BOOK VALUE	
At 1 July 2012	3
Additions	<u>-</u>
At 30 June 2013	<u>3</u>

12. STOCKS

	2013	Group 2012
	£'000	£'000
Stocks	<u>-</u>	<u>2</u>

DC RMS Holdings Limited (Registered number: 07803833)

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade debtors	15,588	21,303	-	-
Corporation tax	127	-	-	-
Deferred tax	-	19	-	-
Other debtors	283	867	157	-
Prepayments and accrued income	994	2,935	-	-
	<u>16,992</u>	<u>25,124</u>	<u>157</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade creditors	2,960	2,579	1	-
Amounts owed by Group Undertakings	-	-	129	-
Corporation tax	923	114	-	-
Deferred tax	79	-	-	-
Social security and other taxes	138	113	-	-
Other creditors	12	3,858	-	-
Accruals and deferred income	20,589	21,006	26	8
	<u>24,701</u>	<u>27,670</u>	<u>156</u>	<u>8</u>
Deferred tax arises on:				
Accelerated capital allowances	24	(16)	-	-
Other timing differences	54	(3)	-	-
	<u>78</u>	<u>(19)</u>	<u>-</u>	<u>-</u>

15. OPERATING LEASE COMMITMENTS

At the year end the group had annual lease commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other operating leases	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Expiring:				
Within one year	316	16	46	-
Between one and five years	183	152	25	52
	<u>499</u>	<u>168</u>	<u>71</u>	<u>52</u>

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2013	2012
Number:	Class:		£	£
1,000,000	Ordinary A	0.01p	100	100
168,650	Ordinary B	0.01p	<u>16</u>	<u>16</u>
			<u>116</u>	<u>116</u>

17. RESERVES

Group

	<i>Profit and loss account</i> £'000	<i>Totals</i> £'000
At 1 July 2012	2,587	2,587
Loss for the period	(2,732)	(2,732)
Revaluation of foreign currency reserves/translation effects	<u>114</u>	<u>114</u>
At 30 June 2013	<u>(31)</u>	<u>(31)</u>

Company

	<i>Profit and loss account</i> £'000	<i>Totals</i> £'000
At 1 July 2012	(5)	(5)
Profit for the period	<u>129</u>	<u>129</u>
At 30 June 2013	<u>124</u>	<u>124</u>

18. CONTINGENT LIABILITIES

The Directors have identified potential issues in relation to historic operations that may result in a material liability to the Company. The Directors have sought legal advice and taken appropriate action to address these issues, both in terms of ensuring no recurrence of these issues going forwards as well as steps to deal with any liability that may result from historic actions. The Directors consider that there is a possibility that an outflow of economic benefit will be required to settle the historic position, but consider that no reliable estimate can be made at this time of the potential outflow and hence no provision has been made in these accounts. The Directors expect that any outflow of economic benefit associated with these potential issues will likely be settled within one year of the date of approval of the financial statements. The Directors have also considered the impact of this potential liability in the assessment of the going concern of the Group, and have determined that adequate cash resources are available to cover the potential outflow of economic benefits.

19. ULTIMATE CONTROLLING PARTY

It is the opinion of the directors that director J M Stampa-Orwin was the ultimate controlling party of the group, owing to his overall control of the shareholding companies at the year end. However, control for the Company has now moved to Dora Capital Ltd as of 10th July 2014.

DC RMS Holdings Limited (Registered number: 07803833)

Notes to the Consolidated Financial Statements - continued for the year ended 30 June 2013

20. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the period ended 30 June 2013:

	2013 £'000
J M Stampa Orwin	
Balance outstanding at start of year	138
Amounts advanced	50
Amounts repaid	(138)
Balance outstanding at end of year	<u>50</u>

21. RELATED PARTY DISCLOSURES

During the period the group entered into transactions, in the ordinary course of business, with other related parties (all associated companies of the group). Transactions entered into, and trading balances outstanding at 30 June 2013, are as follows:

Related party	Place of incorporation	Sales to related party £'000	Purchases from related party £'000	Amounts owed from related party £'000	Amounts owed to related party £'000
Drum Cussac Asia Pte Limited	Singapore	-	421	161	1,072
Drum Cussac Limited	Jersey	161	27,298	13,022	19,610
Drum Cussac Nigeria Limited	Nigeria	73	10	87	1,053

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013 £'000	2012 £'000
Profit/(loss) for the financial period	(2,732)	2,587
Revaluation of foreign currency reserves/translation effects	<u>114</u>	<u>-</u>
Net addition/(reduction) to shareholders' funds	(2,618)	2,587
Opening shareholders' funds	<u>2,587</u>	<u>-</u>
Closing shareholders' funds	<u>(31)</u>	<u>2,587</u>

Company

	2013 £'000	2012 £'000
Profit/(Loss) for the financial period	<u>129</u>	<u>(5)</u>
Net addition/(reduction) to shareholders' deficit	129	(5)
Opening shareholders' deficit	<u>(5)</u>	<u>-</u>
Closing shareholders' funds/(deficit)	<u>124</u>	<u>(5)</u>

The notes form part of these financial statements

DC RMS Holdings Limited (Registered number: 07803833)

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 June 2013**

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating profit	857	3,088
Depreciation charges	660	244
Amortisation and impairment of goodwill	1,934	115
(Increase)/decrease in stocks	2	(2)
(Increase)/decrease in debtors	8,365	(14,113)
Increase/(decrease) in creditors	(2,933)	13,201
	<u>8,885</u>	<u>2,533</u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £'000	2012 £'000
Returns on investments and servicing of finance		
Interest received	-	27
Interest paid	-	(61)
	<u>-</u>	<u>(34)</u>
Net cash outflow for returns on investments and servicing of finance	<u>-</u>	<u>(34)</u>
Capital expenditure		
Purchase of tangible fixed assets	(580)	(578)
	<u>(580)</u>	<u>(578)</u>

25. ANALYSIS OF CHANGES IN NET CASH

	<i>At 1 July 2012 £'000</i>	<i>Cash flow £'000</i>	<i>At 30 June 2013 £</i>
Net cash:			
Cash at bank	<u>1,755</u>	<u>4,573</u>	<u>6,328</u>
Total	<u>1,755</u>	<u>4,573</u>	<u>6,328</u>