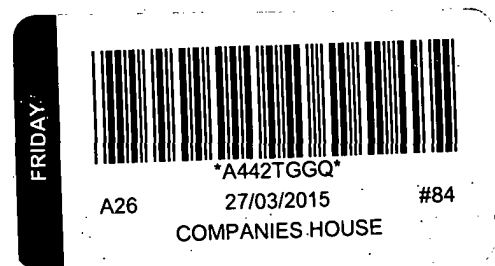


**CEETAK HOLDINGS LIMITED  
AND ITS SUBSIDIARY  
FINANCIAL STATEMENTS  
30 JUNE 2014**



# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

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# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## OFFICERS AND PROFESSIONAL ADVISERS

### **The board of directors**

T R Baron Esq  
Ms S M Baron  
D F Lines Esq  
Mrs P A M Baron

### **Company secretary**

Ms S M Baron

### **Registered office**

Fraser Road  
Priory Business Park  
Bedford  
MK44 3WH

### **Auditor**

Keens Shay Keens Limited  
Chartered Accountants  
& Statutory Auditor  
Christchurch House  
Upper George Street  
Luton  
Beds  
LU1 2RS

### **Bankers**

Lloyds Bank Plc  
Bedford

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## STRATEGIC REPORT

YEAR ENDED 30 JUNE 2014

### PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

Ceetak are a supplier of Elastomeric sealing and Heat sealing solutions globally. Our strength is in our wide range of products across the two Divisions together with our customer base across a wide range of Industries. These include Oil and Gas, Life Sciences, Petro Chemical, Chemical, Electronics, Industrial, Hydraulics, Pneumatics and Food processing.

Ceetak have experienced strong growth in recent years and this continued with sales of £12,840,753 for the trading company, a 24% increase over the previous year. Increases in both our Gross profit and N.O.P demonstrate the strategic value new projects are bringing to the business.

#### Key Performance Indicators

Ceetak reviews its outputs through KPI's in areas of customer service, delivery, supply base, its environmental footprint and how it helps its staff through training, welfare and opportunity to progress.

#### Future Outlook

Ceetak's strength remains in our Engineering competence and Product development strategy. New business is won based on innovation and new designs as well as improvements to our manufacturing processes. We continue to win new projects in both our Elastomeric Sealing as well as Heat Sealing Divisions. Market focus in 2015 will see the introduction of new products for Life Sciences where we can see strong development for several years ahead. Recent developments place us in a strong position to take our QPH Sealing system into the Food process industry both in our home as well as global markets.

### PRINCIPAL RISKS AND UNCERTAINTIES

The commercial environment for our Elastomeric Sealing product continues to come under margin pressure from Low cost manufacturing countries, however our ability to offer engineered added value continues to grow the business. Uncertainty in the price of Oil is seeing a downturn in our Oil and Gas sales but being offset by the growth in the Automotive industry sector.

#### Financial Risk Management

The Company is exposed to a number of financial risks which include foreign exchange rate and credit risk. Ceetak has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company

#### Foreign Exchange Risk

Ceetak operates internationally and is exposed to foreign exchange rate volatility arising primarily with the US Dollar and the Euro. The risk occurs through current commercial transactions where our US\$ purchases and our Euro sales are both increasing and although there is a risk to our operating margins the risk is managed in a number of ways, by matching income and costs and monitoring closely currency fluctuations. Excess currency is sold through setting up forward deals and the spot market.

#### Credit Risk

Credit risk is the potential loss arising from failure of customers who are unable to fulfill the obligations as and when they fall due. Ceetak has implemented policies that require appropriate credit checks on potential customers before sales are made and minimising credit exposure. All cash and deposits are made with reputable financial institutions.

**CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY**

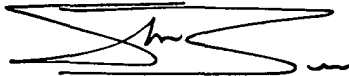
**STRATEGIC REPORT** *(continued)*

**YEAR ENDED 30 JUNE 2014**

**Liquidity Risk**

As with all businesses, liquidity is a key risk. The Company is in a strong position and able to provide sufficient funds for future growth and investment.

Signed by order of the directors



Ms S M Baron  
Company Secretary

Approved by the directors on .....18/3/2015.....

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements of the group for the year ended 30 June 2014.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,365,749. Particulars of dividends paid are detailed in note 9 to the financial statements.

### DIRECTORS

The directors who served the company during the year were as follows:

T R Baron Esq  
Ms S M Baron  
D F Lines Esq  
Mrs P A M Baron

### DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### STRATEGIC REPORT

A review of business and the principal risks and uncertainties facing the business can be found in the Strategic Report on pages 2 to 3 of the financial statements.

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2014

## AUDITOR

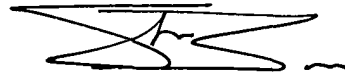
Keens Shay Keens Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Fraser Road  
Priory Business Park  
Bedford  
MK44 3WH

Signed by order of the directors



Ms S M Baron  
Company Secretary

Approved by the directors on 18/3/2015

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

YEAR ENDED 30 JUNE 2014

We have audited the group and parent company financial statements ("the financial statements") of Ceetak Holdings Limited and its subsidiary for the year ended 30 June 2014. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY *(continued)***

**YEAR ENDED 30 JUNE 2014**

**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.



JEREMY TYRRELL BA (HONS) FCA  
(Senior Statutory Auditor)  
For and on behalf of  
KEENS SHAY KEENS LIMITED  
Chartered Accountants  
& Statutory Auditor

Christchurch House  
Upper George Street  
Luton  
Beds  
LU1 2RS

25/3/2015

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2014

|  | Note     | 2014<br>£               | 2013<br>£               |
|--|----------|-------------------------|-------------------------|
| <b>GROUP TURNOVER</b>                                | <b>2</b> | <b>12,895,305</b>       | 10,358,246              |
| Cost of sales  |          | <u>7,658,131</u>        | <u>6,336,968</u>        |
| <b>GROSS PROFIT</b>                                  |          | <b>5,237,174</b>        | 4,021,278               |
| Administrative expenses                              |          | <u>3,642,282</u>        | <u>3,065,714</u>        |
| <b>OPERATING PROFIT</b>                              | <b>3</b> | <b>1,594,892</b>        | 955,564                 |
| Interest receivable                                  |          | 16,317                  | 19,446                  |
| Interest payable and similar charges                 | <b>6</b> | <u>(7,725)</u>          | <u>(2,443)</u>          |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>1,603,484</b>        | 972,567                 |
| Tax on profit on ordinary activities                 | <b>7</b> | <u>237,735</u>          | <u>(31,153)</u>         |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | <b>8</b> | <b><u>1,365,749</u></b> | <b><u>1,003,720</u></b> |

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 21 form part of these financial statements.

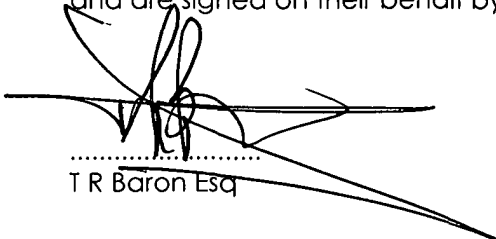
**CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY**

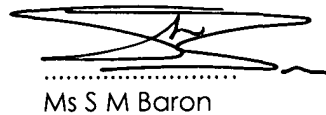
**GROUP BALANCE SHEET**

**30 JUNE 2014**

|   | Note | 2014<br>£        | 2013<br>£        |
|---|------|------------------|------------------|
| <b>FIXED ASSETS</b>                                   |      |                  |                  |
| Tangible assets                                       | 10   | <u>325,547</u>   | <u>328,362</u>   |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |
| Stocks  | 12   | 1,868,372        | 1,743,682        |
| Debtors   | 13   | 2,107,702        | 2,106,651        |
| Cash at bank and in hand                              |      | <u>3,960,221</u> | <u>3,231,984</u> |
|   |      | 7,936,295        | 7,082,317        |
| <b>CREDITORS: Amounts falling due within one year</b> | 14   | <u>2,410,155</u> | <u>2,354,346</u> |
| <b>NET CURRENT ASSETS</b>                             |      | <u>5,526,140</u> | <u>4,727,971</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>5,851,687</u> | <u>5,056,333</u> |
| <b>PROVISIONS FOR LIABILITIES</b>                     |      |                  |                  |
| Deferred taxation                                     | 15   | <u>30,484</u>    | <u>30,879</u>    |
|   |      | <u>5,821,203</u> | <u>5,025,454</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                  |
| Called-up equity share capital                        | 19   | 20,000           | 20,000           |
| Profit and loss account                               | 20   | <u>5,801,203</u> | <u>5,005,454</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            | 21   | <u>5,821,203</u> | <u>5,025,454</u> |

These accounts were approved by the directors and authorised for issue on 18/7/2015 and are signed on their behalf by:

  
 .....  
 T R Baron Esq

  
 .....  
 Ms S M Baron

The notes on pages 12 to 21 form part of these financial statements.


# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## BALANCE SHEET

**30 JUNE 2014**

|   |      | 2014             |                  | 2013             |
|---|------|------------------|------------------|------------------|
|   | Note | £                | £                | £                |
| <b>FIXED ASSETS</b>                                   |      |                  |                  |                  |
| Tangible assets                                       | 10   |                  | 17,242           | 27,899           |
| Investments   | 11   |                  | <u>100</u>       | <u>100</u>       |
|   |      |                  | <u>17,342</u>    | <u>27,999</u>    |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |                  |
| Debtors   | 13   | 904,774          |                  | 1,245,180        |
| Cash at bank  |      | <u>1,951,185</u> |                  | <u>1,640,558</u> |
|   |      | 2,855,959        |                  | 2,885,738        |
| <b>CREDITORS: Amounts falling due within one year</b> | 14   | <u>334,193</u>   |                  | <u>567,844</u>   |
| <b>NET CURRENT ASSETS</b>                             |      |                  | <u>2,521,766</u> | <u>2,317,894</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                  | <u>2,539,108</u> | <u>2,345,893</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                  |                  |
| Called-up equity share capital                        | 19   |                  | 20,000           | 20,000           |
| Profit and loss account                               | 20   |                  | <u>2,519,108</u> | <u>2,325,893</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            |      |                  | <u>2,539,108</u> | <u>2,345,893</u> |

These accounts were approved by the directors and authorised for issue on 18/3/2015 and are signed on their behalf by:

  
 .....  
 T R Baron Esq

  
 .....  
 Ms S M Baron

Company Registration Number: 1001255

The notes on pages 12 to 21 form part of these financial statements.

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## GROUP CASH FLOW

YEAR ENDED 30 JUNE 2014

|   | Note | 2014<br>£      | 2013<br>£      |
|---|------|----------------|----------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES       | 22   | 1,511,848      | 978,617        |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 22   | 8,592          | 17,003         |
| TAXATION  | 22   | (94,607)       | 223,455        |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT    | 22   | (115,377)      | (90,668)       |
| EQUITY DIVIDENDS PAID                           |      | (570,000)      | (530,000)      |
| INCREASE IN CASH                                | 22   | <u>740,456</u> | <u>598,407</u> |

The notes on pages 12 to 21 form part of these financial statements.

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                    |                        |
|--------------------|------------------------|
| Leasehold property | 6.67-25% straight line |
| Motor vehicles     | 25% straight line      |
| Equipment          | 15-33% straight line   |

#### **Stocks**

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

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax. 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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

|                | 2014<br>£         | 2013<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | <u>12,895,305</u> | <u>10,358,246</u> |

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

|  | 2014<br>£        | 2013<br>£ |
|--|------------------|-----------|
| Depreciation of owned fixed assets         | 118,192          | 108,698   |
| Profit on disposal of fixed assets         | -                | (601)     |
| Auditor's remuneration                     |                  |           |
| - as auditor                               | 13,173           | 12,465    |
| Net profit on foreign currency translation | <u>(180,076)</u> | <u>-</u>  |

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

|                                | 2014      | 2013      |
|--------------------------------|-----------|-----------|
|                                | No        | No        |
| Number of production staff     | 27        | 24        |
| Number of administrative staff | 18        | 18        |
| Number of management staff     | 6         | 6         |
|                                | <b>51</b> | <b>48</b> |

The aggregate payroll costs of the above were:

|                       | 2014             | 2013             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,714,041        | 1,809,873        |
| Social security costs | 287,426          | 228,923          |
| Other pension costs   | 35,180           | 30,088           |
| Other pension costs   | 25,758           | 310,747          |
|                       | <b>3,062,405</b> | <b>2,379,631</b> |

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

|  | 2014           | 2013           |
|--|----------------|----------------|
|  | £              | £              |
| Remuneration receivable  | 882,200        | 544,305        |
| Value of company pension contributions to money purchase schemes | 25,758         | 310,747        |
|  | <b>907,958</b> | <b>855,052</b> |

#### Remuneration of highest paid director:

|  | 2014           | 2013 |
|--|----------------|------|
|  | £              | £    |
| Total remuneration (excluding pension contributions) | <b>577,108</b> | -    |

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

|                                    | 2014         | 2013         |
|------------------------------------|--------------|--------------|
|                                    | £            | £            |
| Interest payable on bank borrowing | -            | 125          |
| Other similar charges payable      | 7,725        | 2,318        |
|                                    | <b>7,725</b> | <b>2,443</b> |



# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

|   | 2014<br>£      | 2013<br>£       |
|---|----------------|-----------------|
| Current tax:  |                |                 |
| In respect of the year:   |                |                 |
| UK Corporation tax based on the results for the year at 23%<br>(2013 - 20%) | 238,130        | (27,990)        |
| (Over)/under provision in prior year  | -              | 56              |
| Total current tax   | <u>238,130</u> | <u>(27,934)</u> |
| Deferred tax:   |                |                 |
| Origination and reversal of timing differences                              | <u>(395)</u>   | <u>(3,219)</u>  |
| Tax on profit on ordinary activities  | <u>237,735</u> | <u>(31,153)</u> |

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 20%).

|   | 2014<br>£        | 2013<br>£        |
|---|------------------|------------------|
| Profit on ordinary activities before taxation | <u>1,603,484</u> | <u>972,567</u>   |
| Profit on ordinary activities by rate of tax  | 368,801          | 233,416          |
| Expenses disallowed                           | 1,422            | 517              |
| Excess depreciation over capital allowances   | (865)            | 4,740            |
| Under/Over provision                          | 56               | 56               |
| Marginal relief                               | -                | (3,246)          |
| Affect of change in tax rate                  | (9,294)          | (1,149)          |
| Profit on sale of fixed assets                | 128              | (166)            |
| Research and development tax credit           | <u>(122,118)</u> | <u>(262,102)</u> |
| Total current tax (note 7(a))                 | <u>238,130</u>   | <u>(27,934)</u>  |

### 8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £763,215 (2013 - £501,587).

### 9. DIVIDENDS

#### Equity dividends

|                                     | 2014<br>£      | 2013<br>£      |
|-------------------------------------|----------------|----------------|
| Paid during the year:               |                |                |
| Equity dividends on ordinary shares | <u>570,000</u> | <u>530,000</u> |

**CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2014**

**10. TANGIBLE FIXED ASSETS**

| <b>Group</b>           | <b>Leasehold<br/>Property<br/>£</b> | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Equipment<br/>£</b> | <b>Total<br/>£</b>    |
|------------------------|-------------------------------------|--|---------------------------------|------------------------|-----------------------|
| <b>COST</b>            |                                     |  |                                 |                        |                       |
| At 1 July 2013         | 212,051                             | 2,724                                    | 217,119                         | 420,932                | 852,826               |
| Additions              | <u>3,173</u>                        | <u>416</u>                               | <u>32,750</u>                   | <u>79,038</u>          | <u>115,377</u>        |
| <b>At 30 June 2014</b> | <u><b>215,224</b></u>               | <u><b>3,140</b></u>                      | <u><b>249,869</b></u>           | <u><b>499,970</b></u>  | <u><b>968,203</b></u> |
| <b>DEPRECIATION</b>    |                                     |  |                                 |                        |                       |
| At 1 July 2013         | 110,133                             | 1,789                                    | 83,855                          | 328,687                | 524,464               |
| Charge for the year    | <u>14,257</u>                       | <u>635</u>                               | <u>57,316</u>                   | <u>45,984</u>          | <u>118,192</u>        |
| <b>At 30 June 2014</b> | <u><b>124,390</b></u>               | <u><b>2,424</b></u>                      | <u><b>141,171</b></u>           | <u><b>374,671</b></u>  | <u><b>642,656</b></u> |
| <b>NET BOOK VALUE</b>  |                                     |  |                                 |                        |                       |
| <b>At 30 June 2014</b> | <u><b>90,834</b></u>                | <u><b>716</b></u>                        | <u><b>108,698</b></u>           | <u><b>125,299</b></u>  | <u><b>325,547</b></u> |
| At 30 June 2013        | <u>101,918</u>                      | <u>935</u>                               | <u>133,264</u>                  | <u>92,245</u>          | <u>328,362</u>        |
| <b>Company</b>         |                                     |  |                                 |                        |                       |
|                        |                                     | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Total<br/>£</b>     |                       |
| <b>COST</b>            |                                     |  |                                 |                        |                       |
| At 1 July 2013         |                                     | 2,714                                    | 41,750                          | 44,464                 |                       |
| Additions              |                                     | <u>416</u>                               | <u>-</u>                        | <u>416</u>             |                       |
| <b>At 30 June 2014</b> |                                     | <u><b>3,130</b></u>                      | <u><b>41,750</b></u>            | <u><b>44,880</b></u>   |                       |
| <b>DEPRECIATION</b>    |                                     |  |                                 |                        |                       |
| At 1 July 2013         |                                     | 1,779                                    | 14,786                          | 16,565                 |                       |
| Charge for the year    |                                     | <u>635</u>                               | <u>10,438</u>                   | <u>11,073</u>          |                       |
| <b>At 30 June 2014</b> |                                     | <u><b>2,414</b></u>                      | <u><b>25,224</b></u>            | <u><b>27,638</b></u>   |                       |
| <b>NET BOOK VALUE</b>  |                                     |  |                                 |                        |                       |
| <b>At 30 June 2014</b> |                                     | <u><b>716</b></u>                        | <u><b>16,526</b></u>            | <u><b>17,242</b></u>   |                       |
| At 30 June 2013        |                                     | <u>935</u>                               | <u>26,964</u>                   | <u>27,899</u>          |                       |

**CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2014**

**11. INVESTMENTS**

|                                  |                              |
|----------------------------------|------------------------------|
| <b>Company</b>                   | <b>Group companies<br/>£</b> |
| <b>COST</b>                      |                              |
| At 1 July 2013 and 30 June 2014  | <u>100</u>                   |
| <b>NET BOOK VALUE</b>            |                              |
| At 30 June 2014 and 30 June 2013 | <u>100</u>                   |

|                                | Country of<br>incorporation | Proportion<br>of voting<br>rights and<br>Holding shares held | Nature of business   |
|--------------------------------|-----------------------------|--|----------------------|
| <b>Subsidiary undertakings</b> |                             |  |                      |
| All held by the company:       |                             |  |                      |
| Ceetak Limited                 | England                     | Ordinary 100%  | Engineering Products |

**12. STOCKS**

|                | <b>Group</b>     |                  | <b>Company</b> |          |
|----------------|------------------|------------------|----------------|----------|
|                | 2014             | 2013             | 2014           | 2013     |
|                | £                | £                | £              | £        |
| Finished goods | <u>1,868,372</u> | <u>1,743,682</u> | <u>-</u>       | <u>-</u> |

**13. DEBTORS**

|                                    | <b>Group</b>     |                  | <b>Company</b> |                  |
|------------------------------------|------------------|------------------|----------------|------------------|
|                                    | 2014             | 2013             | 2014           | 2013             |
|                                    | £                | £                | £              | £                |
| Trade debtors                      | 1,948,175        | 1,957,615        | -              | -                |
| Amounts owed by group undertakings | -                | -                | 896,453        | 1,245,180        |
| VAT recoverable                    | -                | 55,358           | -              | -                |
| Other debtors                      | 1,810            | -                | 1,810          | -                |
| Prepayments and accrued income     | 157,717          | 93,678           | 6,511          | -                |
|                                    | <u>2,107,702</u> | <u>2,106,651</u> | <u>904,774</u> | <u>1,245,180</u> |

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 14. CREDITORS: Amounts falling due within one year

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2014             | 2013             | 2014           | 2013           |
|   | £                | £                | £              | £              |
| Overdrafts  | -                | 12,219           | -              | 12,219         |
| Trade creditors   | 245,569          | 324,368          | -              | -              |
| Directors' loan accounts                                | 282,375          | 523,217          | 282,375        | 523,217        |
| Other creditors including taxation and social security: |                  |                  |                |                |
| Corporation tax   | 253,175          | 109,652          | 29,991         | 1,936          |
| Other taxation and social security                      | 94,588           | 48,921           | 5,644          | 14,967         |
| Other creditors   | 480,992          | 628,140          | 654            | 3,992          |
| Accruals and deferred income                            | 1,053,456        | 707,829          | 15,529         | 11,513         |
|   | <u>2,410,155</u> | <u>2,354,346</u> | <u>334,193</u> | <u>567,844</u> |

### 15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

|                           | Group         |               | Company  |          |
|---------------------------|---------------|---------------|----------|----------|
|                           | 2014          | 2013          | 2014     | 2013     |
|                           | £             | £             | £        | £        |
| Provision brought forward | 30,879        | 34,098        | -        | -        |
| Decrease in provision     | (395)         | (3,219)       | -        | -        |
| Provision carried forward | <u>30,484</u> | <u>30,879</u> | <u>-</u> | <u>-</u> |

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Group   | 2014          |            | 2013          |            |
|---|---------------|------------|---------------|------------|
|   | Provided      | Unprovided | Provided      | Unprovided |
|   | £             | £          | £             | £          |
| Excess of taxation allowances over depreciation on fixed assets | <u>30,484</u> | <u>-</u>   | <u>30,879</u> | <u>-</u>   |

### 16. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as set out below.

| Group                          | Land and buildings |                |
|--------------------------------|--------------------|----------------|
|                                | 2014               | 2013           |
|                                | £                  | £              |
| Operating leases which expire: |                    |                |
| Within 2 to 5 years            | 22,000             | 22,000         |
| After more than 5 years        | 91,400             | 91,400         |
|                                | <u>113,400</u>     | <u>113,400</u> |

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 17. TRANSACTIONS WITH THE DIRECTORS

Included in other creditors is an amount of £163,188 (2013: £304,447) owed by the company to T R Baron Esq. The maximum liability during the year was £304,447.

Included in other creditors is an amount of £86,430 (2013: £119,776) owed by the company to Ms S M Baron. The maximum liability during the year was £119,776.

Included in other creditors is an amount of £32,756 (2013: £98,994) owed by the company to Ms P Baron. The maximum liability during the year was £98,994.

The loans are subject to interest at a rate of 3% above base rate.

During the year, the directors received the following total advances and credits to their loan accounts:-

|               | Total<br>advances<br>£ | Dividends<br>Received<br>£ | Total<br>credits<br>£ |
|---------------|------------------------|----------------------------|-----------------------|
| T R Baron Esq | 3,378                  | 326,605                    | 471,242               |
| Ms S M Baron  | 2,320                  | 108,000                    | 143,666               |
| Mrs P A Baron | 483                    | 104,740                    | 171,460               |

### 18. RELATED PARTY TRANSACTIONS

The company was under the control of T R Baron Esq throughout the current and previous year. T R Baron Esq is a director and majority shareholder.

### 19. SHARE CAPITAL

#### Authorised share capital:

|                                    | 2014<br>£      | 2013<br>£      |
|------------------------------------|----------------|----------------|
| 100,000 Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |

#### Allotted, called up and fully paid:

|                            | 2014          |               | 2013          |               |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | No            | £             | No            | £             |
| Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> |

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 20. RESERVES

| <b>Group</b>            | <b>Profit and loss<br/>account<br/>£</b> |
|-------------------------|--|
| Balance brought forward | 5,005,454                                |
| Profit for the year     | 1,365,749                                |
| Equity dividends        | <u>(570,000)</u>                         |
| Balance carried forward | <u>5,801,203</u>                         |
| <br>                    |  |
| <b>Company</b>          | <b>Profit and loss<br/>account<br/>£</b> |
| Balance brought forward | 2,325,893                                |
| Profit for the year     | 763,215                                  |
| Equity dividends        | <u>(570,000)</u>                         |
| Balance carried forward | <u>2,519,108</u>                         |

### 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                     | 2014<br>£        | 2013<br>£        |
|-------------------------------------|------------------|------------------|
| Profit for the financial year       | 1,365,749        | 1,003,720        |
| Equity dividends                    | <u>(570,000)</u> | <u>(530,000)</u> |
| Net addition to shareholders' funds | 795,749          | 473,720          |
| Opening shareholders' funds         | <u>5,025,454</u> | <u>4,551,734</u> |
| Closing shareholders' funds         | <u>5,821,203</u> | <u>5,025,454</u> |

### 22. NOTES TO THE CASH FLOW STATEMENT

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | 2014<br>£        | 2013<br>£        |
|---|------------------|------------------|
| Operating profit                          | 1,594,892        | 955,564          |
| Depreciation                              | 118,192          | 108,698          |
| Profit on disposal of fixed assets        | -                | (601)            |
| Increase in stocks                        | <u>(124,690)</u> | <u>(170,060)</u> |
| Increase in debtors                       | (1,051)          | (256,681)        |
| (Decrease)/increase in creditors          | <u>(75,495)</u>  | <u>341,697</u>   |
| Net cash inflow from operating activities | <u>1,511,848</u> | <u>978,617</u>   |

# CEETAK HOLDINGS LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

### 22. NOTES TO THE CASH FLOW STATEMENT *(continued)*

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

|  | 2014           | 2013           |
|--|----------------|----------------|
|  | £              | £              |
| Interest received  | 16,317         | 19,446         |
| Interest paid  | <u>(7,725)</u> | <u>(2,443)</u> |
| Net cash inflow from returns on investments and servicing of finance | <u>8,592</u>   | <u>17,003</u>  |

#### TAXATION

|          | 2014            | 2013           |
|----------|-----------------|----------------|
|          | £               | £              |
| Taxation | <u>(94,607)</u> | <u>223,455</u> |

#### CAPITAL EXPENDITURE

|   | 2014             | 2013            |
|---|------------------|-----------------|
|   | £                | £               |
| Payments to acquire tangible fixed assets | (115,377)        | (94,867)        |
| Receipts from sale of fixed assets        | -                | 4,199           |
| Net cash outflow from capital expenditure | <u>(115,377)</u> | <u>(90,668)</u> |

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

|                                     | 2014             | 2013             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Increase in cash in the period      | 740,456          | 598,407          |
| Movement in net funds in the period | <u>740,456</u>   | <u>598,407</u>   |
| Net funds at 1 July 2013            | 3,219,765        | 2,621,358        |
| Net funds at 30 June 2014           | <u>3,960,221</u> | <u>3,219,765</u> |

#### ANALYSIS OF CHANGES IN NET FUNDS

|                          | At<br>1 Jul 2013 | Cash flows     | At<br>30 Jun 2014 |
|--------------------------|------------------|----------------|-------------------|
|                          | £                | £              | £                 |
| Net cash:                |                  |                |                   |
| Cash in hand and at bank | 3,231,984        | 728,237        | 3,960,221         |
| Overdrafts               | <u>(12,219)</u>  | <u>12,219</u>  | -                 |
| Net funds                | <u>3,219,765</u> | <u>740,456</u> | <u>3,960,221</u>  |