

REGISTERED NUMBER: SC076742 (Scotland)

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STO LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

STO LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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STO LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS: David Martin Clark
Gary Stephen Bundy
Timothy Leslie James Deathridge
Rolf Woehrle
Wolfgang George Vincent Gerner
Gino Albert Gustaaf Gailliaert

SECRETARY: David Martin Clark

REGISTERED OFFICE: 2 Gordon Avenue
Hillington Park
Glasgow
G52 4TG

REGISTERED NUMBER: SC076742 (Scotland)

AUDITORS: Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

BANKERS: Royal Bank of Scotland plc
Paisley Chief Office
1 Moncrieff Street
Paisley
PA3 2AW

SOLICITORS: McClure Naismith
292 St Vincent Street
Glasgow
G2 2DZ

STO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year ended 31 December 2014.

The principal activity of the company in the year under review was that of suppliers of specialist building materials. The directors are not aware at the date of this report of any likely major changes in the company's activities in the next year.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2014	2013	2012
Profit (loss) before tax	465,281	1,165,012	2,221,129

The net assets of the company have decreased from £5,500,311 at 31 December 2013 to £4,352,329 at 31 December 2014.

PRINCIPAL RISKS AND UNCERTAINTIES

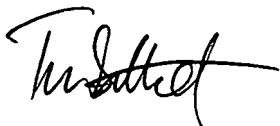
The market continues to develop within the UK and the company is working to increase its market share.

Goods are imported from the EC and therefore the company is exposed to movement in exchange rates. The company seeks to manage this risk by means of appropriate treasury management.

During the year the company continued to use foreign currency contracts to mitigate the risk of material unforecast exchange fluctuations. All contracts negotiated and settled prior to the 31st December 2014 have been accounted for in the results for that period.

In addition the directors seek to control overhead costs in order to maintain the profitability of the company.

ON BEHALF OF THE BOARD:



Timothy Leslie James Deathridge - Director

5 March 2015

STO LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

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

DIVIDENDS

An interim dividend of 300 per share was paid on 1 June 2014. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2014 will be £1,500,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

David Martin Clark
Gary Stephen Bundy
Timothy Leslie James Deathridge
Rolf Woehrle
Wolfgang George Vincent Gerner

Other changes in directors holding office are as follows:

Nicolas Richard Ensminger - resigned 29 August 2014
Gino Albert Gustaaf Gailliaert - appointed 29 August 2014

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, trade creditors and loans from group undertakings. The main purpose of these instruments is to finance the company's operations.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

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;
- 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.

STO LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Ernst & Young were appointed as the company's external auditors commencing with the 2015 financial year . The appointment was approved by the parent company shareholders at the AGM.

ON BEHALF OF THE BOARD:



Timothy Leslie James Deathridge - Director

5 March 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STO LIMITED

We have audited the financial statements of Sto Limited for the year ended 31 December 2014 on pages seven to sixteen. 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 three, 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 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 Strategic Report and the Report of the Directors 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 company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STO LIMITED**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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.



Shona Malcolm BAcc CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

5 March 2015

STO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
TURNOVER	2	14,947,861	17,516,700
Cost of sales		(6,894,936)	(8,362,012)
GROSS PROFIT		8,052,925	9,154,688
Administrative expenses		(7,886,207)	(8,185,135)
		166,718	969,553
Other operating income		294,626	187,371
OPERATING PROFIT	4	461,344	1,156,924
Interest receivable and similar income		6,051	8,088
		467,395	1,165,012
Interest payable and similar charges	5	(2,114)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		465,281	1,165,012
Tax on profit on ordinary activities	6	(113,263)	(301,192)
PROFIT FOR THE FINANCIAL YEAR		352,018	863,820
Retained profit brought forward		5,495,311	6,278,995
		5,847,329	7,142,815
Dividends	7	(1,500,000)	(1,647,504)
RETAINED PROFIT CARRIED FORWARD		4,347,329	5,495,311

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

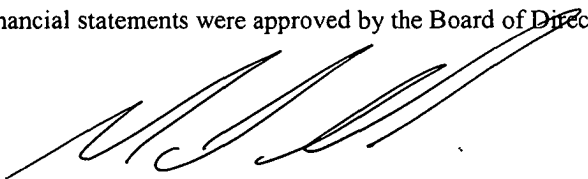
The company has no recognised gains or losses other than the profits for the current year or previous year.

STO LIMITED (REGISTERED NUMBER: SC076742)

BALANCE SHEET
31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,396,855		2,569,928
CURRENT ASSETS					
Stocks	9	422,270		635,670	
Debtors	10	1,745,651		2,192,941	
Cash at bank		2,086,343		2,585,128	
		<u>4,254,264</u>		<u>5,413,739</u>	
CREDITORS					
Amounts falling due within one year	11	<u>2,143,772</u>		<u>2,308,028</u>	
NET CURRENT ASSETS			<u>2,110,492</u>		<u>3,105,711</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,507,347</u>		<u>5,675,639</u>
PROVISIONS FOR LIABILITIES	13		<u>155,018</u>		<u>175,328</u>
NET ASSETS			<u><u>4,352,329</u></u>		<u><u>5,500,311</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		5,000		5,000
Profit and loss account			<u>4,347,329</u>		<u>5,495,311</u>
SHAREHOLDERS' FUNDS	18		<u><u>4,352,329</u></u>		<u><u>5,500,311</u></u>

The financial statements were approved by the Board of Directors on 5 March 2015 and were signed on its behalf by:



David Martin Clark - Director

STO LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	1,217,649	1,366,387
Returns on investments and servicing of finance	2	3,937	8,088
Taxation		(174,457)	(371,272)
Capital expenditure	2	(45,914)	(249,641)
Equity dividends paid		(1,500,000)	(1,647,504)
Decrease in cash in the period		<u>(498,785)</u>	<u>(893,942)</u>

Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(498,785)</u>	<u>(893,942)</u>
Change in net funds resulting from cash flows		<u>(498,785)</u>	<u>(893,942)</u>
Movement in net funds in the period		(498,785)	(893,942)
Net funds at 1 January		<u>2,585,128</u>	<u>3,479,070</u>
Net funds at 31 December		<u><u>2,086,343</u></u>	<u><u>2,585,128</u></u>

STO LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

	2014	2013
	£	£
Operating profit	461,344	1,156,924
Depreciation charges	220,484	187,008
Profit on disposal of fixed assets	(1,497)	(4,600)
Decrease/(increase) in stocks	213,400	(91,362)
Decrease in debtors	447,290	165,847
Decrease in creditors	(123,372)	(47,430)
Net cash inflow from operating activities	<u><u>1,217,649</u></u>	<u><u>1,366,387</u></u>

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	6,051	8,088
Interest paid	(2,114)	-
Net cash inflow for returns on investments and servicing of finance	<u><u>3,937</u></u>	<u><u>8,088</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(48,331)	(254,241)
Sale of tangible fixed assets	2,417	4,600
Net cash outflow for capital expenditure	<u><u>(45,914)</u></u>	<u><u>(249,641)</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/14	Cash flow	At
	£	£	31/12/14
			£
Net cash:			
Cash at bank	2,585,128	(498,785)	2,086,343
	<u>2,585,128</u>	<u>(498,785)</u>	<u>2,086,343</u>
Total	<u><u>2,585,128</u></u>	<u><u>(498,785)</u></u>	<u><u>2,086,343</u></u>

STO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Consideration is given to the point at which the company is entitled to the income.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 5% on cost
Improvements to property	- 20% on cost and 5% on cost
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Computer equipment	- 33% on cost

No depreciation is charged in respect of land.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance 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. Deferred tax assets are recognised where there is a reasonable expectation that they will be received in the foreseeable future.

Hire purchase and leasing 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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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 recorded at the rate ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

In the year to 31st December 2014 96.4% of sales were within the United Kingdom (2013 - 97.1%).

STO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	3,295,903	3,594,700
Social security costs	394,552	428,320
Other pension costs	157,940	150,236
	<u>3,848,395</u>	<u>4,173,256</u>

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

	2014	2013
Directors	5	5
Administration	35	43
Sales	17	19
Warehousing and distribution	15	15
	<u>72</u>	<u>82</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Hire of plant and machinery	35,683	37,582
Depreciation - owned assets	220,484	187,008
Profit on disposal of fixed assets	(1,497)	(4,600)
Auditors' remuneration	25,650	27,000
Vehicle operating leases	246,337	264,024
(Gain)/Loss on foreign exchange	42,764	(579)
	<u>416,231</u>	<u>380,299</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2014	2013
	£	£
Emoluments etc	<u>135,313</u>	<u>142,467</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Other interest	<u>2,114</u>	<u>-</u>

STO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

6. TAXATION

Analysis of the tax charge

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

	2014 £	2013 £
Current tax:		
UK corporation tax	136,809	278,041
Under/(Over) provision in prior years	(3,236)	339
	<u>133,573</u>	<u>278,380</u>
Total current tax	133,573	278,380
Deferred tax	(20,310)	22,812
	<u>113,263</u>	<u>301,192</u>
Tax on profit on ordinary activities	<u>113,263</u>	<u>301,192</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>465,281</u>	<u>1,165,012</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23.246%)	100,003	270,819
Effects of:		
Disallowed expenses and non taxable income	31,440	36,701
Other timing differences	(4,297)	(1,027)
Adjustments in respect of prior period	(3,236)	339
Depreciation in excess of capital allowances	9,663	-
Capital allowances in excess of depreciation	-	(28,452)
	<u>133,573</u>	<u>278,380</u>
Current tax charge	<u>133,573</u>	<u>278,380</u>

7. DIVIDENDS

	2014 £	2013 £
Ordinary shares of £1.00 each		
Interim	<u>1,500,000</u>	<u>1,647,504</u>

STO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2014	2,826,739	181,337	430,713
Additions	-	2,161	2,915
Disposals	-	-	(1,500)
At 31 December 2014	<u>2,826,739</u>	<u>183,498</u>	<u>432,128</u>
DEPRECIATION			
At 1 January 2014	693,384	40,940	251,001
Charge for year	115,837	25,613	39,195
Eliminated on disposal	-	-	(580)
At 31 December 2014	<u>809,221</u>	<u>66,553</u>	<u>289,616</u>
NET BOOK VALUE			
At 31 December 2014	<u>2,017,518</u>	<u>116,945</u>	<u>142,512</u>
At 31 December 2013	<u>2,133,355</u>	<u>140,397</u>	<u>179,712</u>

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2014	157,301	77,801	3,673,891
Additions	38,368	4,887	48,331
Disposals	-	(6,197)	(7,697)
At 31 December 2014	<u>195,669</u>	<u>76,491</u>	<u>3,714,525</u>
DEPRECIATION			
At 1 January 2014	71,328	47,310	1,103,963
Charge for year	25,939	13,900	220,484
Eliminated on disposal	-	(6,197)	(6,777)
At 31 December 2014	<u>97,267</u>	<u>55,013</u>	<u>1,317,670</u>
NET BOOK VALUE			
At 31 December 2014	<u>98,402</u>	<u>21,478</u>	<u>2,396,855</u>
At 31 December 2013	<u>85,973</u>	<u>30,491</u>	<u>2,569,928</u>

9. STOCKS

	2014 £	2013 £
Stocks	<u>422,270</u>	<u>635,670</u>

STO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	1,490,625	1,821,142
Amounts due from group companies	63,759	127,912
Prepayments and accrued income	191,267	243,887
	<u>1,745,651</u>	<u>2,192,941</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	458,694	575,096
Corporation tax	27,157	68,041
Social security and other taxes	320,376	365,139
Amounts due to group undertakings	702,956	670,858
Accrued expenses	634,589	628,894
	<u>2,143,772</u>	<u>2,308,028</u>

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	30,731	5,665	10,167	17,061
Between one and five years	350,250	239,091	245,315	248,581
In more than five years	-	140,250	-	-
	<u>380,981</u>	<u>385,006</u>	<u>255,482</u>	<u>265,642</u>

13. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax		
Accelerated capital allowances	155,018	175,328
	<u>155,018</u>	<u>175,328</u>
		Deferred tax
		£
Balance at 1 January 2014		175,328
Charge for year		(20,310)
		<u>155,018</u>
Balance at 31 December 2014		<u>155,018</u>

STO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
5,000	Ordinary	£1.00	5,000	5,000
			<u>5,000</u>	<u>5,000</u>

15. PENSION COMMITMENTS

The company operates a defined pension contribution scheme for the directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £157,094 (2013 - £150,236) including contributions in respect of employees.

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Sto SE & Co KGaA who own 100% of the issued share capital.

17. RELATED PARTY DISCLOSURES

The company's main supplier is Sto SE & Co KGaA and its subsidiaries/associated companies, Sto Verotec GmbH, Sto SAS and Stomix Spol SRO. Sto SE & Co KGaA own 100% of the company's issued share capital. In the year ended 31 December 2014 the company purchased goods to the value of £3,915,984 (2013 - £4,895,905) from Sto SE & Co KGaA and its subsidiaries and associated companies.

The company was charged a service fee of £889,881 in the year from the parent company Sto SE & Co KGaA (2013 - £681,642) and interest of £2,108 (2013 - £nil).

The amount owed to Sto SE & Co KGaA and its subsidiaries in respect of trade creditors at 31 December 2014 was £702,956, (2013 - creditor of £670,858).

Services provided to Sto SE & Co KGaA for the year to 31 December 2014 totalled £692,092. The amount due from Sto SE & Co KGaA at 31 December 2014 totalled £63,759.(2013: £127,912).

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	352,018	863,820
Dividends	(1,500,000)	(1,647,504)
Net reduction of shareholders' funds	<u>(1,147,982)</u>	<u>(783,684)</u>
Opening shareholders' funds	5,500,311	6,283,995
Closing shareholders' funds	<u>4,352,329</u>	<u>5,500,311</u>

19. DERIVATIVES

The company has foreign currency forward contracts in place at the year end which commit the company to purchase euros at prescribed rates.

The fair value of these forward contracts committed to at the balance sheet date is £2,136,752 (2013 - £498,710). These values have not been reflected in the balance sheet.