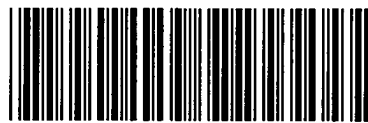


Soyang Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2015

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COMPANIES HOUSE

Thompson Jones Business Solutions Limited
Chartered Accountants & Registered Auditors
2 Heap Bridge
Bury
Lancashire
BL9 7HR

Soyang Europe Limited

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Soyang Europe Limited
Company Information

Director M P Mashiter

Company secretary C Mashiter

Registered office 2 Heap Bridge
Bury
Lancashire
BL9 7HR

Bankers Lloyds TSB Bank PLC
16 Market Place
Oldham
Lancashire
OL1 1JG

Auditors Thompson Jones Business Solutions Limited
Chartered Accountants & Registered Auditors
2 Heap Bridge
Bury
Lancashire
BL9 7HR

Soyang Europe Limited
Strategic Report for the Year Ended 31 March 2015

The director presents his strategic report for the year ended 31 March 2015.

Business review

Fair review of the business

The results of the business are shown on page 7 of the financial statements and the director considers these to be fair

The company's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Turnover	£	8,197,320	6,687,326
Turnover growth	%	23	4
Gross profit margin	%	26	23
Profit before tax	£	721,110	287,909

At the end of the year the net assets totalled £1,368,916

Approved by the Board on 29 September 2015 and signed on its behalf by:



.....
M P Mashiter
Director

Soyang Europe Limited
Director's Report for the Year Ended 31 March 2015

The director presents his report and the financial statements for the year ended 31 March 2015.

Director of the company

The director who held office during the year was as follows:

M P Mashiter

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and factoring agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Trade creditors' liquidity risk is managed by ensuring sufficient funds are still available to meet amounts due.

Disclosure of information to the auditor

The director has taken 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 auditor is aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditor is unaware of.

Approved by the Board on 29 September 2015 and signed on its behalf by:



M P Mashiter
Director

Soyang Europe Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent Auditor's Report to the Members of Soyang Europe Limited

We have audited the financial statements of Soyang Europe Limited for the year ended 31 March 2015, set out on pages 7 to 18. 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 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 members 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 Statement of Director's Responsibilities (set out on page 4), the director is 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 (APB'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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 March 2015 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

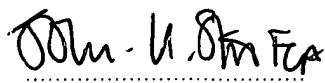
**Independent Auditor's Report to the Members of
Soyang Europe Limited**

..... continued

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.



John Stone FCA (Senior Statutory Auditor)

For and on behalf of Thompson Jones Business Solutions Limited, Statutory Auditor

2 Heap Bridge
Bury
Lancashire
BL9 7HR

29 September 2015

Soyang Europe Limited
Profit and Loss Account for the Year Ended 31 March 2015

	Note	2015 £	2014 £
Turnover		8,197,320	6,687,326
Cost of sales		<u>(6,035,560)</u>	<u>(5,117,715)</u>
Gross profit		2,161,760	1,569,611
Distribution costs		(187,028)	(194,309)
Administrative expenses		(1,241,690)	(1,082,984)
Other operating income		<u>45,806</u>	<u>-</u>
Operating profit	2	778,848	292,318
Other interest receivable and similar income	5	20	96
Interest payable and similar charges	6	<u>(57,758)</u>	<u>(4,505)</u>
Profit on ordinary activities before taxation		721,110	287,909
Tax on profit on ordinary activities	7	<u>(151,312)</u>	<u>(85,258)</u>
Profit for the financial year	16	<u><u>569,798</u></u>	<u><u>202,651</u></u>

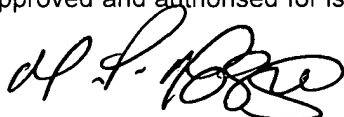
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Soyang Europe Limited
(Registration number: 05503397)
Balance Sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	8	<u>1,946,685</u>	<u>1,922,910</u>
Current assets			
Stocks	9	1,644,723	1,308,554
Debtors	10	2,009,936	1,967,862
Cash at bank and in hand		<u>58,227</u>	<u>13,962</u>
		3,712,886	3,290,378
Creditors: Amounts falling due within one year	11	<u>(3,045,890)</u>	<u>(2,970,012)</u>
Net current assets		<u>666,996</u>	<u>320,366</u>
Total assets less current liabilities		2,613,681	2,243,276
Creditors: Amounts falling due after more than one year	12	(1,225,765)	(1,266,797)
Provisions for liabilities	13	<u>(19,000)</u>	<u>(15,000)</u>
Net assets		<u><u>1,368,916</u></u>	<u><u>961,479</u></u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	16	<u>1,368,816</u>	<u>961,379</u>
Shareholders' funds	17	<u><u>1,368,916</u></u>	<u><u>961,479</u></u>

Approved and authorised for issue by the director on 29 September 2015



M P Mashiter
Director

Soyang Europe Limited
Cash Flow Statement for the Year Ended 31 March 2015

Reconciliation of operating profit to net cash flow from operating activities

	2015 £	2014 £
Operating profit	778,848	292,318
Depreciation, amortisation and impairment charges	60,203	19,216
(Increase)/decrease in stocks	(336,169)	171,899
Increase in debtors	(42,074)	(375,305)
Increase in creditors	375,225	190,276
Net cash inflow from operating activities	<u>836,033</u>	<u>298,404</u>

Cash flow statement

	2015 £	2014 £
Net cash inflow from operating activities	<u>836,033</u>	<u>298,404</u>
Returns on investments and servicing of finance		
Interest received	20	96
Interest paid	<u>(57,758)</u>	<u>(4,505)</u>
	(57,738)	(4,409)
Taxation paid	(61,312)	(99,258)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(83,978)	(1,882,709)
Equity dividends paid	<u>(162,361)</u>	<u>(125,674)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>470,644</u>	<u>(1,813,646)</u>
Financing		
Value of new loans obtained during the period	-	1,312,500
Repayment of loans and borrowings	<u>(41,032)</u>	<u>(3,728)</u>
	(41,032)	1,308,772
Increase/(decrease) in cash	<u>429,612</u>	<u>(504,874)</u>

Soyang Europe Limited

Cash Flow Statement for the Year Ended 31 March 2015

..... *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2015 £	2014 £
Increase/(decrease) in cash		429,612	(504,874)
Cash inflow from increase in loans		-	(1,312,500)
Cash outflow from repayment of loans		41,032	3,728
Change in net debt resulting from cash flows	19	<u>470,644</u>	<u>(1,813,646)</u>
Movement in net debt	19	470,644	(1,813,646)
Net (debt)/funds at 1 April	19	<u>(1,680,157)</u>	<u>133,489</u>
Net debt at 31 March	19	<u><u>(1,209,513)</u></u>	<u><u>(1,680,157)</u></u>

Soyang Europe Limited
Notes to the Financial Statements for the Year Ended 31 March 2015

1 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of screen printing materials.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and equipment	20% reducing balance basis
Fixtures and fittings	20% reducing balance basis
Motor vehicles	25% reducing balance basis
Freehold property	over 50 years

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - plant and machinery	12,007	11,757
Operating leases - other assets	163,340	235,426
Foreign currency losses/(gains)	67,220	(6,833)
Depreciation of owned assets	<u>60,203</u>	<u>19,216</u>

3 Particulars of employees

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Sales, marketing and distribution	<u>12</u>	<u>12</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	369,405	318,586
Social security costs	46,414	39,326
Staff pensions	<u>25,400</u>	<u>7,200</u>
	<u>441,219</u>	<u>365,112</u>

4 Director's remuneration

The director's remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	12,500	15,252
Company contributions paid to money purchase schemes	<u>12,700</u>	<u>3,600</u>

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	20	80
Other interest receivable	<u>-</u>	<u>16</u>
	<u>20</u>	<u>96</u>

6 Interest payable and similar charges

	2015 £	2014 £
Interest on bank borrowings	<u>57,758</u>	<u>4,505</u>
	<u>57,758</u>	<u>4,505</u>

7 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	147,500	61,500
Adjustments in respect of previous years	<u>(188)</u>	<u>14,258</u>
UK Corporation tax	147,312	75,758
Deferred tax		
Origination and reversal of timing differences	<u>4,000</u>	<u>9,500</u>
Total tax on profit on ordinary activities	<u>151,312</u>	<u>85,258</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The differences are reconciled below:

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

	2015 £	2014 £
Profit on ordinary activities before taxation	721,110	287,909
Corporation tax at standard rate	151,433	66,219
Capital allowances	(18,097)	(9,046)
Expenses not deductible for tax	13,986	5,836
Other differences	(10)	12,750
Total current tax	147,312	75,758

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2014	1,846,043	53,068	117,834	-	2,016,945
Additions	-	17,166	46,140	20,672	83,978
At 31 March 2015	1,846,043	70,234	163,974	20,672	2,100,923
Depreciation					
At 1 April 2014	-	28,078	65,957	-	94,035
Charge for the year	27,000	8,431	19,604	5,168	60,203
At 31 March 2015	27,000	36,509	85,561	5,168	154,238
Net book value					
At 31 March 2015	1,819,043	33,725	78,413	15,504	1,946,685
At 31 March 2014	1,846,043	24,990	51,877	-	1,922,910

9 Stocks

	2015 £	2014 £
Stocks	1,644,723	1,308,554

10 Debtors

	2015 £	2014 £
Trade debtors	1,887,125	1,577,868
Other debtors	12,959	241,779
Prepayments and accrued income	109,852	148,215
	2,009,936	1,967,862

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

11 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,532,193	1,514,407
Bank loans and overdrafts	41,975	427,322
Corporation tax	147,500	61,500
Other taxes and social security	179,453	-
Other creditors	1,060,062	933,615
Accruals and deferred income	84,707	33,168
	<u>3,045,890</u>	<u>2,970,012</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2015 £	2014 £
Factoring creditor	1,051,042	925,054
Bank loans and overdrafts	41,975	469,297
	<u>1,093,017</u>	<u>1,394,351</u>

The factoring creditor is secured against the debts to which they relate. The bank loan is secured against the freehold land and buildings from which the company trades.

12 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans and overdrafts	<u>1,225,765</u>	<u>1,266,797</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2015 £	2014 £
Bank loans and overdrafts	<u>1,225,765</u>	<u>1,266,798</u>

Included in the creditors are the following amounts due after more than five years:

	2015 £	2014 £
After more than five years by instalments	<u>1,023,722</u>	<u>1,064,754</u>

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

13 Provisions

	Deferred tax £	Total £
At 1 April 2014	15,000	15,000
Charged to the profit and loss account	4,000	4,000
At 31 March 2015	<u>19,000</u>	<u>19,000</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>15,000</u>	<u>15,000</u>

14 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

15 Dividends

	2015 £	2014 £
Dividends paid		
Current year interim dividend paid	<u>162,361</u>	<u>125,674</u>

16 Reserves

	Profit and loss account £	Total £
At 1 April 2014	961,379	961,379
Profit for the year	569,798	569,798
Dividends	<u>(162,361)</u>	<u>(162,361)</u>
At 31 March 2015	<u>1,368,816</u>	<u>1,368,816</u>

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

17 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	569,798	202,651
Dividends	<u>(162,361)</u>	<u>(125,674)</u>
Net addition to shareholders' funds	407,437	76,977
Shareholders' funds at 1 April	<u>961,479</u>	<u>884,502</u>
Shareholders' funds at 31 March	<u><u>1,368,916</u></u>	<u><u>961,479</u></u>

18 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £25,400 (2014 - £7,200).

Contributions totalling £nil (2014 - £nil) were payable to the schemes at the end of the year and are included in creditors.

19 Analysis of net debt

	At 1 April 2014 £	Cash flow £	At 31 March 2015 £
Cash at bank and in hand	13,962	44,264	58,227
Bank overdraft	<u>(385,347)</u>	385,347	-
	(371,385)	429,611	58,227
Debt due within one year	(41,975)	-	(41,975)
Debt due after more than one year	<u>(1,266,797)</u>	41,033	<u>(1,225,765)</u>
Net debt	<u><u>(1,680,157)</u></u>	<u><u>470,644</u></u>	<u><u>(1,209,513)</u></u>

20 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Soyang International Co Limited (Shareholder)

During the year the company purchased goods to the value of £2,517,796 (2013: £3,098,902) from Soyang International Co Limited. At the balance sheet date the amount due to Soyang International Co Limited was £1,388,237 (2014 - £724,324).

Soyang Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

M P Mashiter

(Director)

Dividends paid: £153,341 (2014: £118,693). At the balance sheet date the amount due to M P Mashiter was £nil (2014 - £nil).

21 Control

The company is controlled by the director who owns 51% of the called up share capital.