

Company Registration No. 08119359

Porlock Holdings Limited

Annual Report and Financial Statements

Period from 26 June 2012 to 30 June 2013

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Porlock Holdings Limited

Report and financial statements 2013

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Porlock Holdings Limited

Annual Report and financial statements 2013

Officers and professional advisers

Directors

R Allen-Turner
R Aslett
J Gregory
C Meller
G Perkins
J Thoday
R Winters

Secretary

R Allen-Turner

Registered Office

4a Exmoor Street
London
W10 6BD

Bankers

The Royal Bank of Scotland plc
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
London, United Kingdom

Porlock Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the period from incorporation on 26 June 2012 to 30 June 2013

Activities

The company is a privately held firm that operates as a holding company for a group of subsidiaries engaged in the provision of services of performers in the entertainment industry and television programme production. The company was incorporated in June 2012 and has its registered office in London, United Kingdom.

The holding company is responsible for managing the group and its overall legal structure, tax planning, financial and equity structures. The holding company, together with its subsidiaries, principally conducts business operations within the United States and the United Kingdom.

Business review

The Directors of Porlock Holdings Limited present the company's first set of consolidated accounts.

Porlock Holdings Limited became the ultimate holding company for Avalon Public Relations Limited, following the restructuring of the "Avalon Group" of companies formerly held under the holding company Nolava Holdings Limited. The group was restructured at this time in the manner described in the company accounts for Avalon Entertainment Limited in 2012.

Post year end, the directors have taken the decision that the company's only subsidiary Avalon Public Relations Limited will cease to trade, this became effective as of 1 January 2014. This, combined with the fact that the holding company is in a net liability position, means the financial statements have been prepared on a basis other than that of going concern. No material adjustments to the financial statements arose as a result of this decision. Activities formerly performed by Avalon Public Relations Limited have now been assumed by Avalon Promotions Limited, the objective being to serve better clients common to both companies. Avalon Promotions Limited is a company controlled by the same ultimate shareholders as Avalon Public Relations Limited.

As required by UK accounting standards, the accounts include comparative figures for the previous 12 months, although the group did not exist in this form in that period. The consolidated group delivered an operating loss of £131,171 (2012: £71,865).

As at 30 June 2013, the Group had no debt.

The shareholdings in Porlock Holdings Limited are identical to those of the former holding company, Nolava Holdings Limited, and identical to the shareholdings in Nolava 2 Limited, the ultimate holding company of Avalon Promotions Limited.

Going concern

Post year end, the directors have taken the decision that the company's only subsidiary will cease to trade. This, combined with the fact that the holding company is in a net liability position, means the financial statements have been prepared on a basis other than that of going concern. No material adjustments to the financial statements arose as a result of this decision.

Charitable and political contributions

During the year the group made charitable donations of £nil (2012: £nil).

Porlock Holdings Limited

Directors' report

Directors

The directors, who served throughout the period except as noted, were as follows

R Allen-Turner
R Aslett
J Gregory
C Meller
G Perkins
J Thoday
R Winters

Auditor

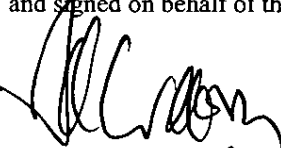
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



Director J GREGORY

21st March 2014

Porlock Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Porlock Holdings Limited

We have audited the financial statements of Porlock Holdings Limited for the period from 26 June 2012 to 30 June 2013 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, the consolidated cash flow and the related notes 1 to 16. 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 Directors' Responsibilities Statement, 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 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2013 and of the group's loss for the period 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on matters prescribed in the Companies Act 2006

In our opinion the information in the Directors' 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 Porlock Holdings 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



James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
21 March 2014

Porlock Holdings Limited

Consolidated profit and loss account Year ended 30 June 2013

	Notes	Year ended 30 June 2013 £	Year ended 30 June 2012 £
Turnover		1,710,916	1,957,114
Cost of sales		<u>(941,860)</u>	<u>(946,361)</u>
Gross profit		769,056	1,010,753
Administrative expenses		<u>(900,227)</u>	<u>(1,082,618)</u>
Operating loss	3	<u>(131,171)</u>	<u>(71,865)</u>
Loss on ordinary activities before taxation		(131,171)	(71,865)
Tax on profit on ordinary activities	4	<u>-</u>	<u>(853)</u>
Loss on ordinary activities after taxation on profit for the financial period		<u><u>(131,171)</u></u>	<u><u>(72,718)</u></u>

The profit and loss account for 2013 has been prepared on the basis that all operations are discontinued operations

The Company has no recognised gains or losses other than the losses for the current year and previous year

The accompanying notes form an integral part of these financial statements

Porlock Holdings Limited

Consolidated balance sheet 30 June 2013

	Notes	30 June 2013 £	30 June 2012 £
Current assets			
Debtors	6	981,848	587,494
Cash at bank and in hand		100,516	1,313,704
		<u>1,082,364</u>	<u>1,901,198</u>
Creditors: amounts falling due within one year			
	7	<u>(213,435)</u>	<u>(901,098)</u>
Net current assets		<u>868,929</u>	<u>1,000,100</u>
Net assets		<u>868,929</u>	<u>1,000,100</u>
Capital and reserves			
Called up share capital	8	10,002	10,002
Share premium	9	880,998	880,998
Merger reserve	9	109,100	109,100
Profit and loss account	10	<u>(131,171)</u>	<u>-</u>
Total equity shareholders' funds		<u>868,929</u>	<u>1,000,100</u>

The financial statements of Porlock Holdings Limited (registered number 08119359) were approved by the Board of Directors on *21st March* 2014

Signed on behalf of the Board of Directors



Director

J. GREGORY

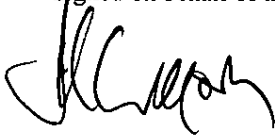
Porlock Holdings Limited

Company balance sheet 30 June 2013

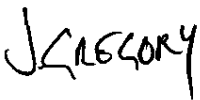
	Notes	30 June 2013 £
Creditors: amounts falling due within one year	7	(15,793)
Net current liabilities		<u>(15,793)</u>
Total assets less current liabilities being net assets		<u>(15,793)</u>
Capital and reserves		
Called up share capital	8	10,002
Share premium	9	880,998
Profit and loss account	9	<u>(906,793)</u>
Total equity shareholders' deficit		<u>(15,793)</u>

The financial statements of Porlock Holdings Limited (registered number 08119359) were approved by the Board of Directors on *21st March* 2014

Signed on behalf of the Board of Directors



Director



Porlock Holdings Limited

Consolidated cash flow statement Year ended 30 June 2013

	Note	Year ended 30 June 2013 £	Year ended 30 June 2012 £
Net cash (outflow)/inflow from operating activities	12	(1,213,188)	951,011
Equity dividends paid		-	(622,268)
Equity shares issued		-	1,000,000
Corporation tax paid		-	(15,093)
(Decrease)/increase in cash and cash equivalents		<u>(1,213,188)</u>	<u>1,313,650</u>

Porlock Holdings Limited

Notes to the consolidated financial statements Year ended 30 June 2013

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions in the current period are accounted for using merger accounting as permitted in FRS 6 – Merger Accounting for a group Reconstruction.

Going concern

Post year end, the directors have taken the decision that the company's only subsidiary will cease to trade. This, combined with the fact that the holding company is in a net liability position, means the financial statements have been prepared on a basis other than that of going concern. No material adjustments to the financial statements arose as a result of this decision.

Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of value added tax

Pension costs

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

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Foreign currency

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 transacted into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

2 Information regarding directors and employees

	2013 £	2012 £
Staff costs during the year (including directors)		
Wages and salaries	526,554	627,737
Social security costs	64,688	71,891
Pension costs	8,850	27,040
	<u>600,092</u>	<u>726,668</u>
	2013	2012
Average monthly number of employees	<u>14</u>	<u>17</u>

The Directors were remunerated by another company within the Avalon Group of companies in both the current and prior years

3. Operating loss

The operating loss is stated after charging

	2013 £	2012 £
Fees paid to the Company's auditor for the audit of the Company's annual accounts	<u>6,500</u>	<u>5,590</u>

4. Taxation

Analysis of the tax charge

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

	2013 £	2012 £
Current tax	-	853
UK corporation tax	<u>-</u>	<u>853</u>
Tax on (loss) on ordinary activities	<u>-</u>	<u>853</u>

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

4. Taxation (continued)

Factors affecting the tax charge

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

	2013 £	2012 £
Loss on ordinary activities before tax	(131,171)	(71,865)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.75% (2012: 25.5%)	(31,153)	(18,326)
Effects of		
Disallowable expenses	3,154	1,344
Over provision of corporation tax in previous years	-	853
Short-term timing differences	(3,049)	-
Losses not utilised	31,048	16,982
Current tax charge	-	853

5. Investments

Company

	Shares in group undertakings £
Cost	
At 26 June 2012 and 30 June 2013	891,000
Net book value	
At 26 June 2012	891,000
Impairment in the year	(891,000)
At 30 June 2013	-

The company's investments at the balance sheet date comprise the following

Subsidiary	Nature of business	Holding %	Loss for the year £	Aggregate capital & reserves £
Avalon Public Rights Limited	Public relations	100	£115,378	£884,721

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

6 Debtors: amounts due within one year

	Group		Company
	2013	2012	2013
	£	£	£
Trade debtors	370,405	201,350	-
Corporation tax debtor	14,220	39,627	-
Prepayments and accrued income	542,246	346,517	-
Other taxes and social security	54,977	-	-
	<u>981,848</u>	<u>587,494</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	Group		Company
	2013	2012	2013
	£	£	£
Trade creditors	126,913	24,009	-
Accruals and deferred income	67,745	869,787	15,793
Other creditors	18,777	7,302	-
	<u>213,435</u>	<u>901,098</u>	<u>15,793</u>

8. Called up share capital

	2013
	£
Allotted, called up and fully paid	
945,211 (2012 945,211) A Ordinary shares of £0 01 each (2012 £0 01)	9,452
45,000 (2012 45,000) B Ordinary shares of £0 01 each (2012 £0 01)	450
10,000 (2012 10,000) D Ordinary shares of £0 01 each (2012 £0 01)	100
	<u>10,002</u>

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) **Year ended 30 June 2013**

8. Called up share capital (continued)

The rights in relation to the different classes of shares are as follows

Capital

On return of assets on a liquidation or a winding-up, reduction of capital, or otherwise the assets of the company remaining after payment of such of its liabilities as it is necessary to discharge to effect the distribution ("net proceeds") shall be distributed as follows

- to the holders of the A Shares, in respect of their A Shares then held, the full amount of the net proceeds up to an amount equal to the B threshold value
- to both the A and the B shareholders, in respect of their A and B shares then held, the balance of the net proceeds up to the amount equal to the D threshold value
- thereafter, the balance of the net proceeds, if any, shall be distributed to each of the holders of the A Shares, the B Shares and the D Shares in proportion to the number of shares held by them respectively

In the event of a sale, the proceeds of such sale shall be distributed between the selling shareholders in the manner set out above, as if the same constituted a liquidation of the company

Voting in General Meetings

The holders of the A Shares shall be entitled to receive notice of and to attend and vote at the general meetings of the Company. Every holder of A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every holder of A Shares so present shall have one vote for each A Share held by him

The holders of the B Shares and D Shares shall not be entitled to receive notice of, nor to attend or vote at general meetings of the company

Income

No dividend shall be payable on any Shares in respect of any financial period of the Company unless there are sufficient profits of the company available for distribution

The A Shares, the B Shares and the D Shares shall be treated as separate classes of Shares for the purposes of all distributions and, accordingly, the Company or the Board (as the case may be, as required pursuant to the Act) shall not be under any obligations to make any distribution to one class of Shares if it makes a distribution to another class of Shares, nor shall the Company or the Board be under any obligation to pay the same amount by way of dividend on each class of Shares

Any distribution payable to the holders of the B Shares or D Shares shall not be paid in respect of any unvested Shares

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

9. Reserves

	<u>Group</u>		
	Share premium £	Profit & loss account £	Merger reserve £
At 1 July 2012	880,998	-	109,100
Loss for the year	-	(131,171)	-
At 30 June 2013	<u>880,998</u>	<u>(131,171)</u>	<u>109,100</u>

Acquisitions in the current period are accounted for using merger accounting as permitted in FRS 6 – Merger Accounting for a group Reconstruction, which has resulted in the recognition of a merger reserve

	<u>Company Profit & loss account £</u>
At 26 June 2012	-
Loss for the year	(906,793)
At 30 June 2013	<u>(906,793)</u>

10 Reconciliation of movements in group shareholders' funds

	2013 £	2012 £
Loss for the year	(131,171)	(72,718)
Dividends paid	-	(622,268)
Opening group shareholders' funds	<u>1,000,100</u>	<u>1,695,086</u>
Closing group shareholders' funds	<u>868,929</u>	<u>1,000,100</u>

11. Ultimate controlling party

At 30 June 2013, the ultimate controlling party was JM Thoday

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

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

	2013 £	2012 £
Operating loss	(131,171)	(71,865)
Increase in debtors	(394,354)	1,908,187
Decrease in creditors	(687,663)	(885,311)
	<u>(1,213,188)</u>	<u>951,011</u>

13 Analysis of changes in net funds

	At 1 July 2012 £	Cash flow £	At 30 June 2013 £
Net cash			
Cash at bank and in hand	1,313,704	(1,213,188)	100,516
	<u>1,313,704</u>	<u>(1,213,188)</u>	<u>100,516</u>

14. Loss attributable to Porlock Holdings Limited

The loss of the parent company, Porlock Holdings Limited, was £906,793 for the period 26 June 2012 to 30 June 2013. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

15. Related party transactions

The company had the following year end transactions and balances with related parties

	2013 £	2012 £
Amounts falling due within one year from related party undertakings		
Avalon Television Limited	138,809	103,072
Avalon Promotions Limited	-	24,410
Avalon Distribution Limited	-	14,854
	<u>138,809</u>	<u>142,336</u>

	2013 £	2012 £
Amounts due to related party undertakings within one year:		
Avalon Entertainment Limited	-	702,268
Avalon Management Group Limited	52,059	20,266
	<u>52,059</u>	<u>722,534</u>

Porlock Holdings Limited

Notes to the consolidated financial statements (continued) Year ended 30 June 2013

15. Related party transactions (continued)

During the year Porlock Holdings Limited group companies entered into transactions and arrangements on normal commercial terms with Avalon Promotions Limited, Avalon Television Limited, Avalon Distribution Limited and Avalon Management Group Limited, who share the same ultimate shareholders as Porlock Holdings Limited

	2013 £	2012 £
Sales made to:		
Avalon Promotions Limited	1,073,949	947,908
Avalon Television Limited	362,874	615,694
Avalon Distribution Limited	14,403	30,974
Avalon Management Group Limited	40,000	40,000

During the year Porlock Holdings Limited group companies were recharged expenses and management fees from the following related companies

	2013 £	2012 £
Recharges and management fees charged from:		
Avalon Management Group Limited	866,978	968,081

16. Pension arrangements

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The cumulative pensions cost charge for the year was £8,850 (2012 £27,040). Outstanding contributions of £nil (2012 £nil) were payable to pensions schemes at the year-end.