Annual Report

for the Year Ended 31 December 2014

for

Ross Group Plc & Subsidiaries

**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2014**

Company Information
for the Year Ended 31 December 2014

DIRECTORS:	W L Hopkins B R Pettitt M J Simon S C Mehta
SECRETARY:	M J Simon
REGISTERED OFFICE:	71-75 Shelton Street London WC2H 9JQ
REGISTERED NUMBER:	00131902 (England and Wales)
AUDITORS:	Carter Backer Winter LLP 66 Prescot Street London E1 8NN

Summary and Highlights
for the Year Ended 31 December 2014

Revenues for 2014 were higher than the prior year, such that they were sufficient to fully cover costs, resulting in a small profit for the year. This continues our recent trend of improving corporate performance. The Board takes satisfaction in its rigorous control of overheads and preservation of the Group's Main Board Premium Listed status.

	2014 £ 000	2013 £ 000	2012 £ 000
Revenues	**154**	**100**	**112**
Total Costs	**152**	**150**	**270**
(Loss)/Profit for the Year	**2**	**(50)**	**(158)**

The Chairman and the Board continue to research opportunities that they believe will lead towards an acquisition, merger, or strategic alliance which would leverage the Group's strengths, as a premium listed company on the London Stock Exchange and thereby create a stable and prosperous business for its shareholders.

Chairman's Statement
For the year ended 31 December 2014

It is my pleasure to report to you on both the business activities and financial results of the Ross Group for the financial year ended 31 December 2014.

During the year we have continued our work to explore a variety of strategic opportunities; primarily involving potential mergers, acquisitions and business alliances. We have, over the last five years looked at such opportunities in a variety of business sectors: ranging from consumer electronics, mining, mineral resources, green energy, internet service providers, to specialist supply chain management services. This is still the case, although up to now there has been no conclusive material event to report.

As previously stated last year, we have to bear in mind that while we are busy with all this exploratory and research work, the operating business should always be able to focus on generating sufficient cash from its traditional trading activities – primarily specialist supply chain management services - in order to make a meaningful contribution to the running costs of the business.

We are also pleased this year to again announce success in the placing of new shares with specific strategic investors; this has also contributed towards additional working capital to the business. There was one such strategic placing during 2014, of 15 million shares, representing approximately 7% of the Group's enlarged shareholding.

Our revenue in 2014 was higher than the prior year and the amount of £154,000 was enough to cover our costs completely and result in a small profit for the year. Our operating costs include all the expenses associated with researching and creating global business opportunities; taking into account extensive travelling, and all the professional fees. We have been very prudent and focused in our cost management, and are also duly satisfied with the improving trading performance over the last 3 years.

The Board remains confident that it is continuing to focus in on identifying what will be considered the most appropriate deal for Ross Group Plc with a view to achieving a successful and prosperous future for our shareholders.

Once again, I would very much like to personally thank our Board of Directors, contractors and consultants for all their excellent support, commitment and hard work in helping the Group towards achieving its aims. I would also like to personally thank our extraordinarily loyal shareholders for their continued patience and understanding.

B R Pettitt
Chairman and Chief Executive
29 April 2015

Strategic Report
for the Year Ended 31 December 2014

Background and History
The current management team took control of the Ross Group five years ago. Since then the objectives we have pursued have been consistent:

- to clean up all the Group's inherited, unresolved issues and historical potential liabilities;
- to make the Group as deal-ready as possible; and
- to research suitable business opportunities in order to find a candidate business that would value the Group's premium listed status and would enter into a merger/acquisition/alliance that would create stable and prosperous business.

Business Strategy: Model and Principal Activity
The Group funds its business research activities by means of commissions and fees earned on reverse supply-chain logistics consulting and advice. Typically, over the last five years, this source of funds has not always been sufficient to cover the costs of (1) the fee-generating activity itself and (2) the mandatory listed-company compliance costs. As a result the working capital of the Group has, from time to time, been topped up by occasional placings of shares with investors.

Business Review 2014
The Group at 31 December 2014 consisted of Ross Group plc, and two wholly owned subsidiaries; Ross Diversified Trading Limited and San Gain Industrial Company Limited, a corporation registered in Hong Kong.

The main focus of the Board during 2014 continued to be the safe custodianship of the Group whilst continuing to explore various promising business opportunities around the world. As in previous years, we delivered a number of electronics supply-chain consultancy assignments in the Far East.

As for our trading performance in 2014, we managed to record a small profit for the year; our revenues were sufficient to exactly cover our costs. This continues our recent trend of improving trading performance. The Directors are confident that the underlying value of the Group remains strong and that the Group will be successful in securing the strategic deal it seeks.

Given the level of activity within the Group, the Board does not feel that it is appropriate to use key performance indicators to analyse their success.

Business Outlook
The Board remains confident that the outlook for the Group will be enhanced by opportunities that are currently being developed and negotiated, which we believe will result in significant improvements to the overall structure and operation of the business.

Principal Risks and Uncertainties
The main risk to the operations of the company is that the working capital runs out and there is insufficient funding to keep the company operating and compliant with listing regulations.

The Board is fully aware of this risk and manages its cash closely. In order that all the funds available to the company are used exclusively for essential expenses, i.e. mandatory compliance costs, professional fees etc., the Directors work for a notional £1 p.a. salary. The company has no other paid employees.

It is also the case that the Chairman has, as occasion has required, supported the operations of the business with personal funds.

Breakdown by Sex of Directors
All four directors of the Group are men. There are no other employees.

Environmental matters
The Group's activities currently involve no manufacturing, mining or materials processing. There are only four directors, who mostly work from home and occasionally meet at hired premises. The Board considers that in such circumstances, the carbon emissions arising from its activities are minimal.

ON BEHALF OF THE BOARD:

B R Pettitt - Chairman

29 April 2015

Report of the Directors
for the Year Ended 31 December 2014

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

B R Pettitt (Chief Executive Officer)
Barry Richard Pettitt, aged 56, was appointed to the board on 22 December 2008 as the CEO of the Group and elected as its Chairman and CEO on 28 April 2009. He has more than 30 years' experience within the consumer electronics industry, during which time he successfully started a specialist supply chain management services company, ISO International (Holdings) Ltd., which was subsequently purchased by a Hong Kong Public Company for HK$ 155,000,000 in 2003. In addition, he has managed a number of Public Company divisions (in the capacities of President and Managing Director) and successfully relisted a Hong Kong Public Company, Vision Tech Ltd., as its CEO in 2007. Through Premier Consultants Ltd., a specialist consulting company, of which he was a founding member and has specialised primarily in working with major consumer electronics and electrical Public Companies, usually all being based in Hong Kong; where he has resided since 1990. Prior to that, he was the joint Managing Director of Ross Consumer International Ltd. and a main board director of the Ross Group (formerly Ross Consumer Electronic plc) in 1988/89 after which he has continued to be a shareholder in Ross Group for the last 20 years.

M J Simon (Non Executive Director)
Michael Jonathan Simon, aged 56, was reappointed to the board on 29 April 2009. He is an economics graduate from the University of Cambridge and a fellow of the Institute of Chartered Accountants in England and Wales and also of the Association of Chartered Certified Accountants. Mr Simon is in a partnership in public practice and a non-executive director of several other companies.

W L Hopkins (Executive Director)
Wade Lionel Hopkins, aged 65, was appointed to the board 22 December 2009. He has over 35 years of experience in both Consumer Electronics and the Electronic Components Industry. He has previously worked for the Ross Group as Managing Director of a subsidiary, Britimpex, in 1988/90.

S C Mehta (Executive Director)
Shashi Mehta, aged 56, was appointed to the Board 22 December 2009. He holds a BSc (Hons) in Manufacturing and has had a distinguished career in a variety of industrial and manufacturing trouble-shooting roles. He brings a wealth of experience and expertise to the Group. He spent many years working for the Ford Motor Company, and was Operations Manager in Ross Consumer Electronics during the 1980's.

GROUP'S POLICY ON PAYMENT OF CREDITORS
It is the policy of the company that it and each of its subsidiaries should agree appropriate terms and conditions for its transactions with suppliers (by means ranging from standard written terms to individually negotiated contracts) and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them.

FINANCIAL INSTRUMENTS
Details of the financial instruments used by the Group can be found in note 16 of the accounts.

EMPLOYEE INVOLVEMENT
Currently the directors are the only employees.

DIRECTORS INTERESTS

Directors

Mr Barry Pettitt entered into a contract with Ross Group concerning the provision of professional services to a third party. Apart from this, no director had any interests in contracts of significance with the company.

In accordance with the Articles of Association members will be asked to confirm the appointment of all directors.

The total number of shares controlled by Barry Pettitt, directly and indirectly through Prime Growth Enterprises Limited and Pershing Nominees, at the date of this report was 34,431,154 (19.18%).

The following directors also owned shares in Ross Group plc at the date of this report:

	No. of Ordinary Shares	% of Issued Share Capital
Michael Simon	1,258,320	0.70%
Wade Hopkins	92,962	0.05%

Substantial shareholdings

As at 31 December 2014 the following were registered as being materially interested in 4% or more of the company's issued share capital, or being a related shareholder:

	No. of Ordinary Shares	% of Issued Share Capital
Keniworth Capital Limited	40,000,000	22.29%
Prime Growth Enterprises Limited	30,567,555	17.03%
Escalating Investments Limited	22,200,720	12.37%
GEM Global Yield Fund LLC	15,000,000	8.36%
Morstan Nominees Ltd	7,340,156	4.09%
Mr Nitin Mehta	7,340,156	4.09%

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 group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and have chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' RESPONSIBILITY STATEMENT
We confirm that to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

2. the management report, which is incorporated into the Directors' Report together with the information provided in the Chairman's Statement, the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation as a whole, together with a description of the principal risks and uncertainties that they face.

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 group'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 group's auditors are aware of that information.

AUDITORS
The auditors, Carter Backer Winter LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M J Simon - Secretary

29 April 2015

Corporate Governance Statement
for the Year Ended 31 December 2014

The company is pleased to present its report on Corporate Governance and the UK Corporate Governance Code. The Board strives to comply with the high standards set by the UK Corporate Governance Code as incorporated in the UK Listing Rules of the Financial Conduct Authority. The Code requires the company to make a two part disclosure statement, firstly on how the principles of the code are applied and secondly confirmation of compliance or explanation of any reason for deviation from the Code. Throughout the year the Company has complied with the main principles of the Code.

Application Of The Principles Of The UK Corporate Governance Code

The Board

There is an effective and appropriately constituted board which in the year under review consisted of four directors. The Chief Executive, Mr Pettitt who is normally based overseas, also serves as Chairman. The Board is fully aware that is contrary to Code provision A.2.1, which states that the roles of chairman and chief executive should not be exercised by one individual. The Board is of the opinion that, given the current size of the business, and also Mr Pettitt's undoubted and considerable knowledge, experience and contacts in the Group's field of operations, that the shareholders' interests are best served by this arrangement. The Board is active in its management of the Company and meets and confers regularly on business matters arising. These frequent and robust discussions serve to ensure that no one individual has unfettered powers of decision.

During 2014 Mr Pettitt was supported by three other directors: W L Wade and M J Simon, both appointed in April 2009, and S C Mehta appointed in December 2009. Mr Simon has acted as Company Secretary since April 2009.

The non-executive director Mr Simon is considered to be independent as there are no circumstances or relationships as described by Code provision B.1.1 which apply to his appointment. The Group's definition of a non-executive director is one who considers the interest of all the shareholders and this is demonstrated during the board meetings. As part of his role, the non-executive director constructively challenges decisions and helps develop strategies and plans for the benefit of the Board.

At the time of writing, the Board is actively engaged in a process of selecting an individual with the appropriate experience and skill to serve as a second non-executive director on the Board.

Board Procedure

The Board is responsible for decisions concerning strategic and financial planning and matters involving the overall direction of the company. Management will seek Board approval of the annual budget and rolling business plan. Reforecasts are presented as updates to the budget throughout the year to account for variances and provide forward vision. The operational business decisions are taken by local management with reference to the Board where necessary.

The Board has established separate committees for: Appointments (Chaired by Mr Pettitt); Audit (Chaired by Mr Simon) and Remuneration (Chaired by Mr Simon).

All of the directors are subject to periodic re-election and the full board considers all appointments. A director will require re-election within a maximum period of three years.

Biographies of the Board are included in the Financial Statements. These indicate a wealth of experience, which is essential in effectively managing the activities of the Group. In addition to this the board members, where appropriate, attend seminars and courses of their respective professional organisations.

Attendance

Board meetings are held regularly throughout the year. Due to the location of the directors, the meetings are often held electronically. The Board is supplied with all the information relevant to the meeting in a timely manner and in a form and quantity appropriate to enable it to discharge its duties during the meetings.

The Board has now established procedures in respect of access to the Company Secretary and the Directors have access to consult the Company Secretary when required.

All Shareholders have the opportunity to put forward questions to the Board during the Company's Annual General Meeting and the Board communicates with the Shareholders via the notices and other papers relating to the Annual General Meeting. The Company also welcomes and responds to written communication from its shareholders. The Company website allows shareholders to contact the directors by email.

The Board has carried out a formal and rigorous annual evaluation of its performance and of its committees and individual directors. This evaluation covers contribution, commitment and the manner in which board related duties have been completed. The chairman has discussed the review with individual directors where necessary to ensure the Board operates as an effective unit. The performance review was conducted using recognised evaluation processes. The independent non-executive director has conducted a performance review on the chairman which included the consideration of the views expressed by the executive directors.

Internal audit and control
The respective responsibilities of the directors and the auditors in connection with the Financial Statements are set out in the audit report. The directors have overall responsibility of the effectiveness of the Group's whole system of internal control, including financial and other controls, which are designed to provide reasonable but not absolute assurance against material misstatement or loss. The key procedures that the directors have established to provide effective internal financial control are as follows:

Financial Reporting
There is a comprehensive system for reporting performance. During the course of the year, a one year rolling budget is prepared for each company within the Group and a consolidated budget is prepared for the whole Group. The Board then formally approves the budgets. The results are then reported regularly to the Board for their consideration and forecasts are revised accordingly.

Quality and Integrity of Personnel
The integrity of the Group is maintained through the appointment of experienced and professional staff and the application of appropriate policies and procedures.

Capital Investment
The Group has set procedures for capital expenditure. These include annual budgets, appraisals and review of the required expenditure, approvals at the right levels of authority and the commissioning of independent professional advice where appropriate.

Professional Advice
Professional advice is usually sought on contentious and disclosure issues, this being as a result of discussions during the Board Meetings. During the year the Chairman can seek independent professional advice in relation to matters affecting the Group.

The Group has an ongoing system for identifying, evaluating and managing the significant risks faced by the Group which has been in place for the whole of the year under review up to the date of approval of the annual report and accounts and which is regularly reviewed by the Board to ensure it continues to accord with the UK Corporate Governance Code. The directors have reviewed the effectiveness of the system of internal financial control during the year from information provided by the management and the Group's external auditors. It must be recognised that such a system can only provide reasonable and not absolute assurance, and in that context, the review revealed nothing which, in the opinion of the directors, indicates that the system was inappropriate or unsatisfactory.

The Group has no formal internal audit function and the Board has determined that there is no need for one. The Board considers that internal audit is dealt with in other ways and the situation is regularly reviewed.

Going Concern
The directors confirm that after making the appropriate enquires, they are of the opinion that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future and therefore have prepared the Financial Statements on a going concern basis.

External Audit and Audit Committee

The Audit Committee during 2014 comprised of the non-executive director, Mr Simon, as well as Executive Directors Mr Mehta and Mr Hopkins. It met periodically to review the adequacy of the Group's internal control systems, accounting policies, corporate governance policies and compliance with applicable accounting standards and to consider the appointment of the external auditors and to review their fees. Carter Backer Winter LLP is invited to attend these meetings. The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and obtain external professional advice as is necessary.

By order of the Board

B R Pettitt
Chairman & Chief Executive Officer
29 April 2014

Directors' Remuneration Report
for the Year Ended 31 December 2014

The Board is pleased to present its Remuneration Report in accordance with section 12.43A(c) of The Listing Rules.

The Board has in place a Remuneration Committee, comprising Mr Michael Simon, non executive director, and Mr B Pettitt, Chief Executive and Mr W L Hopkins, to determine the remuneration of the Board.

The Company policy during the restructuring period throughout 2014 was to pay directors only a nominal £1 salary. This policy will be reconsidered as occasion arises and as the new business opportunities open to the Group are realised. The directors feel it would be inappropriate to take any reward until then.

Name	Position	Gross Salary	Benefits	Notice Pay	Total Remuneration 2014	Total Remuneration 2013
B R Pettitt	Chairman/ Chief Executive	£1	Nil	Nil	£1	£1
M J Simon	Non executive director	£1	Nil	Nil	£1	£1
W L Hopkins	Executive Director	£1	Nil	Nil	£1	£1
S C Mehta	Executive Director	£1	Nil	Nil	£1	£1
Total		**£4**	**Nil**	**Nil**	**£4**	**£4**

No director currently has a service contract with a notice period in excess of 12 months. All executive directors have contracts that require a notice period of one month. The contracts of the non-executive directors would normally be renewed for a period of one year. All directors are presented for re-election by the members at the Annual General Meeting on a maximum cycle of three years.

The Group does not currently operate a director's share option scheme or a long-term incentive scheme. The Group also does not currently have an employees' share scheme or other long-term incentive.

Corporate Social Responsibility (CSR)
for the Year Ended 31 December 2014

The Board is fully aware of its responsibilities and fully supports the drive for ongoing improvement in this area. The impact the group's activities on the environment are regularly assessed to enable action to be directed at areas where any harmful impact could be reduced.

The Board has instructed local management to ensure the companies address those corporate social responsibilities which are recognised as being of prime importance. The responsibility for CSR rests with the Chief Executive Officer, Barry Pettitt, who will bring to the Board's attention any major issues which require their approval and regularly updates the Board on CSR matters. The views of shareholders and interested external parties are considered when developing the ongoing policy to CSR.

Figures are available for the board to review to enable them to assess the trend towards improvement in CSR matters and to direct the policy towards those areas that require further attention.

Employees
During 2014 the only employees of the company were its directors. However, as the new business opportunities planned in 2014 begin to be realised in 2015 and beyond, we are confident that this will not remain the case.

As a statement of principle, then, the company considers that employees constitute a company's most valuable asset and therefore it is committed to ensuring they will be rewarded with the best environment in which to perform their duties. This environment will be one of equal opportunity and free from discrimination and harassment. The company is keen to develop a culture which suits the recruitment and retention of the highest calibre of staff and to ensure that all staff will be trained to the appropriate standard required to fully meet their job specifications.

The health and safety of the employees is paramount to the company. Staff will be issued with data sheets on the handling of any substances which might be toxic and will be trained in the correct procedures to follow. Any potential issues can be raised with Barry Pettitt.

Environment
The Company has worked with its suppliers during the year to ensure the products used in manufacturing and any waste arising from the use of those products has a minimal impact on the environment. The use of energy is closely monitored and the available controls are used to good effect to reduce consumption where possible.

Customers
Customer satisfaction is one of the main targets for the company and this is aided by a rigorous quality policy. The Quality procedures adopted by the company require the recording of customer feedback and measures our performance against customer expectation. The company strives to meet the demands of its customers, but also ensures that solutions to their requirements are designed with efficiency.

Local Community
The company seeks to inter act with the local community and develop close relationships within its area of operation. It has established links with the local schools and colleges.

Commitment
The Group will continue to enhance its approach to CSR to ensure that it supports the principles as it expands its range of activities and welcomes any suggestions on how it can improve in this area.

Report of the Independent Auditors to the Members of
Ross Group Plc & Subsidiaries

We have audited the financial statements of Ross Group Plc & Subsidiaries for the year ended 31 December 2014 which comprise the Group and Parent Company Statements of Financial Position, the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and as regards to the group financial statements, Article 4 of the IAS Regulation.

Our assessment of risk of material misstatement
The most significant risk we identified for the Group was that of going concern. This had an effect on the overall audit strategy; the allocation of audit resource; and in directing the efforts of the audit engagement team.

Our application of materiality
We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £850, which represents an average of approximately 1% of turnover and 10% of the loss for the year.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £10 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

We adopted a risk-based approach in determining our audit strategy. This approach focuses audit effort towards higher risk areas, such as management judgements, particularly with regards to going concern. The work of the audit engagement team was tailored to fit the size, complexity and risk of the Group.

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved them making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We also obtained audit evidence through substantive procedures.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. The Group's total liabilities exceeded its total assets by £6.37 million. This condition, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. However, the Chairman has pledged his personal support to cover the overheads of the Group up to 31 December 2016. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland) we are required to report to you if, in our opinion information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materiality incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

Under the Companies Act 2006 we are required 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.

Under the Listing Rules we are required to review:

- the directors’ statement, set out on page seven, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company’s compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Jonathan Cross FCA (Senior Statutory Auditor)
for and on behalf of Carter Backer Winter LLP
66 Prescot Street
London
E1 8NN

30 April 2015

Ross Group Plc & Subsidiaries

Consolidated Income Statement
for the Year Ended 31 December 2014

	Notes	**31.12.14** **£'000**	31.12.13 £'000
CONTINUING OPERATIONS			
Revenue	2	**154**	100
Administrative expenses		**(152)**	(150)
OPERATING PROFIT/(LOSS)		**2**	(50)
PROFIT/(LOSS) BEFORE INCOME TAX	4	**2**	(50)
Income tax	5	**-**	-
PROFIT/(LOSS) FOR THE YEAR		**2**	(50)
Profit/(loss) attributable to:			
Owners of the parent		**2**	(50)
Earnings per share expressed in pence per share:	7		
Basic		**0.00**	-0.03
Diluted		**0.00**	-0.03

The notes form part of these financial statements

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2014

	31.12.14 £'000	31.12.13 £'000
PROFIT/(LOSS) FOR THE YEAR	**2**	(50)
OTHER COMPREHENSIVE INCOME	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2**	(50)
Total comprehensive income attributable to:		
Owners of the parent	**2**	(50)

The notes form part of these financial statements

Ross Group Plc & Subsidiaries (Registered number: 00131902)

Consolidated Statement of Financial Position
31 December 2014

	Notes	**31.12.14** **£'000**	31.12.13 £'000
ASSETS			
CURRENT ASSETS			
Trade and other receivables	10	**2**	1
Cash and cash equivalents	11	**15**	1
		17	2
TOTAL ASSETS		**17**	2
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	**11,179**	11,164
Share premium	13	**2,803**	2,686
Other reserves	13	**15,384**	15,384
Retained earnings	13	**(35,740)**	(35,742)
TOTAL EQUITY		**(6,374)**	(6,508)
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	14	**6,139**	6,258
CURRENT LIABILITIES			
Trade and other payables	14	**242**	242
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	**10**	10
		252	252
TOTAL LIABILITIES		**6,391**	6,510
TOTAL EQUITY AND LIABILITIES		**17**	2

The financial statements were approved by the Board of Directors on 29 April 2015 and were signed on its behalf by:

....
M J Simon - Director

....
S C Mehta - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 December 2014

	Notes	**31.12.14** **£'000**	31.12.13 £'000
ASSETS			
CURRENT ASSETS			
Trade and other receivables	10	**6**	4
Cash and cash equivalents	11	**15**	1
		21	5
TOTAL ASSETS		**21**	5
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	**11,179**	11,164
Share premium	13	**2,803**	2,686
Other reserves	13	**30,938**	30,938
Retained earnings	13	**(50,789)**	(50,794)
TOTAL EQUITY		**(5,869)**	(6,006)
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	14	**2,129**	2,248
CURRENT LIABILITIES			
Trade and other payables	14	**3,761**	3,763
TOTAL LIABILITIES		**5,890**	6,011
TOTAL EQUITY AND LIABILITIES		**21**	5

The financial statements were approved by the Board of Directors on 29 April 2015 and were signed on its behalf by:

B R Pettitt - Director

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2014

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2013	11,164	(35,692)	2,686	15,384	(6,458)
Changes in equity					
Total comprehensive income	-	(50)	-	-	(50)
Balance at 31 December 2013	11,164	(35,742)	2,686	15,384	(6,508)
Changes in equity					
Issue of share capital	15	-	117	-	132
Total comprehensive income	-	2	-	-	2
Balance at 31 December 2014	11,179	(35,740)	2,803	15,384	(6,374)

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2014

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2013	11,164	(50,741)	2,686	30,938	(5,953)
Changes in equity					
Total comprehensive income	-	(53)	-	-	(53)
Balance at 31 December 2013	11,164	(50,794)	2,686	30,938	(6,006)
Changes in equity					
Issue of share capital	15	-	117	-	132
Total comprehensive income	-	5	-	-	5
Balance at 31 December 2014	11,179	(50,789)	2,803	30,938	(5,869)

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2014

	Notes	**31.12.14** **£'000**	31.12.13 £'000
Cash flows from operating activities			
Cash generated from operations	1	**31**	(47)
Net cash from operating activities		**31**	(47)
Cash flows from financing activities			
Loan repayment		**(119)**	-
Amount introduced by directors		**-**	29
Amount withdrawn by directors		**(30)**	-
Share issue		**132**	-
Net cash from financing activities		**(17)**	29
Increase/(decrease) in cash and cash equivalents		**14**	(18)
Cash and cash equivalents at beginning of year	2	**1**	19
Cash and cash equivalents at end of year	2	**15**	1

The notes form part of these financial statements

Company Statement of Cash Flows
for the Year Ended 31 December 2014

	Notes	31.12.14 £'000	31.12.13 £'000
Cash flows from operating activities			
Cash generated from operations	1	**31**	(47)
Net cash from operating activities		**31**	(47)
Cash flows from financing activities			
Loan repayment		**(119)**	-
Amount drawn by directors		**-**	29
Amount withdrawn by directors		**(30)**	-
Share issue		**132**	-
Net cash from financing activities		**(17)**	29
Increase/(decrease) in cash and cash equivalents		**14**	(18)
Cash and cash equivalents at beginning of year	2	**1**	19
Cash and cash equivalents at end of year	2	**15**	1

The notes form part of these financial statements

Notes to the Statements of Cash Flows
for the Year Ended 31 December 2014

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	31.12.14	31.12.13
	£'000	£'000
Profit/(loss) before income tax	**2**	(50)
(Increase)/decrease in trade and other receivables	**(1)**	1
Increase in trade and other payables	**30**	2
Cash generated from operations	**31**	(47)

Company

	31.12.14	31.12.13
	£'000	£'000
Profit/(loss) before income tax	**5**	(53)
(Increase)/decrease in trade and other receivables	**(2)**	2
(Decrease)/increase in trade and other payables	**28**	4
Cash generated from operations	**31**	(47)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		**Company**	
Year ended 31 December 2014				
	31.12.14	**1.1.14**	**31.12.14**	**1.1.14**
	£'000	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	**15**	**1**	**15**	**1**
Year ended 31 December 2013				
	31.12.13	1.1.13	31.12.13	1.1.13
	£'000	£'000	£'000	£'000
Cash and cash equivalents	1	19	1	19

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis.

The adoption of all relevant new Standards issued by the International Accounting Standards Board in the current period has not led to any changes in the Group's accounting policies or financial statements. The directors have adopted these policies to the extent they feel is appropriate.

At the date of authorisation of these financial statements a number of Standards, amendments and Interpretations, issued by the IASB and not applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU) none of which will have a significant impact on the financial statements.

Going concern
Although the Group has incurred significant losses in the past resulting in negative retained earnings and total liabilities exceed total assets the Directors feel the going concern basis is appropriate. The change in management structure that took place in 2009 year has led to a new strategy being adopted by the Group and will allow them to take advantage of new, profitable business opportunities.

Basis of consolidation
The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2014. Profits or losses on intra-group transactions and intra-group balances are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Revenue recognition
Revenue is the total amount receivable by the group for goods supplied and services provided to third parties, excluding VAT.

Financial instruments
Financial assets and liabilities are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the instrument.

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable and accounts payable.

<u>Cash and cash equivalents</u>
Cash and cash equivalents comprise cash and short term deposits held with banks, bank overdrafts are recorded under current liabilities on the statement of financial position.

<u>Trade and other receivables</u>
Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts and included in current assets or non-current assets as appropriate.

<u>Trade and other payables</u>
Trade and other payables are stated at their nominal value and included in current liabilities or non-current liabilities as appropriate.

Deferred taxation
A deferred tax asset is provided for if material, using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that an asset will crystallise.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

continued...

1. **ACCOUNTING POLICIES - continued**

Foreign currencies
Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the year end date. These transaction differences are dealt with in the income statement. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the year end date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves.

2. **SEGMENTAL REPORTING**

The directors feel that due to the small amount of trading that has taken place during the year it is not possible to identify any segments and as a result cannot follow IFRS 8. The entire turnover was generated overseas and relates to the principal activity of the Group. The directors will review this assessment next year.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

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

	31.12.14	31.12.13
Management	**4**	4

	31.12.14	31.12.13
	£	£
Directors' remuneration	**4**	4

4. **PROFIT/(LOSS) BEFORE INCOME TAX**

The profit before income tax (2013 - loss before income tax) is stated after charging:

	31.12.14	31.12.13
	£'000	£'000
Auditors' remuneration	**45**	50

5. **INCOME TAX**

No liability for UK corporation tax arose on ordinary activities for the year ended 31 December 2014 or for the year ended 31 December 2013. The Group's profit for the financial year was offset against the trading losses brought forward.

Subject to the agreement with HM Revenue and Customs, the Group has allowable trading losses at 31 December 2014 for set-off against future trading profits of £11.96m (2013: £11.97m).

A deferred tax asset of £2.39m (2013: £2.39m) arises due to the large trading losses described above. As it is not known when the Group will be able to make use of these losses the asset has not been recognised in the financial statements.

6. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £4,819 (2013 - £(52,727) loss).

continued...

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £'000	**31.12.14 Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**2**	**179,479,428**	**0.00**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS			
Adjusted earnings	**2**	**179,479,428**	**0.00**

	Earnings £'000	31.12.13 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(50)	164,479,428	-0.03
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(50)	164,479,428	-0.03

continued...

8. SUBSIDIARIES

At 31 December 2014 the company held 100% of the allotted equity share capital of the following:-

Name of subsidiary undertaking	Country of registration and incorporation	Class of share capital held	Nature of business
Ross Diversified Trading Limited (formerly Sansui Electronics (UK) Limited)	England and Wales	Ordinary	Distribution of consumer electronic branded products. They are currently dormant.
San Gain Industrial Company Limited	Hong Kong	Ordinary	Distribution of consumer electronic branded products and complementary supply chain management services.

The costs of these fixed asset investments have been written off over the previous periods.

9. INVESTMENTS

Group

	Unlisted investments £'000
COST	
At 1 January 2014 and 31 December 2014	344
PROVISIONS	
At 1 January 2014 and 31 December 2014	344
NET BOOK VALUE	
At 31 December 2014	-
At 31 December 2013	-

Company

	Unlisted investments £'000
COST	
At 1 January 2014 and 31 December 2014	344
PROVISIONS	
At 1 January 2014 and 31 December 2014	344
NET BOOK VALUE	
At 31 December 2014	-
At 31 December 2013	-

continued...

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.14	31.12.13	**31.12.14**	31.12.13
	£'000	£'000	**£'000**	£'000
Current:				
Trade debtors	**-**	1	**-**	-
Amounts owed by group undertakings	**-**	-	**4**	4
Prepayments and accrued income	**2**	-	**2**	-
	2	1	**6**	4

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.14	31.12.13	**31.12.14**	31.12.13
	£'000	£'000	**£'000**	£'000
Bank current account	**15**	1	**15**	1

continued...

12. CALLED UP SHARE CAPITAL

Group and Company

Authorised share capital:	**31.12.14** **£000**	31.12.13 £000
195,000,000 Deferred shares of 4.8p each	**9,360**	9,360
67,052,306 Deferred shares of 4p each	**2,682**	2,682
300,000,000 Ordinary shares of 0.1p each	**300**	300
2,700,000,000 Deferred shares of 0.1p each	**2,700**	2,700
	15,042	15,042

Alloted, called up and fully paid:

147,745,300 Deferred shares of 4.8p each	**7,092**	7,092
67,052,306 Deferred shares of 4p each	**2,682**	2,682
179,479,428 Ordinary shares of 0.1p each	**179**	164
1,225,628,316 Deferred shares of 0.1p each	**1,226**	1,226
	11,179	11,164

The ordinary shares have both voting rights and the right to dividends. The deferred shares have no rights to dividends and no voting rights.

On a winding up the holders of the deferred shares of 4.8p each shall be entitled to receive 1p per share after the repayment of all amounts payable to the holders of any other class of share and the payment of £5,000 on each ordinary share for the time being in issue. On a winding up the holders of deferred shares of 0.1p each shall be entitled to receive 0.1p per share after the payment of £5,000 on each ordinary share for the time being in issue but shall not confer the right to participate in any surplus.

The deferred shares of 4.8p each are redeemable at the company's option any time at a price of 1p for each of the deferred shares held by any member. The deferred shares of 0.1p each are transferable at the company's option at any time to any person at a total price of 1p for all of the shares held by a shareholder. The deferred shares of 0.1p each are redeemable or cancellable at the company's option at any time at a total price of 1p for all of the shares held by a shareholder.

As the deferred shares rank behind the ordinary shares, they are recognised as equity.

Managing Capital

The Group's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

- To provide an adequate return to shareholders by pricing products and services at an appropriate level taking into account the level of risk.

The Group sets an amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and risk characteristics of the underlying assets.

The entity is not subject to any externally imposed capital requirements.

 continued...

13. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Other reserves £'000	Totals £'000
At 1 January 2014	**(35,742)**	**2,686**	**15,384**	**(17,672)**
Profit for the year	**2**			**2**
Cash share issue	**-**	**117**	**-**	**117**
At 31 December 2014	**(35,740)**	**2,803**	**15,384**	**(17,553)**

Company

	Retained earnings £'000	Share premium £'000	Other reserves £'000	Totals £'000
At 1 January 2014	**(50,794)**	**2,686**	**30,938**	**(17,170)**
Profit for the year	**5**			**5**
Cash share issue	**-**	**117**	**-**	**117**
At 31 December 2014	**(50,789)**	**2,803**	**30,938**	**(17,048)**

Other reserves of the Group consist of a capital redemption reserve of £1.92m (2013: £1.92m), a non-distributable capital reserve of £3.33m (2013: £3.33m), and a special reserve of £10.13m (2013: £10.13m).

Other reserves of the company consist of a capital redemption reserve of £1.92m (2013: £1.92m) and a special reserve of £29.02m (2013: £29.02m).

14. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.14 £'000	31.12.13 £'000	**31.12.14 £'000**	31.12.13 £'000
Current:				
Trade creditors	**127**	123	**127**	122
Amounts owed to group undertakings	**-**	-	**3,522**	3,533
Other creditors	**23**	23	**23**	23
Accruals and deferred income	**92**	66	**89**	55
Directors' current account	**-**	30	**-**	30
	242	242	**3,761**	3,763
Non-current:				
Amounts owed to participating interests	**67**	186	**67**	186
Other loans	**6,072**	6,072	**2,062**	2,062
	6,139	6,258	**2,129**	2,248
Aggregate amounts	**6,381**	6,500	**5,890**	6,011

continued...

15. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	31.12.14	31.12.13
	£'000	£'000
Current:		
Other loans	**10**	10

Terms and debt repayment schedule

Group

	1 year or less
	£'000
Other loans	**10**

16. FINANCIAL INSTRUMENTS

The Group uses financial instruments, comprising borrowings, cash, liquid resources and various items, such as trade debtors, trade creditors etc., that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The Group did not enter into derivatives transactions such as interest rate swaps, forward rate agreements and forward foreign currency contracts.

The Board of the Group considers that the interest rate risk, liquidity risk and foreign currency risks arising from the Group financial instruments are low. However it reviews policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

It is and has been throughout the year under review, the group policy that no trading in financial instruments shall be undertaken.

Short-term debtors and creditors

Short-term debtors and creditors have been excluded from all the following disclosures, other than the currency risk disclosures.

Interest rate risk

The Group finances its operations through a mixture of borrowings. It relies on loans from its shareholders to ensure sufficient liquidity is available to meet foreseeable needs.

Prime Growth Enterprises Limited has waived it's right to the 6% interest it initially stated was payable on the loan of £186,000. The directors of Prime Growth Enterprises Limited have back-dated this decision to the inception of the loan. This means the Group's exposure to interest rate fluctuations has been limited by the fact that none of the loans incur interest.

Maturity of financial liabilities

For the Group financial liabilities analysis at 31 December 2014 see note 15.

continued...

Currency risk

The Group does not have foreign investments held in foreign currencies.

The Group's exposure to translation and transaction foreign exchange risk is considered to be low by the board.

The board does not consider there is a need for Group policy to manage the currency risk as it considers the risk to be low.

Fair values

The Board considers that the fair values of the Group's borrowings are equal to their book values.

17. RELATED PARTY DISCLOSURES

Group

The Group had the following balances with related parties at the year end:

	31.12.14	31.12.13
	£000	£000
Payables		
Barry Pettitt	**-**	30
Prime Growth Enterprises Limited	**67**	186
	67	216

Barry Pettitt, the Chairman and Chief Executive Officer of Ross Group Plc, owns Prime Growth Enterprises Limited. Prime Growth Enterprises Limited owns 17% of the ordinary share capital in Ross Group Plc.

Barry Pettitt has pledged to cover the overheads of the Group until 31 December 2016.

Company

At the year end Ross Group plc had the following outstanding balances with its related parties:

	31.12.14	31.12.13
	£000	£000
Receivables		
Ross Diversified Trading Limited (formerly Sansui Electronics (UK) Limited)	**4**	4
	4	4
Payables		
San Gain Industrial Company Limited	**3,522**	3,533
Prime Growth Enterprises Limited	**67**	186
Barry Pettitt	**-**	30
	3,589	3,749

18. ULTIMATE CONTROLLING PARTY

The directors consider that there is no ultimate controlling party of Ross Group Plc and subsidiaries for 2014; however Barry Pettitt, by virtue of his position as CEO within the Group and his 19% shareholding, exerts a significant influence.

continued...

19. RECONCILIATION OF MOVEMENTS IN RESERVES

Group

	31.12.14	31.12.13
	£'000	£'000
Profit/(loss) for the financial year	**2**	(50)
Shares issued in the year	**132**	-
Net addition/(reduction) to reserves	**134**	(50)
Opening reserves	**(6,508)**	(6,458)
Closing reserves	**(6,374)**	(6,508)

Company

	31.12.14	31.12.13
	£'000	£'000
Profit/(loss) for the financial year	**5**	(53)
Shares issued during the year	**132**	-
Net addition/(reduction) to reserves	**137**	(53)
Opening reserves	**(6,006)**	(5,953)
Closing reserves	**(5,869)**	(6,006)

Consolidated Income Statement Summaries
for the Year Ended 31 December 2014

	31.12.14 £'000	31.12.13 £'000
REVENUE		
Sales	**154**	100
	154	100
ADMINISTRATIVE EXPENSES		
Administrative expenses		
Insurance	**5**	-
Travel & subsistence	**-**	32
Settlement of claims	**-**	(6)
Legal claims	**3**	-
Irrecoverable VAT	**50**	-
Legal and professional fees	**40**	45
Provision for VAT debtor	**-**	15
Sundry expenses	**-**	6
Accountancy fees	**8**	7
Auditors' remuneration	**45**	50
Finance costs		
Bank charges	**1**	1
	152	150