

"REGISTRAR"

ABRAM PULMAN & SONS LTD

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STATEMENT OF ACCOUNTS

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YEAR ENDED 31ST DECEMBER 2013

Number

56547 (England & Wales)

Address

WALTON STREET

SOWERBY BRIDGE

WEST YORKSHIRE

TUESDAY



A3EM7P3N

A13

19/08/2014

#219

COMPANIES HOUSE

SUTCLIFFE & RILEY
Chartered Accountants
3 Central Street
HALIFAX
HX1 1HU

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 - 13, together with the financial statements of Abram Pulman & Sons Ltd for the year ended 31st December 2013 prepared under section 396 of the Companies Act 2006.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with s.445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Elaine Beaumont (Senior Statutory Auditor)
For and on behalf of Sutcliffe & Riley
Chartered Accountants and Statutory Auditors
3 Central Street
HALIFAX
HX1 1HU

24th March 2014

"REGISTRAR"

ABRAM PULMAN & SONS LTD

STRATEGIC REPORT

for the year ended 31st December 2013

Registered Office

Walton Street, Sowerby Bridge, West Yorkshire

Number

56547 Registered in England

The Company has continued to trade as steel stockholders.

The results for the year are set out in the Profit & Loss Account on page 5.

2013 has been a busy year and we achieved sales of record tonnage. However, a slightly reduced turnover resulted due to falling prices. In 2013 the Company incurred a small but manageable loss this was due to a single large bad debt, without this a profit would have been achieved. Our customers fall into a variety of categories including engineering, sheet metal workers, fabricators, manufacturers and to a limited extent the building trade, and 2014 has started in a positive fashion.

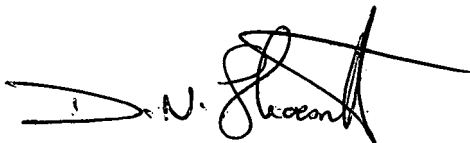
We are only a small company in the scheme of steel stockholding, so we compete against multi nationals on a daily basis, and although we are always under price pressure, we win orders on the basis of our personal and efficient service. Due to our size we are unable to influence the market or the market price of steel, therefore we tend to follow trends rather than set them, so our selling prices are dictated by current steel cost prices, local demand, and competitor activity. Every sales call is dealt with on an individual basis to win the order for the best price for the company taking into consideration all the local and global factors outlined above.

Currently, we are experiencing a reasonable demand from engineers, fabricators and manufacturers in the North of England and although prices are still slightly down over the year, the forecast for next year is for the demand to continue and the prices to harden, and we therefore would expect to return to profitability in 2014.

With the ever increasing demands through Health & Safety legislation our challenges for next year are going to be how to further improve the health and safety of our employees yet increase our output and retain our efficiency, service and profitability.

We have rigorous internal controls in place in order to comply with Quality Management Standard ISO 9001. Our next National Quality Assurance audit is due in March 2014, our continued monitoring of Health & Safety and Quality Control should ensure that we continue to keep to our registration.

**Signed on behalf of the
Board of Directors**



**D N SHOESMITH
Director**

Approved by the Board: 24th March 2014

DIRECTORS' REPORT

for the year ended 31st December 2013

The Future

The Directors believe that 2014 will be challenging. The Company has made commitments to invest in further plant and machinery in order to take advantage of the continuing upturn in the economy.

Financial Instrument risk

The Company has a commercial factoring agreement and operates within its agreed limits. Most sales are to UK customers and most supplies are sourced from the UK therefore the Company has not entered into any hedging agreements in respect of risks relating to trade debtors or creditors.

The interest rate on the commercial factoring agreement is 2.5% above the base rate, currently 0.5%, and should it increase by 1% this will increase the Company's borrowing costs by approximately £16,000.

The Company is reliant on its commercial factoring facility and therefore there is a cash flow and liquidity risk. The bank is satisfied with the Company's financial performance and the directors do not think that the commercial factoring facility will be withdrawn.

Dividend

The directors recommend a dividend of 50% or £ 3,510.

Directors

The Directors who held office during the year are set out below together with their interests in the shares of the Company:

| | Shares Held | |
|---------------|--|--|
| | 31st December 2013 | 31st December 2012 |
| D N Shoesmith | 860 | 860 |
| J C Horner | 74 | 74 |

Statement of Directors' Responsibilities

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). The financial statements are required by law to 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;
- 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

DIRECTORS' REPORT (Continued)

for the year ended 31st December 2013

Statement of Disclosure of Information to Auditors


The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution proposing the re-appointment of Sutcliffe & Riley as auditors to the company in accordance with s485 of the Companies Act 2006 will be put to the Annual General Meeting.

**Signed on behalf of the
Board of Directors**



D N SHOESMITH
Director

Approved by the Board: 24th March 2014

PROFIT & LOSS ACCOUNT

for the year ended 31st December 2013

| | Notes | 2013 | 2012 |
|---|-----------------|--------------------------|-------------------------|
| Turnover | (1) | 9,639,485 | 9,865,850 |
| Cost of Sales | | <u>6,616,974</u> | <u>6,904,808</u> |
| GROSS PROFIT ON CONTINUING OPERATIONS | | 3,022,511 | 2,961,042 |
| Distribution Costs | 2,529,047 | | 2,260,548 |
| Administrative Expenses | 542,492 | | 527,868 |
| Other Operating Income – Rent Received | <u>(22,394)</u> | <u>3,049,145</u> | <u>(17,824)</u> |
| OPERATING (LOSS)/PROFIT ON CONTINUING OPERATIONS | (2) | (26,634) | 190,450 |
| Interest Receivable | | 1,119 | 102 |
| Interest Payable | (3) | <u>(62,457)</u> | <u>(59,560)</u> |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (87,972) | 130,992 |
| Taxation | (5) | <u>14,384</u> | <u>(29,271)</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | £ <u>(73,588)</u> | £ <u>101,721</u> |

None of the Company's activities were acquired or discontinued during the year and there were no recognised gains or losses for 2012 or 2013 other than those included in the profit & loss account.

The notes on pages 7 to 13 form part of this account

ABRAM PULMAN & SONS LTD

BALANCE SHEET

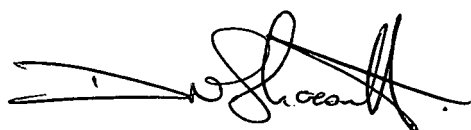
as at 31st December 2013

| | Notes | 2013 | 2012 |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible Assets | (6) | 1,058,304 | 958,062 |
| Investments | (7) | <u>18,000</u> | <u>18,000</u> |
| | | 1,076,304 | 976,062 |
| CURRENT ASSETS | | | |
| Stock & Work in Progress | (8) | 1,028,513 | 997,413 |
| Debtors | (9) | 2,404,295 | 2,347,873 |
| Cash in Hand & Bank | | <u>1,349,321</u> | <u>519,745</u> |
| | | 4,782,129 | 3,865,031 |
| CREDITORS PAYABLE WITHIN ONE YEAR | (10) | <u>4,096,078</u> | <u>3,007,269</u> |
| NET CURRENT ASSETS | | <u>686,051</u> | <u>857,762</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,762,355 | 1,833,824 |
| CREDITORS PAYABLE IN MORE THAN ONE YEAR | (11) | 134,885 | 114,872 |
| PROVISIONS FOR LIABILITIES AND CHARGES | (12) | <u>59,314</u> | <u>73,698</u> |
| | | <u>194,199</u> | <u>188,570</u> |
| | | <u>£ 1,568,156</u> | <u>£ 1,645,254</u> |
| CAPITAL AND RESERVES | | | |
| Called up Share Capital | (13) | 7,020 | 7,020 |
| Reserves | (14) | 17,515 | 17,515 |
| Profit & Loss Account | (18) | <u>1,543,621</u> | <u>1,620,719</u> |
| EQUITY SHAREHOLDERS' FUNDS | | <u>£ 1,568,156</u> | <u>£ 1,645,254</u> |

The notes on pages 7 to 13 form part of this account

The accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

Signed on behalf of the
Board of Directors



D N Shoesmith
Director

Approved by the Board: 24th March 2014

ABRAM PULMAN & SONS LTD

CASH FLOW STATEMENT

for the year ended 31st December 2013

| | Notes | 2013 | 2012 |
|--|-------|--------------------|----------------------|
| Reconciliation of Operating Profit with net Cash Flow from Operating Activities | | | |
| Operating (Loss)/Profit on continuing activities | | (26,634) | 190,450 |
| Depreciation charges and adjustments on sale of fixed assets | | 114,122 | 127,514 |
| Decrease/(Increase) in Stocks | | (31,100) | 62,985 |
| Decrease/(Increase) in Debtors | | (56,422) | (167,014) |
| Increase/(Decrease) in Creditors | | <u>968,055</u> | <u>(795,809)</u> |
| Net cash flow from operating activities | | £ <u>968,021</u> | £ <u>(581,874)</u> |
| Cash Flow Statement | | | |
| Net cash flow from operating activities above | | 968,021 | (581,874) |
| Returns on investments less servicing of finance | 20(a) | (61,338) | (59,458) |
| Taxation (Paid) | | (3,586) | (4,644) |
| Capital Expenditure | 20(b) | (215,163) | (64,386) |
| Proceeds on Disposals of Tangible Fixed Assets | | <u>800</u> | <u>4,750</u> |
| | | 688,734 | (705,612) |
| Equity Dividends Paid | | <u>(3,510)</u> | <u>(3,510)</u> |
| | | 685,224 | (709,122) |
| Financing | 20(c) | <u>39,424</u> | <u>(51,111)</u> |
| (Reduction)/Increase in cash in period | | £ <u>724,648</u> | £ <u>(760,233)</u> |
| Reconciliation of Cash Flow with Movement in Net Funds (Debt) | | | |
| (Reduction)/Increase in cash in period as above | | 724,648 | (760,233) |
| Hire Purchase Contracts taken out in Year | | (127,678) | (31,903) |
| Capital Element of Hire Purchase Contracts Repayment | | <u>88,254</u> | <u>83,014</u> |
| Change in Net Funds (Debt) | | 685,224 | (709,122) |
| Net Funds (Debt) on 01.01.13 | 21 | <u>(1,437,400)</u> | <u>(728,278)</u> |
| Net Funds (Debt) on 31.12.13 | 21 | £ <u>(752,176)</u> | £ <u>(1,437,400)</u> |

STATEMENT OF ACCOUNTING POLICIES

31st December 2013

- (1) The accounts are prepared in accordance with the accounting practice principles set out in paragraphs 11 to 15 of Part II Section A to SI 410 of 2008 and with applicable accounting standards.

- (2) Depreciation on tangible fixed assets is provided at rates calculated to write off the assets over their useful lives taking account of any residual value thereof.

The principal rates used are:

| | |
|--|---|
| <i>Leasehold Land & Buildings</i> | <i>Over the outstanding term of the Lease</i> |
| <i>Freehold Land & Buildings</i> | <i>5% p.a. reducing balance</i> |
| <i>Plant & Machinery</i> | <i>10% p.a. reducing balance</i> |
| <i>Cranes</i> | <i>20% p.a. reducing balance</i> |
| <i>Fixtures & Fittings, Office Furniture & Equipment</i> | <i>10% p.a. reducing balance</i> |
| <i>Motor Vehicles</i> | <i>25% p.a. reducing balance</i> |
| <i>Computer Equipment</i> | <i>25% p.a. reducing balance</i> |

- (3) Stock is valued at the lower of cost or net realisable value. For this purpose cost comprises cost of direct materials and labour.
- (4) Any charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
- (5) Turnover represents the value of goods sold by the company excluding VAT.
- (6) The company contributes to a defined contribution pension scheme. The assets of the scheme are held in a separately identifiable fund. The charge in the profit and loss account represents payments made to the scheme during the year.
- (7) The rental cost of assets acquired under operating leases is charged directly to the profit and loss account.
- (8) Tangible fixed assets purchased under hire purchase contracts are capitalised at a value equal to the cost of acquiring the asset and depreciated in the same manner as owned assets. The interest charges are charged to the profit and loss account over the period of the agreement.

NOTES TO THE FINANCIAL STATEMENTS

31st December 2013

2013

2012

(1) Turnover

The whole of the company's turnover relates to the United Kingdom and is attributable to its principal activity of steel stockholders.

(2) The Operating (Loss)/Profit is stated after charging/(crediting)

| | | |
|---|-----------|----------|
| Auditors' Remuneration | £ 8,710 | £ 8,650 |
| Depreciation on Tangible Fixed Assets: | | |
| Owned by the Company | £ 90,965 | £ 80,040 |
| Held under Hire Purchase Contracts | £ 23,284 | £ 44,669 |
| Operating Lease Rentals - Motor Vehicles, Computer & Office Equipment | £ 30,070 | £ 30,262 |
| Operating Lease Rentals – Land & Buildings | £ 24,000 | £ 22,002 |
| Loss/(Profit) on Disposal of Tangible Fixed Assets | £ (64) | £ 2,805 |
| Bad Debts | £ 190,561 | £ 72,864 |

The bad debt figure for 2013 includes one large debtor of £ 167,800.

(3) Interest Payable

| | | |
|-------------------------------------|-------------------|-------------------|
| Commercial Finance Charges | (50,837) | (48,915) |
| Interest on Hire Purchase Contracts | <u>(11,620)</u> | <u>(10,645)</u> |
| | £ <u>(62,457)</u> | £ <u>(59,560)</u> |

(4) Staff Costs

Staff costs, including directors' remuneration were as follows:

| | | |
|-----------------------|--------------------|--------------------|
| Wages & Salaries | 1,723,223 | 1,608,489 |
| Social Security Costs | 177,593 | 166,368 |
| Pension Costs | <u>66,772</u> | <u>66,744</u> |
| | £ <u>1,967,588</u> | £ <u>1,841,601</u> |

The average number of employees was 70 65

Emoluments of the directors were as follows:

| | | |
|------------------|------------------|------------------|
| Salaries & Fees | 364,324 | 321,326 |
| Benefits in Kind | <u>7,720</u> | <u>6,930</u> |
| | £ <u>372,044</u> | £ <u>328,256</u> |

The amount payable to the highest paid director was £183,161 (2012 £164,944)

Contributions made to money purchase pension schemes for two directors amounted to £45,600 (2012 £45,600). £ 22,800 payable for the highest paid director.

The highest paid director has not exercised any share options and has not received any entitlement to share options.

(5) Taxation

| | | |
|--|-------------------|-----------------|
| UK corporation tax-current year charge | - | 3,585 |
| prior year over reserved | <u>-</u> | <u>-</u> |
| Total current tax charge | - | 3,585 |
| Section 419 Tax payable/(repayable) | - | - |
| Deferred tax charge/(credit) | <u>(14,384)</u> | <u>25,686</u> |
| | £ <u>(14,384)</u> | £ <u>29,271</u> |

NOTES TO THE FINANCIAL STATEMENTS

31st December 2013

(5) **Taxation Continued**

The tax for the period is different from the standard rate of UK tax applicable to a company for 2013 23 % & 24% (2012 24 & 26%). The differences are explained below:

| | 2013 | 2012 |
|---|-----------------|------------------|
| (Loss) Profit on ordinary activities before tax | (87,972) | 130,992 |
| Expenses not deductible for tax purposes | 2,555 | 1,016 |
| Excess of Capital Allowances over Depreciation | (156,478) | - |
| Depreciation for period in excess of Capital Allowances | - | 36,328 |
| Rental Income and Bank Interest | <u>(23,513)</u> | <u>(17,926)</u> |
| Trading tax adjusted (loss)profit for the period | (265,408) | 150,410 |
| Losses Brought forward | <u>(2,600)</u> | <u>(150,410)</u> |
| Rental Income and Bank Interest | £ <u>23,513</u> | £ <u>17,926</u> |

Rental income and Bank Interest are covered by the losses for the year.

| | | |
|--|------------|----------------|
| Rental Income multiplied by the standard rate of 23% & 24% | | 4,392 |
| Less marginal relief | | (807) |
| Adjustment to tax charge in respect of prior year | <u>-</u> | <u>-</u> |
| Current tax charge for the year | £ <u>-</u> | £ <u>3,585</u> |

(6) **Tangible Fixed Assets are**

| | Land & Buildings | Plant & Machinery | Fixtures Fittings Office Furniture & Equipment | Motor Vehicles | Total |
|--------------------------|------------------|--------------------|--|------------------|--------------------|
| Cost | | | | | |
| 1.1.13 | 913,466 | 1,216,035 | 259,180 | 205,556 | 2,594,237 |
| Additions | - | 105,129 | 24,235 | 85,799 | 215,163 |
| Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(14,955)</u> | <u>(14,955)</u> |
| 31.12.13 | £ <u>913,466</u> | £ <u>1,321,164</u> | £ <u>283,415</u> | £ <u>276,400</u> | £ <u>2,794,445</u> |
| Depreciation | | | | | |
| 1.1.13 | 635,265 | 702,482 | 186,456 | 111,972 | 1,636,175 |
| Years Charge | 13,507 | 61,801 | 15,826 | 23,051 | 114,185 |
| Elimination on Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(14,219)</u> | <u>(14,219)</u> |
| 31.12.13 | £ <u>648,772</u> | £ <u>764,283</u> | £ <u>202,282</u> | £ <u>120,804</u> | £ <u>1,736,141</u> |
| Book Value | | | | | |
| 31.12.13 | £ <u>264,694</u> | £ <u>556,881</u> | £ <u>81,133</u> | £ <u>155,596</u> | £ <u>1,058,304</u> |
| 31.12.12 | £ <u>278,201</u> | £ <u>513,553</u> | £ <u>72,724</u> | £ <u>93,584</u> | £ <u>958,062</u> |

The net book value of tangible fixed assets includes £ 390,573 (2011 £275,281) in respect of assets held under hire purchase contracts.

(7) **Investments are**

| | 2013 | 2012 |
|--------------------------------|-----------------|-----------------|
| Holiday Property Bonds at Cost | <u>18,000</u> | <u>18,000</u> |
| | £ <u>18,000</u> | £ <u>18,000</u> |

The Holiday Property Bonds, which are in the form of two life assurance policies effected on the lives of the directors give the life assured entitlement to holidays in a personal capacity. The bonds have a surrender value at the year end date.

NOTES TO THE FINANCIAL STATEMENTS

31st December 2013

| | 2013 | 2012 |
|---|--------------------|--------------------|
| (8) Stock & Work in Progress comprise | | |
| Raw Materials | 1,013,462 | 976,602 |
| Work in Progress | <u>15,051</u> | <u>20,811</u> |
| | £ 1,028,513 | £ 997,413 |
| (9) Debtors comprise | | |
| Due after more than one year: | | |
| Other Debtors | 35,458 | 29,458 |
| Due within one year: | | |
| Trade Debtors | 2,344,997 | 2,291,900 |
| Prepayments | <u>23,840</u> | <u>26,515</u> |
| | £ 2,404,295 | £ 2,347,873 |
| (10) Creditors payable within one year are | | |
| Commercial Finance | 1,867,051 | 1,762,123 |
| Hire Purchase Instalments (note 11) | 99,561 | 80,150 |
| Trade Creditors | 2,024,294 | 983,479 |
| Corporation Tax | - | 3,585 |
| Taxation & Social Security | 84,613 | 149,046 |
| Accruals | <u>20,559</u> | <u>28,886</u> |
| | £ 4,096,078 | £ 3,007,269 |
| The commercial finance is secured by a debenture creating a fixed and floating charge on all the assets of the company. | | |
| (11) Creditors payable in more than one year are | | |
| Hire Purchase Contracts | £ 134,885 | £ 114,872 |
| Obligations under hire purchase contracts mature as follows: | | |
| Within one year | 15,217 | 4,088 |
| Between one and five years | <u>251,156</u> | <u>223,862</u> |
| | 266,373 | 227,950 |
| Less interest and charges allocated to future periods | <u>31,927</u> | <u>32,928</u> |
| | £ 234,446 | £ 195,022 |
| Hire purchase contracts are analysed as follows: | | |
| Current obligations | 99,561 | 80,150 |
| Non current obligations | <u>134,885</u> | <u>114,872</u> |
| | £ 234,446 | £ 195,022 |

The hire purchase contracts are secured on the assets concerned

NOTES TO THE FINANCIAL STATEMENTS

31st December 2013

| | 2013 | 2012 |
|--|-----------------|-----------------|
| (12) Provision for liabilities and charges are | | |
| Deferred Tax | | |
| Balance Brought Forward | 73,698 | 48,013 |
| Charge for the year | <u>(14,384)</u> | <u>25,685</u> |
| Liability | £ <u>59,314</u> | £ <u>73,698</u> |
| (13) The called up share capital is | | |
| Authorised: £5 Ordinary Shares | £ <u>25,000</u> | £ <u>25,000</u> |
| Allotted & Fully Paid: £5 Ordinary Shares | £ <u>7,020</u> | £ <u>7,020</u> |
| (14) Reserves are | | |
| Capital Reserve | 312 | 312 |
| Share Premium Account | 188 | 188 |
| Capital Redemption Reserve | <u>17,015</u> | <u>17,015</u> |
| | £ <u>17,515</u> | £ <u>17,515</u> |
| The Capital Redemption Reserve represents the nominal value of 3,403 ordinary £5 shares purchased by the company from its shareholders under a written resolution dated 20 th September 2000. | | |
| (15) Capital commitments | | |
| Capital expenditure authorised by the directors: | | |
| a) For which contracts had been placed | £ 187,200 | £ - |
| b) Not yet subject to contract | £ - | £ - |
| (16) There is a contingent liability in respect of corporation tax on the capital gain arising on the sale of Freehold Property, which has been rolled over against the cost of new buildings acquired. Additional Capital Gains Tax likely to arise on future sale of the Freehold Property is estimated to be | £ <u>38,082</u> | £ <u>39,738</u> |
| (17) Operating lease commitments | | |
| The company had the following annual commitments under non cancellable operating leases: | | |
| a) Computer, Office Equipment and Motor Vehicles: | | |
| Expiring within one year | £ <u>27,452</u> | £ - |
| Expiring within two and five years | £ - | £ <u>35,464</u> |

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31st December 2013

(18) **Reconciliation of movements in Shareholders' Funds**

| | Called-up Share Capital | Reserves | Profit & Loss Account |
|---|------------------------------------|-----------------|--------------------------------------|
| Balance at 1 st January 2013 | 7,020 | 17,515 | 1,620,719 |
| Profit for the Year | - | - | (73,588) |
| Dividend | - | - | (3,510) |
| Balance at 31 st December 2013 | £ <u>7,020</u> | £ <u>17,515</u> | £ <u>1,543,621</u> |

(19) **Related Parties**

- a) The company pays rent for land and buildings to the directors' pension scheme there is no formal lease. A normal commercial rent of £24,000 was payable during the year and at the year end date no amount was outstanding.
- b) Included within other debtors are interest free unsecured loans to the directors totalling £35,458 being loans to D N Shoesmith £21,650 and J C Horner £13,808. The maximum amount outstanding during the year was from D N Shoesmith £21,650 and J C Horner £13,808.

(20) **Gross Cash Flows**

a) **Returns on Investment and Servicing of Finance**

| | | |
|-------------------|--------------|------------|
| Interest Paid | (62,457) | (59,560) |
| Interest Received | <u>1,119</u> | <u>102</u> |

£ (61,338) £ (59,458)

b) **Capital Expenditure**

| | | |
|-----------------------|--------------------|-------------------|
| Tangible Fixed Assets | £ <u>(215,163)</u> | £ <u>(64,386)</u> |
|-----------------------|--------------------|-------------------|

c) **Financing**

| | | |
|---|-----------------|-----------------|
| Hire Purchase Contracts | 127,678 | 31,903 |
| Capital Element of Repayments under Hire Purchase Contracts | <u>(88,254)</u> | <u>(83,014)</u> |

£ 39,424 £ (51,111)

(21) **Analysis of changes in Net Funds (Debt)**

| | 1/1/013 | 31/12/13 | Cash Flows | |
|-------------------------|----------------------|--------------------|-------------------|--------------------|
| | | | 2013 | 2012 |
| Cash in Hand & at Bank | 519,745 | 1,349,321 | 829,576 | 135,519 |
| Commercial Finance | <u>(1,762,123)</u> | <u>(1,867,051)</u> | <u>(104,928)</u> | <u>(895,752)</u> |
| | (1,242,378) | (517,730) | 724,648 | (760,233) |
| Hire Purchase Contracts | <u>(195,022)</u> | <u>(234,446)</u> | <u>(39,424)</u> | <u>51,111</u> |
| Net Funds (Debt) | £ <u>(1,437,400)</u> | £ <u>(752,176)</u> | £ <u>685,224</u> | £ <u>(709,122)</u> |