

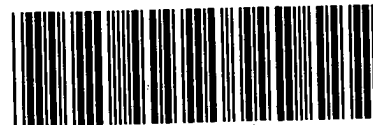
Company Registration No. 00496076 (England and Wales)

P C HOWARD LTD AND ITS SUBSIDIARIES

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2014

TUESDAY



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P C HOWARD LTD AND ITS SUBSIDIARIES

COMPANY INFORMATION

Directors	A F Howard A P Howard P W Howard P C Howard (Appointed 24 June 2014)
Secretary	P W Howard
Company number	00496076
Registered office	West Hay Stamford Road King's Cliffe Peterborough Cambridgeshire PE8 6XX
Auditors	Stephenson Smart & Co. 36 Tyndall Court Commerce Road Lynchwood Peterborough Cambridgeshire PE2 6LR
Business address	West Hay Stamford Road King's Cliffe Peterborough Cambridgeshire PE8 6XX
Bankers	Lloyds Bank plc Fenland House Manor Grove Centre Vicarage Farm Road Peterborough PE1 5UH

P C HOWARD LTD AND ITS SUBSIDIARIES

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P C HOWARD LTD AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014

Principal activities and review of the business

The principal activity of the group continued to be that of distribution and warehousing of palletised goods. The range of services within the group are detailed on our website www.pchoward.com.

Results and dividends

The full results of the group can be found on page 6.

The turnover of the group by division was as follows:

	2014 £'000	2013 £'000
Distribution services	4,947	4,601
Palletways services	8,633	7,433
Contract distribution	2,815	2,799
Warehousing services	1,123	1,118
	<hr/>	<hr/>
	17,518	15,951
	<hr/>	<hr/>

Market value of land and buildings

In the opinion of the directors the market value of land and buildings is in excess of the amount shown in the accounts, but as these assets are used in the group's business and no disposals are envisaged, the excess is not quantified.

Directors

The following directors have held office since 1 April 2013:

A F Howard
A P Howard
P W Howard
R G Howard (Retired 24 June 2014)
P C Howard (Appointed 24 June 2014)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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;
- 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

P C HOWARD LTD AND ITS SUBSIDIARIES

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

Statement of disclosure to auditor

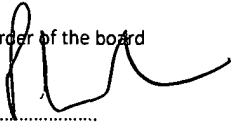
We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Stephenson Smart & Co, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

By order of the board


P W Howard
Secretary


Date

P C HOWARD LTD AND ITS SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The P C Howard Limited group of companies offers a total logistic solution for freight providing a comprehensive distribution service for customers who wish to distribute their products throughout the UK and Europe. The range of services within the group are detailed on the website www.pchoward.com.

We base our success on our ability to build sound relationships with our partners which is done by gaining a clear understanding of their needs and encouraging regular dialogue. The framework of our quality partnerships is based around seven main principles

- Planning
- Analysing
- Results
- Traceability
- Network Performance
- Evolution
- Responsibility

The directors have focused on the distribution of palletised goods using not only the group's own fleet of what is now 100 vehicles, but also using the Palletways network. The group operates from three depots with additional operating centres at Huntingdon and Oakham. A new depot was opened in Swindon in July 2012.

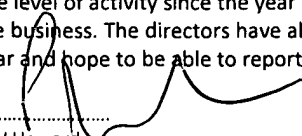
During the same time the business has developed a process of continual improvement and to achieve this has embraced the use of IT. The haulage and distribution business is a very competitive sector and the ability to focus on providing a quality service by using modern technology has been a key element of the business over the past year. The growth in modern technology allows consignment tracking, online proof of delivery and invoicing via the use of a portal and is used to monitor performance, particularly in showing that deliveries are on time and in full. The group also makes use of vehicle tracking and track and trace facilities.

Modern technology aids in the provision of information for the key performance indicators which are considered important to the company. The key performance indicators of the company are those that communicate activity levels, performance in relation to service and financial performance.

Fuel prices, the availability of labour and the continued success of the Palletways Network are the main risk factors to be considered in the development of the group business.

Future developments

The level of activity since the year end within the group has continued to increase with growth being seen in all aspects of the business. The directors have also been focusing on operating efficiency in order to improve profitability in the coming year and hope to be able to report an increased level of profit for the year ended 31 March 2015.


P W Howard
Secretary


Date

P C HOWARD LTD AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P C HOWARD LTD

We have audited the financial statements of P C Howard Limited for the year ended 31 March 2014 set out on pages 6 to 23. 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 auditors' 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 auditors

As explained more fully in the statement of directors' responsibilities set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 Strategic Report and in the Directors' 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 misstatement or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Included in Called up share capital shown on the balance sheet is an amount of £2,370,244 arising from the issue of 2,370,244 preference shares of £1 each during the year ended 31 March 2008. The holders of these shares are entitled to receive a fixed cumulative preferential dividend of £0.025 per preference share per annum. The company is entitled, on giving one month's notice, to redeem the preference shares at any time at a value being the greater of the par value or the value of the preference share land (being the land acquired in exchange for the preference shares). Unless redeemed earlier by the company, the preference shares will be redeemed in full either on the sale of the preference share land or on the sale of the entire issued ordinary share capital of the company.

Although the company does not envisage redeeming the preference shares, does not intend to sell the preference share land and the shareholders do not intend to sell the entire issued ordinary share capital of the company, it is our opinion that, in accordance with Financial Reporting Standard 25 *Financial Instruments: Presentation*, the preference shares are a compound financial instrument. The liability element of the instrument should be calculated as the net present value of the future stream of cash flows and disclosed as a long-term liability within Creditors: amounts falling due after more than one year, rather than as part of Called up share capital. Applying a discount rate of 5% means that the liability element would be £1,185,120. Accordingly, Creditors: amounts falling due after more than one year should be increased by £1,185,120 and Called up share capital should be reduced by the same amount. The effect of this would be to restate shareholders' funds in the group to £4,492,029.

P C HOWARD LTD AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P C HOWARD LTD

Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the 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 matters where the Companies Act 2006 requires us 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.

Paul Evans FCA (Senior Statutory Auditor)
For and on behalf of Stephenson Smart & Co

22/12/2014

Chartered Accountants
Statutory Auditor

36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
Cambridgeshire
PE2 6LR

P C HOWARD LTD AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	17,518,387	15,951,247
Cost of sales		(15,351,676)	(14,158,360)
		<hr/>	<hr/>
Gross profit		2,166,711	1,792,887
Net operating expenses		(1,741,012)	(1,585,587)
		<hr/>	<hr/>
Group operating profit	3	425,699	207,300
Interest receivable and similar income	4	-	14
Interest payable and similar charges	5	(93,595)	(86,110)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	332,104	121,204
Tax on profit on ordinary activities	6	(86,512)	(49,762)
		<hr/>	<hr/>
Profit for the year		245,592	71,442
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

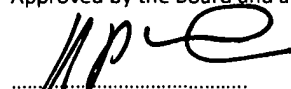
There were no recognised gains and losses in the year other than the profit for the period.

P C HOWARD LTD AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		6,917,872		6,834,447
Current assets					
Stocks	9	53,920		20,483	
Debtors	10	4,754,904		4,414,361	
Cash at bank and in hand		19,315		15,415	
			4,828,139	4,450,259	
Creditors: amounts falling due within one year	11	(4,345,695)		(4,208,937)	
Net current assets			482,444		241,322
Total assets less current liabilities			7,400,316		7,075,769
Creditors: amounts falling due after more than one year	12		(1,608,153)		(1,474,468)
Provisions for liabilities	13		(115,014)		(110,488)
			5,677,149		5,490,813
Capital and reserves					
Called up share capital	15		2,377,434		2,377,434
Share premium account	16		3,000		3,000
Revaluation reserve	16		67,500		67,500
Profit and loss account	16		3,229,215		3,042,879
Shareholders' funds	17		5,677,149		5,490,813

Approved by the Board and authorised for issue on 4th December 2014



A Howard
Director

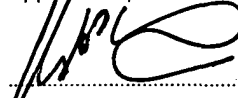
Company Registration No. 00496076 (England and Wales)

P C HOWARD LTD

**BALANCE SHEET
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		4,886,609		5,197,117
Investments	8		3,001		3,001
			<hr/>		<hr/>
			4,889,610		5,200,118
Current assets					
Stocks	9	53,920		20,483	
Debtors	10	2,476,355		2,134,737	
Cash at bank and in hand		19,315		15,414	
			<hr/>	<hr/>	
			2,549,590		2,170,634
Creditors: amounts falling due within one year	11	(2,444,938)		(2,976,569)	
			<hr/>	<hr/>	
Net current liabilities			104,652		(805,935)
			<hr/>		<hr/>
Total assets less current liabilities			4,994,262		4,394,183
Creditors: amounts falling due after more than one year	12	(1,608,153)		(1,474,468)	
Provisions for liabilities	13	(57,811)		(69,638)	
			<hr/>	<hr/>	
			3,328,298		2,850,077
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15		2,377,434		2,377,434
Share premium account	16		3,000		3,000
Revaluation reserve	16		67,500		67,500
Profit and loss account	16		880,364		402,143
			<hr/>		<hr/>
Shareholders' funds			3,328,298		2,850,077
			<hr/>		<hr/>

Approved by the Board and authorised for issue on 4th December 2014


P Howard
Director

Company Registration No. 00496076 (England and Wales)

P C HOWARD LTD AND ITS SUBSIDIARIES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
Net cash inflow from operating activities	1		931,167		830,608
Returns on investments and servicing of finance					
Interest received		-		14	
Interest paid		(40,560)		(36,549)	
Interest element of finance lease rental payments		(53,035)		(49,561)	
Non equity dividends paid		(59,256)		(59,256)	
Net cash outflow from returns on investments and servicing of finance			(152,851)		(145,352)
Taxation					
Corporation tax paid			(55,184)		(111,642)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(123,662)		(443,102)	
Receipts from sales of tangible assets		18,917		31,851	
Net cash outflow for capital expenditure			(104,745)		(411,251)
Equity dividends paid			-		-
Net cash inflow before financing			618,387		162,363
Financing					
Capital element of finance lease and hire purchase repayments		(553,787)		(254,534)	
Bank loan repaid		(50,000)		(50,000)	
New long term bank loan		250,000		-	
Other long term loan repaid		(99,591)		(118,067)	
Net cash outflow from financing			(453,378)		(422,601)
Increase/(decrease) in cash in the year			165,009		(260,238)

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014. £	2013 £
	Operating profit	425,699	207,300
	Depreciation of tangible assets	728,005	659,568
	Profit on disposal of tangible assets	(3,753)	(22,326)
	(Increase)/decrease in stocks	(33,437)	63,908
	Increase in debtors	(340,543)	(274,367)
	Increase in creditors due within one year	155,196	196,525
	Net cash inflow from operating activities	931,167	830,608
2	Analysis of net debt		
		At 1 April 2013 £	Cash Flow £
			At 31 March 2014 £
	Net Cash:		
	Cash at bank and in hand	15,415	3,900
	Bank overdrafts	(1,272,685)	161,109
		(1,257,270)	165,009
	Debt:		
	Debt due after one year	(899,933)	(100,409)
	Debt due within one year	(128,000)	-
	Finance leases	(1,007,324)	(149,144)
		(2,035,257)	(249,553)
	Net debt	(3,292,527)	(84,544)

P C HOWARD LTD AND ITS SUBSIDIARIES

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

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment property.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents amounts receivable for services net of VAT.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold buildings	written off over 50 years
Plant and machinery	25% per annum of WDV
Motor vehicles and trailers	15%/25% per annum of WDV
Fixtures and fittings	25% per annum of WDV

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on the freehold property.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19: Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.6 Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost.

1.8 Stock

Stock is valued at the lower of cost or net realisable value.

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 ACCOUNTING POLICIES (continued)

1.9 Pensions

The company operates a pension scheme for the benefit of all its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are payable.

The company also operates a self-administered pension fund for the benefit of the directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.10 Deferred taxation

Deferred taxation is provided using the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover, which excludes VAT and sales between group companies, has been derived from the principal activities wholly undertaken in the United Kingdom.

The analysis by class of business of the group's turnover and profit before taxation is set out below.

	Haulage £	Warehousing £	Contract distribution £	Total £
2014				
Turnover	13,580,014	1,123,454	2,814,919	17,518,387
Profit before taxation	174,580	(21,799)	179,323	332,104
2013				
Turnover	12,033,881	1,117,812	2,799,554	15,951,247
Profit before taxation	83,612	(65,487)	103,079	121,204

3 GROUP OPERATING PROFIT

The operating profit is stated after charging the following:

	2014 £	2013 £
Directors' emoluments	156,189	142,678
Auditors' remuneration	7,800	10,961
Auditors' remuneration for the audit of the company's subsidiaries	12,294	11,496
Depreciation - owned assets	377,689	464,973
Depreciation - assets held under hire purchase agreements	350,316	194,595
And after crediting:		
Profit on disposal of tangible fixed assets	3,753	22,326

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
4 INVESTMENT INCOME		
Bank interest	-	14
	—	—
5 INTEREST PAYABLE		
On bank overdrafts	33,786	23,866
Hire purchase interest	53,035	49,561
On other loans wholly repayable within five years	6,774	12,683
	—	—
	93,595	86,110
	—	—
6 TAXATION		
Domestic current year tax		
UK corporation tax	81,986	55,183
Deferred tax		
Origination and reversal of timing differences	4,526	(5,421)
	—	—
	86,512	49,762
	—	—
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	332,104	121,204
	—	—
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.96 % (2013 – 21.49%)	72,930	26,047
Effects of:		
Non-deductible expenses	922	(1,927)
Depreciation add back	159,046	136,943
Capital allowances	(150,912)	(105,880)
	—	—
Current tax charge	81,986	55,183
	—	—

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

7 TANGIBLE FIXED ASSETS

Group	Land and buildings	Plant and machinery	Motor vehicles & trailers	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2013	5,201,907	637,728	6,715,895	517,038	13,072,568
Additions	2,449	40,583	745,713	37,848	826,593
Disposals	-	(80,669)	(287,866)	-	(368,535)
At 31 March 2014	5,204,356	597,642	7,173,742	554,886	13,530,626
Depreciation					
At 1 April 2013	864,912	480,691	4,613,819	388,699	6,348,121
Charge for year	84,694	43,229	575,938	24,144	728,005
Disposals	-	(75,669)	(277,703)	-	(353,372)
At 31 March 2014	949,606	448,251	4,912,054	412,843	6,722,754
Net book value					
At 31 March 2014	4,254,750	149,391	2,261,688	142,043	6,807,872
At 31 March 2013	4,336,995	157,037	2,102,076	128,339	6,724,447

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles & trailers £
Net book value	
At 31 March 2014	1,559,022
At 31 March 2013	982,587
Depreciation charge for the year	
At 31 March 2014	350,316
At 31 March 2013	194,595

The gross amount of depreciable assets included in land and buildings at 31 March 2014 was £4,216,841 (2013: £ 4,213,901)

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2014**

7 TANGIBLE FIXED ASSETS (continued)

The Company

	Land and buildings	Plant and machinery	Motor vehicles & trailers	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2013	4,187,274	84,871	4,092,756	139,241	8,504,142
Additions	2,450	-	175,065	30,344	207,859
Disposals	-	-	(287,866)	-	(287,866)
Transfers to group company	-	-	(143,940)	-	(143,940)
At 31 March 2014	4,189,724	84,871	3,836,015	169,585	8,280,195
Depreciation					
At 1 April 2013	433,607	64,478	2,799,058	119,884	3,417,027
Charge for year	66,800	1,994	280,886	6,828	356,508
Disposals	-	-	(277,709)	-	(277,709)
Transfers to group company	-	-	7,760	-	7,760
At 31 March 2014	500,407	66,472	2,809,995	126,712	3,503,586
Net book value					
At 31 March 2014	3,689,317	18,399	1,026,020	42,873	4,776,609
At 31 March 2013	3,753,667	20,393	1,293,698	19,357	5,087,115

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles & trailers £
Net book value	
At 31 March 2014	671,194
At 31 March 2013	840,427
Depreciation charge for the year	
At 31 March 2014	152,403
At 31 March 2013	164,894

The gross amount of depreciable assets included in land and buildings at 31 March 2014 was £3,332,210 (2013: £3,319,270).

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

7 TANGIBLE FIXED ASSETS (continued)

Investment properties

Valuation and net book value

At 1 April 2013 and 31 March 2014 £110,000

The valuation of investment properties were made as at 3 November 2012 by Messrs Richardson, Chartered Surveyors on an open market basis. No depreciation is provided in respect of these properties. In the opinion of the directors the market value at 31 March 2014 remains at £110,000.

On a historical cost basis, these properties would have been included at an original cost of £42,500(2013: £42,500) and aggregate depreciation of £Nil (2013: £Nil).

8 FIXED ASSET INVESTMENTS

The Company

Shares in
group
undertakings
£

Cost

At 1 April 2013 and 31 March 2014 3,001

Net book value

At 31 March 2014 and 31 March 2013 3,001

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration/ incorporation	Principal activity	Class of shares	%
Subsidiary undertakings				
Howard Warehousing Limited	UK	Warehousing	Ordinary	100
Howard's Logistics Limited	UK	Contract distribution	Ordinary	100
Howard's Transport Limited	UK	Distribution service	Ordinary	100
P C Howard (Swindon) Limited	UK	Dormant	Ordinary	100

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

9	STOCK	2014	2013
		£	£
	The Group and the Company		
	Spares, tyres and fuel	53,920	20,483
		<hr/>	<hr/>
10	DEBTORS	£	£
	The Group		
	Trade debtors	4,497,519	4,237,944
	Other debtors	87,033	72,486
	Prepayments and accrued income	170,352	103,931
		<hr/>	<hr/>
		4,754,904	4,414,361
		<hr/>	<hr/>
	The Company		
	Trade debtors	1,222,702	1,248,623
	Amounts owed by subsidiary undertakings	1,067,057	747,556
	Other debtors	70,011	72,486
	Prepayments and accrued income	116,585	66,072
		<hr/>	<hr/>
		2,476,355	2,134,737
		<hr/>	<hr/>
11	CREDITORS: amounts falling due within one year	£	£
	The Group		
	Bank loans and overdraft	1,161,576	1,322,685
	Trade creditors	1,854,573	1,778,519
	Other creditors	157,349	159,022
	Corporation tax	81,986	55,183
	Taxation and social security	465,860	401,180
	Accruals	75,694	59,559
	Obligations under hire purchase agreements	548,657	432,789
		<hr/>	<hr/>
		4,345,695	4,208,937
		<hr/>	<hr/>
	The Company		
	Bank loan and overdraft	643,592	776,099
	Trade creditors	711,126	680,468
	Other creditors	157,349	159,022
	Corporation tax	38,268	23,965
	Taxation and social security	142,657	110,071
	Accruals	8,699	16,837
	Obligations under hire purchase agreements	548,657	432,789
	Amounts owed to subsidiary undertakings	694,590	777,318
		<hr/>	<hr/>
		2,944,938	2,976,569
		<hr/>	<hr/>

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

12	CREDITORS: amounts falling due after more than one year	2014 £	2013 £
	The Group and the Company		
	Bank loans	600,000	400,000
	Other creditors	400,342	499,933
	Obligations under hire purchase agreements	607,811	574,535
		<u>1,608,153</u>	<u>1,474,468</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments:		
	Bank loan	650,000	450,000
	Not wholly repayable within five years other than by instalments:		
	Other creditor	478,342	577,933
		<u>1,128,342</u>	<u>1,027,933</u>
	Included in current liabilities	(128,000)	(128,000)
		<u>1,000,342</u>	<u>899,933</u>
	Instalments not due within five years	400,000	200,000
	Loan maturity analysis		
	In more than one year but not more than two years	128,000	128,000
	In more than two years but not more than five years	384,000	384,000
	In more than five years	488,342	387,933
		<u>1,000,342</u>	<u>899,933</u>

The bank loan and overdraft are secured by standard debentures dated 1 January 1993 in favour of the bank and unlimited monies guarantees. The bank holds an omnibus guarantee and set off agreement, dated 16 August 2003, between all the group companies.

The bank loans of P C Howard Limited with National Westminster Bank plc are secured by a first legal charge over land and buildings at West Hay, Kings Cliffe and its associated assets.

The bank loans bear interest at 1.75% per annum over the bank base rate.

The other loan of £478,342 (2013: £477,933) is a loan from AF, PW and RG Howard, three of the current directors and the trustees of the B C Howard Discretionary Will Trust. There is no fixed repayment date for this loan and it will only be repaid when the company's cashflow is sufficient to allow repayment.

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

12 CREDITORS: amounts falling due after more than one year (continued)

Analysis of debt maturity (continued)	2014 £	2013 £
Net obligations under hire purchase agreements		
Repayable within one year	548,657	432,789
Repayable between one and five years	607,811	574,535
	<hr/>	<hr/>
Included in liabilities falling due within one year	1,156,468 (548,657)	1,007,324 (432,789)
	<hr/>	<hr/>
Included in liabilities falling due after more than one year	607,811	574,535
	<hr/>	<hr/>
Obligations under finance leases and hire purchase contracts are secured by related assets.		

13 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation	2014 £	2013 £
The Group		
Balance at 1 April 2013	110,488	115,909
Profit and loss account	4,526	(5,421)
	<hr/>	<hr/>
Balance at 31 March 2014	115,014	110,488
	<hr/>	<hr/>
The deferred liability is made up as follows:		
Accelerated capital allowances	115,014	121,011
Other timing differences	-	(10,523)
	<hr/>	<hr/>
	115,014	110,488
	<hr/>	<hr/>
The Company		
Balance at 1 April 2013	69,638	76,657
Profit and loss account	(11,827)	(7,019)
	<hr/>	<hr/>
Balance at 31 March 2014	57,811	69,638
	<hr/>	<hr/>
The deferred liability is made up as follows:		
Accelerated capital allowances	57,811	76,270
Other timing differences	-	(6,632)
	<hr/>	<hr/>
	57,811	69,638
	<hr/>	<hr/>

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

14	PENSION COSTS	2014 £	2013 £
	Defined Contribution		
	Contributions payable by the company and the group for the year	104,860	63,899
		<hr/>	<hr/>
15	SHARE CAPITAL	£	£
	Allotted, called up and fully paid		
	7,190 Ordinary shares of £1 each	7,190	7,190
	2,370,244 Preference shares of £1 each	2,370,244	2,370,244
		<hr/>	<hr/>
		2,377,434	2,377,434
		<hr/>	<hr/>

The company issued 2,370,244 preference shares of £1 each on 12 March 2008. The holders of these shares are entitled to receive a fixed cumulative preferential dividend of £0.025 per preference share per annum (a coupon of 2.5%). The shares were issued as consideration for the cost of land acquired from Howard Farms, a partnership between A F, B C, R G and P W Howard.

The company is entitled, on giving one month's notice, to redeem the preference shares at any time at a value being the greater of the par value or the value of the preference share land (being the land acquired in exchange for the preference shares). Unless redeemed earlier by the company, the preference shares will be redeemed in full either on the sale of the preference share land or on the sale of the entire issued ordinary share capital of the company.

The preference shares do not carry any rights to vote or receive notice of or attend general meetings. Also the preference shares are not capable of being converted into any other class of shares.

The directors understand that, in accordance with Financial Reporting Standard 25 *Financial Instruments: Presentation*, the preference shares should be presented as a liability in the financial statements and not as share capital. However it is not envisaged that the company will redeem the preference shares, that the preference share land will be sold or that the shareholders will sell the entire issued ordinary share capital of the company. Therefore the directors are of the opinion that the preference shares represent long-term funding for the business and should be shown as part of Capital and Reserves rather than as a long-term liability.

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

16 STATEMENT OF MOVEMENTS ON RESERVES

The Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2013	3,000	67,500	3,042,879
Profit for the year	-	-	245,592
Dividends paid	-	-	(59,256)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	3,000	67,500	3,229,215
	<hr/>	<hr/>	<hr/>
 The Company			
	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2013	3,000	67,500	402,143
Profit for the year	-	-	37,477
Dividends received	-	-	500,000
Dividends paid	-	-	(59,256)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	3,000	67,500	880,364
	<hr/>	<hr/>	<hr/>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2014 £	2013 £
Profit for the financial year	245,592	71,442
Dividends paid	(59,256)	(59,256)
	<hr/>	<hr/>
Net additions to shareholders' funds	186,336	12,186
Opening shareholders' funds	5,490,813	5,478,627
	<hr/>	<hr/>
Closing shareholders' funds	5,677,149	5,490,813
	<hr/>	<hr/>

18 PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 of the Companies Act 2006, the parent company's Profit and Loss Account has not been included in these financial statements. The parent company's profit/(loss) for the financial year was £537,477 (2013: (£68,350)).

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

19 FINANCIAL COMMITMENTS

At 31 March 2014 the group was committed to make the following payments under non-cancellable operating leases in the year to 31 March 2015:

	2014 £	2013 £
Operating leases which expire:		
Within one year	3,750	-
Between two and five years	75,000	75,000
Over five years	-	-

20 CAPITAL COMMITMENTS

At 31 March 2014, the company had capital commitments totalling £432,870. (2013: £Nil)

21 DIRECTORS' EMOLUMENTS

	£	£
Emoluments for qualifying services	156,189	142,678
Company pension contributions to money purchase scheme	101,400	61,400

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2013: 4).

22 EMPLOYEES

Number of Employees

The average number of persons employed by the group (including directors) during the year was:

	2014	2013
Management	4	5
Administration	36	33
Drivers	107	105
Maintenance	15	12
Other	20	22
	<u>182</u>	<u>177</u>

Employment costs

	£	£
Wages and salaries	4,227,183	4,100,666
Social Security costs	400,894	389,756
Other pension costs	104,860	63,899
	<u>4,732,937</u>	<u>4,554,321</u>

P C HOWARD LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

23 CONTROLLING PARTY

No one individual has ultimate control.

24 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Loans to directors

Transactions in relation to loans with directors during the year are outlined below:

	2014 £	2013 £
A P Howard		
Opening balance	7,064	-
Amounts advanced	-	7,064
Interest charged	-	-
Amounts repaid	(7,064)	-
Closing balance	-	7,064

Dividends to directors

The following directors were paid dividends during the year as outlined in the table below

	2014 £	2013 £
A F Howard	14,814	14,814
P W Howard	14,814	14,814
R G Howard	14,814	14,814

Transactions with directors

A F Howard, P W Howard, R G Howard and the Trustees of the B C Howard Discretionary Will Trust own equal shares in Howard Farms Limited.

During the year, recharges to Howard Farms Limited totalling £89,295 (2013: £44,660) and recharges from Howard Farms Limited totalling £Nil (2013: £4,385) were made. Rents totalling £4,255 (2013: £3,981) were received by P C Howard Limited on behalf of Howard Farms Limited in the year.

The balance owing by Howard Farms Limited to P C Howard Limited at 31 March 2014 was £65,571 (2013: £26,725).

Included in creditors are the following loans from directors:

A F Howard	£124,221(2013: £148,706)
P W Howard	£135,259 (2013: £171,608)
R G Howard	£112,980 (2013: £143,706)
Trustees of the B C Howard Discretionary Will Trust	£105,971 (2013: £113,912)

These loans are interest free and there is no fixed repayment date for them. They will be repaid when the parent company, P C Howard Limited has sufficient cashflow to make repayment.