

Annual Report for the year ended 31 July 2013

Company registration number 00769987

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Director and advisers

Director

G W Baker

Secretary

F G Powell

Bankers

Lloyds Banking Group plc
39 Threadneedle Street
London
EC2R 8PT

Registered office

Baker Group House
Dockham Way
Crick
Northamptonshire
NN6 7TZ

Statutory auditor

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Chairman's statement for the year ended 31 July 2013

Introduction

This statement relates to the attached accounts drawn up for the year ended 31 July 2013

Review of the year and subsequent events

Financial Position

The Group has recorded its 8th successive year of increasing turnover. This was achieved through a year of consolidation following the significant factory move to new premises over the last two years. Group turnover as a result was £83.1m (2012: £78.2m).

This additional revenue and the improvements made in the production process and with the supply chain have increased operating profit for the Group to £2.9m (2012: £1.5m before exceptional costs). There were no exceptional costs in the year (2012: £1.3m).

Following the significant capital expenditure over the three previous years of £26.9m, the capital expenditure for the year was purposefully lower at £0.8m.


The freehold land owned by the group has been revalued at July 2013. One parcel of land which had outline planning permission for housing was under a tender process at 31 July 2013. This parcel of land was subsequently sold in November 2013 and this land was revalued to its expected net realisable value of £5.5m.

Outlook for year ending 31 July 2013

The group has made an encouraging start to the new financial year with market conditions remaining competitive.

G W Baker

Dated


19/11/2013

Director's report for the year ended 31 July 2013

The director presents his report and the financial statements for the year ended 31 July 2013

Principal activities

The principal activities of the group are those of pet food manufacturing and investing activities

Review of business and future developments

The group has achieved good results in 2013 and has made an encouraging start to trading for 2014. For further information see the chairman's statement

Donations

The group made charitable donations of £25,000 (2012 £25,000) to the Prince's Trust and £10,000 (2012 £nil) to the Cure Parkinson's Trust during the year

Dividends

Interim dividends of £450,000 were paid during the year (2012 £450,000). The director does not recommend the payment of a final dividend (2012 £nil)

Director

The director who held office during the year was G W Baker

Financial risk management

The group is exposed to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. Given the size of the group, the directors have not established a sub-committee of the Board to monitor financial risk management, but have established policies that are implemented and monitored by the director

Price risk

The group is exposed to price risk on meat raw materials and steel cans, the extent of these is regularly reviewed and assessed by the director. This process is considered to be effective given the size and nature of the risks involved, but will be reviewed in the future should circumstances change

Credit risk

The amount of exposure to any individual company is controlled by means of a credit limit which is monitored regularly by the financial management and in the case of financially material value by the director

Liquidity Risk

The group actively maintains a mixture of medium term and short term debt finance, which is designed to ensure that it has access to sufficient available funds for ongoing working capital as well as planned capital investment. The amount of debt finance required is reviewed at least annually by the director

Interest Rate risk

The group has interest bearing debt liabilities. Over 25% of the group's debt is on fixed interest terms, measured on a 12 month rolling basis. The director will review the appropriateness of this policy on at least an annual basis

Director's report for the year ended 31 July 2013 (*continued*)

Foreign Currency Risk

The group has exposure to foreign exchange movements on factored finished product purchases, partly offset by sales to the EU. The principal objective is to reduce the net effect of exchange rate volatility on short-term profits. Transactional exposure to currency exposures are hedged using short term forward purchases of foreign currencies and currency options. The director will review the appropriateness of this policy on at least an annual basis.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



F G Powell

Company secretary

Dated

19/11/2013

Statement of director's responsibilities in respect of the director's report and the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of F W Baker Limited

We have audited the group and parent company financial statements of F W Baker Limited for the year ended 31 July 2013 set out on pages 8 to 28. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and company's affairs as at 31 July 2013 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Buckingham (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham NG1 6FQ

Dated 21/11/13

Consolidated Profit and loss account for the year ended 31 July 2013

	Notes	2013 £'000	2012 £'000	2012 £'000	2012 £'000
		Total	Before Exceptional items	Exceptional items	Total
Turnover	2	83,137	78,230	-	78,230
Cost of sales		(59,382)	(55,844)	(911)	(56,755)
Gross profit		23,755	22,386	(911)	21,475
Marketing, selling & distribution costs		(17,810)	(16,932)	-	(16,932)
Administrative expenses		(3,008)	(3,912)	(87)	(3,999)
Operating profit		2,937	1,542	(998)	544
Net loss on disposal of tangible fixed assets		-	-	(337)	(337)
Profit on ordinary activities before interest		2,937	1,542	(1,335)	207
Other interest receivable and similar income		5			1
Interest payable and similar charges	4	(476)			(282)
Other finance costs - FRS17	24	(96)			(67)
Profit/(loss) on ordinary activities before taxation	5	2,370			(141)
Tax on profit/(loss) on ordinary activities	7	(481)			(185)
Profit/(loss) for the financial year	20	1,889			(326)

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

The annexed notes form part of these financial statements

Statement of Group total recognised gains and losses for the year ended 31 July 2013

	Notes	2013 £'000	2012 £'000
Profit/(loss) for the financial year		1,889	(326)
Unrealised surplus on revaluation of properties	10	4,260	665
Foreign exchange movements		(266)	54
Actuarial gain/(loss) on pension scheme		1,580	(5,751)
Movement on deferred tax relating to pension liability	24	(507)	1,310
Total recognised gains and losses for the financial year		6,956	(4,048)

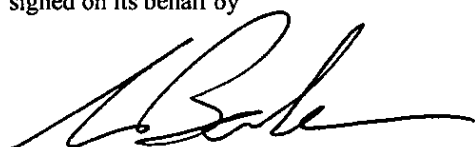
Consolidated Balance sheet at 31 July 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	100	145
Tangible assets	10	29,516	26,646
		<u>29,616</u>	<u>26,791</u>
Current assets			
Stock	12	10,044	9,485
Debtors	13	10,770	12,020
Cash in hand		2,114	2,081
		<u>22,928</u>	<u>23,586</u>
Creditors: amounts falling due within one year	14	(20,392)	(22,112)
Net current assets		<u>2,536</u>	<u>1,474</u>
Total assets less current liabilities		<u>32,152</u>	<u>28,265</u>
Creditors: amounts falling due after more than one year	15	(8,105)	(8,381)
Provisions for liabilities	17	(1,255)	(1,085)
Net assets excluding pension liability		<u>22,792</u>	<u>18,799</u>
Pension liability	24	(2,399)	(4,912)
Net assets including pension liability		<u>20,393</u>	<u>13,887</u>
Capital and reserves			
Share capital	18	1,000	1,000
Other reserves	19	161	161
Revaluation reserve	19	5,455	1,195
Profit and loss account	19	13,777	11,531
Total shareholders' funds	20	<u>20,393</u>	<u>13,887</u>

The financial statements were approved and authorised for issue by the Board on
signed on its behalf by

19/11/2013

and were



G W Baker
Director

Company Registration No 00769987

The annexed notes form part of these financial statements

Company Balance sheet at 31 July 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	10	5,455	1,195
Investments	11	500	500
		<u>5,955</u>	<u>1,695</u>
Current assets			
Debtors – amounts falling due within one year	13	1,397	1,267
– amounts falling due after one year	13	3,314	3,314
Cash in hand		1	4
		<u>4,712</u>	<u>4,585</u>
Creditors: amounts falling due within one year	14	(10)	(5)
Net current assets		<u>4,702</u>	<u>4,580</u>
Total assets less current liabilities		<u>10,657</u>	<u>6,275</u>
Capital and reserves			
Share capital	18	1,000	1,000
Other reserves	19	161	161
Revaluation reserve	19	5,455	1,195
Profit and loss account	19	4,041	3,919
Total shareholders' funds	20	<u>10,657</u>	<u>6,275</u>

The financial statements were approved and authorised for issue by the Board on
signed on its behalf by

19/11/2013

and were



G W Baker
Director

Company Registration No 00769987

The annexed notes form part of these financial statements

Consolidated cash flow statement for the year ended 31 July 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	(a)	2,529	336
Returns on investments and servicing of finance			
Interest received		5	1
Interest paid on bank borrowings		(436)	(234)
Interest paid on hire purchase and finance leases		(40)	(48)
Net cash outflow from returns on investments and servicing of finance		(471)	(281)
Taxation received		239	-
Capital expenditure			
Purchase of intangible assets		-	(1)
Purchase of tangible fixed assets		(783)	(3,606)
Sale of tangible fixed assets		-	151
Net cash outflow for capital expenditure		(783)	(3,456)
Equity dividends paid		(450)	(450)
Net cash inflow/(outflow) before financing		1,064	(3,851)
Financing			
Additional hire purchase and finance lease		-	1,500
Finance lease capital repayments		(832)	(625)
Net cash (outflow)/inflow from financing		(832)	875
Increase/(decrease) in cash	(b)	232	(2,976)

Cash flow statement for the year ended 31 July 2013**Notes****(a) Reconciliation of operating profit to net cash inflow from operating activities**

	2013 £'000	2012 £'000
Operating profit	2,937	544
Depreciation charges	2,173	1,848
Amortisation of intangible assets	45	43
(Increase)/decrease in stocks	(559)	3,627
Decrease/(increase) in debtors	1,060	(485)
(Decrease)/increase in creditors amounts falling due within 1 year	(1,079)	(3,382)
Increase in creditors amounts falling due over 1 year	114	37
Foreign exchange	(266)	-
Difference between pension charge and cash contribution	(1,896)	(1,896)
Net cash inflow from operating activities	2,529	336

(b) Reconciliation of net cash flow to movement in net funds

	2013 £'000	2012 £'000
Decrease in cash in the period	232	(2,976)
Cash outflow from net increase/(decrease) in finance leases	832	(875)
Movement in net cash in the period	1,064	(3,851)
Net cash at 1 August	(12,696)	(8,845)
Net cash at 31 July	(11,632)	(12,696)

c) Analysis of net funds

	At 31 July 2012 £'000	Cash Flow £'000	At 31 July 2013 £'000
Cash in hand and at bank	2,081	33	2,114
Bank loans and overdrafts - due within one year	(6,513)	615	(5,898)
- due after one year	(6,417)	(416)	(6,833)
Finance leases - due within one year	(833)	26	(807)
- due after one year	(1,014)	806	(208)
	(12,696)	1,064	(11,632)

Notes to the financial statements for the year ended 31 July 2013

1 Principal accounting policies

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)

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis and in accordance with historical cost convention as modified by the revaluation of certain fixed assets

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared forecasts, and on the basis of these forecasts the Group and company has sufficient funding to enable it to continue for the foreseeable future

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 31st July 2013. Intra group sales and profits are eliminated fully on consolidation. The company has taken advantage of section 408 of the Companies Act 2006, and has not included its own profit and loss account. The company's profit after taxation for the year was £122,000 (2012 £150,000)

Related Party Transactions

The company has taken advantage of the exemptions from disclosing transactions with other group undertakings as conferred by Financial Reporting Standard No 8 in that all subsidiaries are wholly owned by a parent registered in England and Wales

Intangible assets and amortisation

Intangible assets are capitalised and amortised in equal instalments over 6 years being the directors' estimate of their useful economic life

Turnover

Turnover represents goods despatched from the principal place of business to customers' premises. It is not anticipated that goods are in transit for a period longer than twenty-four hours for sales in the United Kingdom

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. No interest costs are capitalised within the costs of self-constructed assets

Depreciation is charged at rates which are calculated to write off the fixed assets over their estimated economic lives, as follows

Freehold land	Nil	
Leasehold improvements	20 years	Straight line basis
Plant and equipment	3-20 years	Straight line basis
Motor vehicles	10 years	Straight line basis

Assets are reviewed for impairment if management consider there to be indicators for impairment during the financial year. Where impairment indicators are identified within specific business units, comparing the carrying value of assets with their net realisable value performs the test of impairment

1 Principal accounting policies (continued)**Stock**

Stock is valued at the lower of cost and net realisable value. In respect of finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture.

Pension scheme arrangements

The Group operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable.

The Group operates a defined benefit scheme that is closed for future accrual. A full actuarial evaluation by a professionally qualified actuary is carried out every 3 years. The surplus / deficit in the scheme is recognised as an asset / liability on the balance sheet. Changes in the asset / liability are written off in profit and loss account or statement of total recognised gains and losses as appropriate. The attributable deferred taxation is shown separately in the statement of total recognised gains and losses. The pension liability is shown on the balance sheet net of the related deferred taxation asset.

Hire purchase and leasing

Assets held under hire purchase agreements or finance lease arrangements are capitalised in the balance sheet and the finance charge portion of rentals payable is charged to the profit and loss account. Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling when the transaction was entered into or where appropriate, the rates of exchange fixed under the terms of the relevant transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred.

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

2 Segmental analysis

The analysis of turnover by geographical area is as follows:

	2013 £'000	2012 £'000
United Kingdom	78,325	73,050
Rest of Europe	4,812	5,180
	<u>83,137</u>	<u>78,230</u>

Turnover and operating profit are derived from one class of business, being the manufacture and wholesale of premium petfood.

3 Employee information

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

	2013 Number	2012 Number
By activity		
Management and administration	85	83
Production	209	176
	<u>294</u>	<u>259</u>

	2013 £'000	2012 £'000
Staff costs		
Wages and salaries	9,309	8,267
Social security costs	927	971
Other pension costs	269	263
	<u>10,505</u>	<u>9,501</u>

4 Interest payable and similar charges

	2013 £'000	2012 £'000
Finance leases	40	48
Bank loans	436	234
	<u>476</u>	<u>282</u>

5 Profit/(loss) on ordinary activities before taxation

	2013 £'000	2012 £'000
Profit/(loss) before taxation is stated after charging/(crediting)		
Amortisation of intangible assets	45	43
Depreciation of tangible fixed assets - owned assets	1,551	1,304
- leased assets	622	544
Research and development	425	342
Operating leases charges - plant and machinery	487	474
- other	1,645	1,831
Exchange (gain)/loss	(328)	296
Loss on disposal of fixed assets	-	337
	<u></u>	<u></u>

F W Baker Limited**5 Profit/(loss) on ordinary activities before taxation (continued)**

	2013 £'000	2012 £'000
Services provided by the company auditor		
Auditors' remuneration		
- audit	36	35
- taxation	34	11
Total auditor's remuneration	<u>70</u>	<u>46</u>
Exceptional items*		
Factory site move	-	1,335

The exceptional items for the prior year included move costs, disposal of plant at the old factory and one-off supply costs during the move

6 Directors' emoluments

Disclosure in respect of the director of F W Baker Limited

	2013 £'000	2012 £'000
Aggregate emoluments	<u>253</u>	<u>260</u>
Highest paid director		
Emoluments and amounts receivable under long term incentive schemes	<u>253</u>	<u>260</u>

The director has retirement benefits accruing under a money purchase pension scheme. The total contribution made during the year was £nil (2012 £nil)

7 Tax on profit/(loss) on ordinary activities

	2013 £'000	2012 £'000
Domestic current year tax		
UK Corporation Tax	1	-
Adjustments to prior periods	(51)	-
	<hr/>	<hr/>
Current tax credit	(50)	-
Deferred tax		
Origination and reversal of timing differences	732	395
Effect of law changes	(142)	(99)
Adjustments in respect of prior years	(59)	(111)
	<hr/>	<hr/>
Total deferred tax	531	185
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	481	185
	<hr/>	<hr/>

The tax assessed for the year is lower (2012 higher) than the standard rate of corporation tax in the United Kingdom of 23.67% (2012 25.33%). The differences are explained below,

	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before tax	2,370	(141)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities multiplied by standard rate in the UK of 23.67% (2012 25.33%)	561	(35)
Effects of		
Expenses not deductible for tax purposes	4	24
Additional tax credit for research and development	(101)	(96)
Depreciation on ineligibles	17	11
Capital allowances in excess of depreciation	(270)	(502)
Pension cost relief in excess of pension cost charge	(426)	(463)
Other tax adjustments	68	45
Increase in tax losses carried forward	389	1,016
Utilisation of tax losses	(241)	-
Adjustments to prior periods	(51)	-
	<hr/>	<hr/>
Total current tax credit	(50)	-
	<hr/>	<hr/>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 July 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8 Dividends

	2013 £'000	2012 £'000
Interim dividend proposed and paid	450	450
Ordinary dividend paid	450	450

9 Intangible assets

Group

	Other intangibles £'000
Cost	
At 31 July 2012	253
Additions	-
At 31 July 2013	253
Amortisation	
At 31 July 2012	108
Charge for the year	45
At 31 July 2013	153
Net book value	
At 31 July 2013	100
At 31 July 2012	145

10 Tangible fixed assets

Group

	Motor vehicles £'000	Plant and machinery £'000	Leasehold improvements £'000	Freehold land £'000	Total £'000
Cost					
At 31 July 2012	16	31,055	901	1,195	33,167
Additions	-	783	-	-	783
Disposals	(2)	-	-	-	(2)
Revaluation	-	-	-	4,260	4,260
At 31 July 2013	14	31,838	901	5,455	38,208
Depreciation					
At 31 July 2012	16	6,446	59	-	6,521
Charge for the year	-	2,126	47	-	2,173
Disposals	(2)	-	-	-	(2)
At 31 July 2013	14	8,572	106	-	8,692
Net book value					
At 31 July 2013	-	23,266	795	5,455	29,516
At 31 July 2012	-	24,609	842	1,195	26,646

10 Tangible fixed assets (continued)

Included in the above are fixed assets with a net book value of £6,979,000 (2012 £7,601,000) which are subject to hire purchase agreements or finance lease arrangements. The depreciation charged on these assets was £622,000 (2012 £544,000)

The freehold land was revalued in 2012 by Burbage Realty, Logistics and Industrial Property Consultants and its historical cost is £nil (2012 £nil). In 2013 one parcel of land which had outline planning permission for housing was under a tender process at 31st July 2013, and subsequently sold in xxxx and as such this parcel has been re-valued to its expected net realisable value

Company

	Freehold land £'000
Cost or valuation	
At 31 July 2012	1,195
Additions	-
Revaluation	4,260
	<hr/>
At 31 July 2013	5,455
	<hr/>
Depreciation	
At 31 July 2012	-
	<hr/>
At 31 July 2013	-
	<hr/>
Net book value	
At 31 July 2013	5,455
	<hr/>
At 31 July 2012	1,195
	<hr/>

11 Investments

Butcher's Pet Care Sp z o o	100 PLN 50 zloty ordinary shares – pet food wholesalers
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12 Stock

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Finished goods	7,802	7,469	-	-
Raw materials	1,425	1,376	-	-
Consumables	817	640	-	-
	<u>10,044</u>	<u>9,485</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year</i>				
Trade debtors (see note below)	9,396	10,209	-	-
Other debtors	39	514	-	-
Prepayment and accrued income	1,335	1,297	18	-
Amounts due from subsidiary undertakings	-	-	1,379	1,267
<i>Amounts falling due over one year</i>				
Amounts due from subsidiary undertakings	-	-	3,314	3,314
	<u>10,770</u>	<u>12,020</u>	<u>4,711</u>	<u>4,581</u>

Trade debtors are subject to an invoice discounting arrangement

14 Creditors: amounts falling due within one year

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank overdraft and loans	5,898	6,513	-	-
Trade creditors	8,593	9,707	-	-
Finance leases	807	833	-	-
Other creditors	144	126	-	-
Other taxation and social security	2,026	1,836	-	-
Accruals and deferred income	2,924	3,097	5	5
Amounts due to subsidiary undertakings	-	-	5	-
	<u>20,392</u>	<u>22,112</u>	<u>10</u>	<u>5</u>

The company and the subsidiary's bank borrowings are secured by a fixed and floating charge over group assets

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank loans and overdrafts	6,833	6,417	-	-
Accruals and deferred income	1,064	950	-	-
Finance leases	208	1,014	-	-
	<u>8,105</u>	<u>8,381</u>	<u>-</u>	<u>-</u>

16 Loans and other borrowings

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	12,731	12,930	-	-
Finance leases	1,015	1,847	-	-
	<u>13,746</u>	<u>14,777</u>	<u>-</u>	<u>-</u>

Bank Loans and overdrafts

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Repayable				
Within one year	5,898	6,513	-	-
In more than one year, but not more than five years	6,833	6,417	-	-
	<u>12,731</u>	<u>12,930</u>	<u>-</u>	<u>-</u>

Finance leases

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year	807	833	-	-
In more than one year, but not more than five years	208	1,014	-	-
	<u>1,015</u>	<u>1,847</u>	<u>-</u>	<u>-</u>

The secured bank loans comprise two Term Debt Loans, a Revolving Loan Facility and an Invoice Discounting Facility

The initial £4 million Term Debt Loan (of which £1,667,000 remains outstanding) is redeemable in 12 quarterly repayments of £333,333 which commenced on 9 August 2011 and ends on 30 September 2014, and bears interest at LIBOR plus a margin of 3.5%

The £5 million Term Debt Loan is redeemable in 14 quarterly repayments of £62,500 which commenced on 16 July 2012 plus a bullet payment of £4,187,500 due on 31 January 2016, and bears interest at LIBOR plus a margin of 2.5%

The £2 million Revolving Loan Facility was renegotiated in April 2013 and is redeemable in a single payment on 7 October 2015 and bears interest at LIBOR plus a margin of 2.0%

Interest on each of the bank loans accrues on a day-to-day basis and is charged on a quarterly basis. The invoice discounting facility is all disclosed as due within one year.

The bank loans and overdraft were secured by giving a fixed and floating charge on all assets of the group. Obligations under finance leases are secured on related assets.

17 Provisions for liabilities

	Group Deferred Tax £'000	Company Deferred Tax £'000
At 31 July 2012	1,085	-
Charge to the profit and loss account	170	-
At 31 July 2013	1,255	-

A deferred tax charge of £361,000 has been recorded in the profit & loss account in respect of the difference between pension contributions and total charge to the profit & loss account during the year

The deferred tax liability is made up as follows

Group

The deferred tax liabilities/ (assets) are made up as follows

	2013 £'000	2012 £'000
Accelerated capital allowances	1,710	1,713
Other timing differences	(183)	(145)
Tax losses	(272)	(483)
	1,255	1,085

There is an unrecognised deferred tax asset totalling £0.4 million relating to tax losses in an overseas subsidiary of the group

Company

There is an unrecognised deferred tax asset totalling £0.7 million (2012 £0.9 million) relating to tax losses. This is unrecognised due to F W Baker Limited being a holding company and therefore there is no expectation for the foreseeable future that sufficient profits will be earned within the company that will allow the tax losses to be utilised.

18 Share capital

Group and Company	2013 £'000	2012 £'000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	1,000	1,000

19 Reserves

Group	Profit and loss account £'000	Other reserves £'000	Revaluation reserve £'000
At 31 July 2012	11,531	161	1,195
Profit for the financial year	1,889	-	-
Revaluation	-	-	4,260
Dividends paid	(450)	-	-
Foreign exchange movement	(266)	-	-
Actuarial gain on pension scheme (note 24)	1,580	-	-
Movement on deferred tax relating to pension liability	(507)	-	-
At 31 July 2013	13,777	161	5,455

Company	Profit and loss account £'000	Other reserves £'000	Revaluation reserve £'000
At 31 July 2012	3,919	161	1,195
Profit for the year	122	-	-
Revaluation	-	-	4,260
Dividends paid	(450)	-	-
Dividends received	450	-	-
At 31 July 2013	4,041	161	5,455

20 Reconciliation of movements in shareholders' funds

Group	2013 £'000	2012 £'000
Opening shareholders' funds	13,887	18,385
Profit/(loss) for the financial year	1,889	(326)
Revaluation	4,260	665
Dividends paid	(450)	(450)
Foreign exchange movement	(266)	54
Actuarial gain/(loss) on pension scheme (note 24)	1,580	(5,751)
Movement on deferred tax relating to pension liability	(507)	1,310
Closing shareholders' funds	20,393	13,887

Company	2013 £'000	2012 £'000
Opening shareholders' funds	6,275	5,910
Profit for the financial year	122	150
Revaluation	4,260	665
Dividends paid	(450)	(450)
Dividends received	450	-
Closing shareholders' funds	10,657	6,275

21 Capital commitments

	2013 £'000	2012 £'000
Contracts for capital expenditure not provided for	197	179

22 Operating lease commitments

At 31 July 2013 the group had annual commitments under non-cancellable operating leases as follows

	2012 £'000	2011 £'000
Land and Buildings		
Expiring under one year	-	-
Expiring within two to five years	-	-
Expiring greater than five years	1,430	1,430
	<u>1,430</u>	<u>1,430</u>
Other:-		
Expiring within one year	137	112
Expiring within two to five years	81	212
Expiring greater than five years	187	114
	<u>405</u>	<u>438</u>

23 Control

The company is controlled by the director with a 100% shareholding

24 Pension obligations**Defined contribution scheme**

The Group operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable. The total pension cost for the company was £269,000 (2012 £263,000)

Defined benefit scheme

The Group operates a defined benefit pension scheme. The scheme provided benefits based on final pensionable salary. Members ceased accrual with effect from 1 April 2005 and were granted deferred pensions. The assets of the scheme are held separately from those of the company, and are being invested with insurance companies. The contributions to the defined benefit scheme are agreed between the trustees and the company and in accordance with the advice of an independent qualified actuary.

The valuation used for FRS17 disclosures has been based on the most recent actuarial valuation of 6th April 2010. The preliminary results for this valuation have been updated by a professionally qualified actuary to take account of the requirements of FRS17 in order to assess the liabilities of the scheme as at 31 July 2013.

24 Pension obligations (continued)

The amounts recognised in the balance sheet are as follows

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(49,407)	(47,029)
Fair value of scheme assets	46,408	40,650
Deficit in the scheme recognised as a liability in the balance sheet	(2,999)	(6,379)
Related deferred tax asset at 20% (2012 23%)	600	1,467
Net pension liability	(2,399)	(4,912)

The amounts recognised in profit or loss are as follows

	2013 £'000	2012 £'000
Amounts included in administrative expenses		
Current service cost	-	-
Amounts included in other finance costs		
Expected return on scheme assets	1,861	2,029
Interest on scheme liabilities	(1,957)	(2,096)
Net charge to finance income	(96)	(67)
Total charge in profit or loss before taxation	(96)	(67)
Actual return on scheme assets	4,720	2,845

Actuarial gain of £1,580,000 (2012 loss of £5,751,000) have been reported in the statement of total recognised gains and losses in the year

The major actuarial assumptions used as at 31 July 2013 were

	2013	2012
Rate of increase in salaries	n/a	n/a
Rate of increases in deferred pensions	3.40%	2.80% pa
Rate of increases in pensions in payment	3.30%	2.70% pa
Discount rate	4.70%	4.20% pa
Inflation assumption	3.40%	2.80% pa
Expected return on assets	5.02%	4.52% pa
Mortality table in deferment	S1PA (year of birth) CMI_2012_M/F_(1.25%)	S1PAmc(year of birth)
Mortality table in retirement	S1PA (year of birth) CMI_2012_M/F_(1.25%)	S1PAmc(year of birth)
Life expectancy for a male currently aged 65	22.3 years	20.8 years
Life expectancy for a female currently aged 65	24.6 years	23.2 years
Life expectancy at age 65 for a male currently aged 45	24.0 years	21.9 years
Life expectancy at age 65 for a female currently aged 45	26.6 years	24.2 years

24 Pension obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2013 £'000	2012 £'000
Opening defined benefit obligation	47,029	39,265
Current service cost	-	-
Interest on scheme liabilities	1,957	2,096
Benefits paid	(858)	(899)
Actuarial losses	1,279	6,567
Closing defined benefit obligation	49,407	47,029

Changes in the fair value of scheme assets are as follows:

	2013 £'000	2012 £'000
Opening fair value of scheme assets	40,650	36,808
Expected return	1,861	2,029
Actuarial gains	2,859	816
Contributions by employer	1,896	1,896
Benefits paid	(858)	(899)
Closing fair value of scheme assets	46,408	40,650

The company expects to contribute £1,896,000 to the defined benefit pension scheme in the year to July 2013

The fair value of the major categories of scheme assets and the expected long-term rate of return at the balance sheet date are as follows

	Long term rate of return expected at 31/07/2013	Long term rate of return expected at 31/07/2012	Fair value at 31/07/2013 £'000	% of total scheme assets	Fair value at 31/07/2012 £'000	% of total scheme assets
Equities	7.70% pa	7.50% pa	18,054	39%	15,933	39%
Gilts	3.00% pa	2.10% pa	20,931	45%	17,208	42%
Bonds	4.30% pa	3.90% pa	7,215	16%	7,201	18%
Cash in transit	0.50% pa	0.50% pa	208	0%	308	1%
			46,408		40,650	

The overall expected return on assets assumption has been derived by calculating the weighted average of the expected rate of return for each asset class. The expected return on gilts and bonds has been based on current market yields. The expected return on equity investments has been based on expected net dividend yields plus RPI inflation plus 1% pa. The expected return on cash is based on the current Bank of England base rate.

24 Pension obligations (continued)

Amounts for the current and previous four years are as follows:

	2013	2012	2011	2010	2009
Defined benefit obligation	(49,407)	(47,029)	(39,265)	(36,222)	(35,192)
Fair value of scheme assets	46,408	40,650	36,808	31,994	27,570
Deficit in the scheme	(2,999)	(6,379)	(2,457)	(4,228)	(7,622)
Experience adjustments on scheme liabilities	(1,279)	(6,567)	(1,566)	65	(2,284)
Experience adjustments on assets	2,859	816	1,932	2,295	(2,685)
	1,580	(5,751)	366	2,360	(4,969)