Company Registration No. 921639

JOHN NIXON LIMITED

Report and Financial Statements

31 December 2012

REPORT AND FINANCIAL STATEMENTS 2012

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Nixon (Chairman)
C E Nixon
G R Nixon
N McDiarmid
K M Blackwood
Mrs B J Brown
Mrs A L Blackwood
S Smith
A Nixon

SECRETARY

N McDiarmid

REGISTERED OFFICE

City West Business Park
Scotswood Road
Newcastle Upon Tyne
NE4 7DF

BANKERS

Barclays Bank PLC
71 Grey Street
Newcastle upon Tyne
NE1 6EF

SOLICITORS

Eversheds LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne
United Kingdom

DIRECTORS' REPORT

The dırectors present theır annual report on the affaırs of the company, together wıth the financıal statements and audıtor's report, for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The company's prıncıpal actıvıty ıs the hırıng out and dıstrıbutıon of constructıon plant and tools, portable accommodatıon and toılets prımarıly to the buıldıng and cıvıl engıneerıng ındustrıes The company operates throughout the North of England and Scotland

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Durıng 2012, the company concentrated on ımprovıng effıcıency and generatıng new busıness whıch resulted ın an ıncrease ın turnover and profıtabılıty

Durıng the year turnover ıncreased by 16% to £28 3m (2011 £24 4m) and gross profit ıncreased by 12% to £13 2 m (2011 £11 8m) The company made a pre tax profit of £2 0m for the year (2011 £1 8m) and had net assets of £11 9m (2011 £10 5m) at the year end

The busıness ınvested £12 0m (2011 £11m) ın new plant, the transport fleet and the general ınfrastructure of the busıness

The headcount ıncreased to an average of 295 (2011 279) The ıncrease tended to be wıthın Sales and Commercıal posıtıons

The dırectors are confident that the ınvestments and effıcıencıes made durıng the year wıll enable the busıness to contınue to grow ın terms of turnover, profit, geographıcal tradıng area and product offerıng

Durıng the year, the Company consolıdated ıts Perth, Cupar and Dundee depots to a new sıte ın Dundee Thıs brought the full range of equıpment for hıre, for thıs area, ınto one locatıon ımprovıng customer servıce and operatıonal effıcıency

Durıng Sprıng 2012 the Company relocated ıts Head Office whıch was prevıously ıncorporated on the sıte of the Newcastle depot, to an ındependent modern office facılıty a mıle away The addıtıonal space at the new buıldıng wıll allow the company to contınue to meet ıts expansıon plans

The first four months of 2013 has seen the Company tradıng above ıts 2013 forecast and the unaudıted profit for the first four months has exceeded budget

GOING CONCERN

After makıng enquırıes, the dırectors have a reasonable expectatıon that the company has adequate resources to contınue ın operatıonal exıstence for the foreseeable future Accordıngly, they contınue to adopt the goıng concern basıs ın preparıng the financıal statements

Further detaıls regardıng the adoptıon of the goıng concern basıs can be found ın the accountıng polıcıes note, on page 10 of the financıal statements

PRINCIPAL RISK AND UNCERTAINTIES

The company operates ın a competıtıve market Thıs could lead to the company losıng hıres to ıts key competıtors or a reductıon ın hıre rates, both of whıch would result ın reduced ıncome The company manages thıs rısk by provıdıng value added servıces to ıts customers, havıng fast response tımes to customer querıes, and maıntaınıng strong relatıonshıps wıth ıts customers The company also has an ongoıng strategy to contınually ımprove the effıcıency of ıts operatıon and ınvest ın new products for ıts hıre fleet

The company ıs dependent on the economıc actıvıty ın ıts tradıng area of the North of England and Scotland Thıs rısk ıs contınually assessed to ensure that utılısatıon of plant ıs maıntaıned The rısk ıs also mıtıgated through the geographıc expansıon beyond the North of England and Scotland as a result of the contınuous growth of the ınternet based sıde of the busıness (eXtra)

The busıness ıs capıtal ıntensıve, relyıng on access to capıtal ın order to ınvest ın products for the hıre and transport fleets The company maıntaıns good relatıonshıps wıth a pool of funders to provıde several sources of finance

DIRECTORS' REPORT (continued)

PRINCIPAL RISK AND UNCERTAINTIES (continued)

The company's borrowing facility and term loan are on a variable rate of interest The company manages the repayment period of debt to ensure it is appropriate to the type of assets being purchased

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are set out in detail on page 7 Interim Dividends totalling £153,816 were paid to shareholders during the year The directors propose payment of final dividends totalling £200,000 to shareholders which were declared in February 2013 The retained profit for the year of £1,439,948 (2011 £1,151,289) has been transferred to reserves

DIRECTORS

The directors who all served throughout the year and since were as follows

J Nixon
Mrs T Nixon (Resigned 28 August 2012)
C E Nixon
G R Nixon
N McDiarmid
K M Blackwood
Mrs A L Blackwood
Mrs B J Brown
S Smith
A Nixon

DONATIONS

During the year the company made charitable donations of £916 (2011 £3,650)

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company This is achieved through formal and informal meetings and company notice boards Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests

SUPPLIER PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers provided that all trading terms and conditions have been complied with At 31 December 2012, the company had an average of 71 days purchases outstanding in trade creditors (2011 90 days) This represents the ratio expressed in days between amounts invoiced to the company by suppliers in the year and amounts due at the year end to those suppliers The 2011 figure is relatively high due to the significant capital additions which inflated Trade Creditors at the end of the year

DIRECTORS' REPORT (continued)

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

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

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

N McDiarmid
Director
Date

21 June 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The dırectors are responsıble for preparıng the Annual Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare the financıal statements ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce (Unıted Kıngdom Accountıng Standards and applıcable law) Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss of the company for that perıod In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make ȷudgements and estımates that are reasonable and prudent,
- state whether applıcable UK accountıng standards have been followed, subȷect to any materıal departures dısclosed and explaıned ın the financıal statements, and
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınappropriate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng adequate accountıng records that are sufficıent to show and explaın the company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN NIXON LIMITED

We have audited the financial statements of John Nixon Limited for the year ended 31 December 2012 which comprise of the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 28 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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

Scope of the audit of 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

David Wilkinson FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle Upon Tyne, United Kingdom
Date 24 June 2013

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2012

	Note	2012	2011 £
TURNOVER	2	28,295,915	24,417,695
Cost of sales		(15,048,043)	(12,661,447)
GROSS PROFIT		13,247,872	11,756,248
Administrative expenses		(10,672,183)	(9,570,773)
Other operating income		19,253	7,500
		(10,652,930)	(9,563,273)
OPERATING PROFIT	4	2,594,942	2,192,975
Interest receivable and similar income	5	51,764	233
Interest payable and similar charges	6	(660,826)	(393,553)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,985,880	1,799,655
Tax on profit on ordinary activities	7	(392,116)	(374,550)
PROFIT FOR THE FINANCIAL YEAR	16	1,593,764	1,425,105

All of the company's results are derived from continuing operations

There are no recognised gains or losses for the current and preceding financial year other than as stated in the profit and loss account Accordingly, no separate statement of total recognised gains and losses is presented

BALANCE SHEET
31 December 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	28,455,885	24,456,903
CURRENT ASSETS			
Stocks	9	512,214	641,383
Debtors			
- Due within one year	10	6,347,944	4,927,275
- Due after one year	10	867,269	420,004
Cash at bank and in hand		741,396	561,397
		8,468,823	6,550,059
CREDITORS: amounts falling due within one year	11	(10,728,140)	(10,419,422)
NET CURRENT LIABILITIES		(2,259,317)	(3,869,363)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,196,568	20,587,540
CREDITORS amounts falling due after more than one year	12	(12,618,015)	(8,507,412)
PROVISION FOR LIABILITIES AND CHARGES	14	(1,684,362)	(1,625,885)
NET ASSETS		11,894,191	10,454,243
CAPITAL AND RESERVES			
Called up share capital	15	103,020	103,020
Profit and loss account	20	11,791,171	10,351,223
SHAREHOLDERS' FUNDS	16	11,894,191	10,454,243

The financial statements of John Nixon Limited, registered number 921639, were approved by the Board of Directors and authorised for issue on 21 June 2013

Signed on behalf of the Board of Directors

N McDiarmid

N McDiarmid
Director

CASH FLOW STATEMENT
Year ended 31 December 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	21	4,968,835	6,493,656
Returns on investments and servicing of finance	22	(611,150)	(376,836)
Dividends paid	22	(273,816)	(153,816)
Taxation		(325,361)	(828,081)
Capital expenditure and financial investment	23	1,346,674	(94,758)
Net cash inflow before financing		5,105,182	5,040,165
Financing	24	(4,497,594)	(6,390,056)
Increase/(decrease) in cash	25, 26	607,588	(1,349,891)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been adopted consistently in the current and preceding financial year

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on pages 2 to 4

The company meets its day to day working capital requirements through an overdraft facility secured against trade debtors which was renegotiated in June 2012 and have had further discussions with the bank to confirm that the facility is ongoing for at least the next 12 months The company also finances its operations via a combination of hire purchase finance (repayable between 3 to 4 years), a treasury loan secured over land and buildings as per note 13 (repayable over 5 years) and directors' loans In arriving at the conclusion that the company has adequate financial resources the directors have considered the company's current facility and treasury loan with Barclays Bank plc, the hire purchase finance facilities and the directors' loans

There are no specific covenants attached to these finance facilities other than the treasury loan The covenants relating to the treasury loan have been renegotiated subsequent to the year end and agreed with the bank reflecting current market conditions and the company's expected level of profitability The company was in compliance with the covenants at the year end and the directors expect compliance with the covenants based on the company's forecasts

The company continues to proactively manage working capital needs and the directors consider that following their review of the company's investment in the hire fleet to date, the business is well placed to react to changing market conditions As a consequence, the directors believe that the company will be able to manage its business and liquidity risks

The company's forecasts and projections, taking account of possible changes in trading performance, show that the company should be able to operate within the level of its current facility and comply with loan covenants attached to these facilities The company actively holds discussions with its bankers and other finance providers about its future borrowing needs and no matters have been drawn to its attention to suggest that the current facilities will not be available in the foreseeable future

After making enquiries, the directors have formed a judgement and have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is provided over the estimated useful lives of the assets The rates and bases of depreciation are as follows

Freehold buildings	2% straight line
Leasehold buildings	1-2% straight line
Plant for hire	5% - 50% straight line
Plant	10% straight line
Office furniture and vehicles	10% - 25% straight line
Computer equipment	33% straight line

Stocks

Stocks consist of goods for resale and consumables and are valued at the lower of cost and net realisable value Net realisable value is based on estimated selling price less all relevant marketing, selling and distribution costs Provision is made for slow moving or defective items where appropriate

Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives The capital elements of future lease obligations are recorded as liabilities and the finance charges are allocated over the period of the lease using the sum of digits method

Rentals under operating leases are charged to profit and loss in equal annual amounts over the lease term

Pensions

The group operates a defined contribution pension scheme Membership of the scheme is open to all eligible employees of the group All costs incurred in relation to the scheme are expensed as they are incurred Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities, after deduction of trade discounts and value added tax

Turnover is recognised as goods are delivered and services rendered to customers Where turnover relates to hire activities, revenue is recognised on a straight-line basis over the period of hire Turnover arising from operating leases is £22,522,287 (2011 £19,637,171)

The turnover and pre-tax profit, which arises in the United Kingdom, are attributable to the company's principal activity

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £	2011 £
Directors' emoluments		
Emoluments	1,013,544	1,111,660
Pension contributions	176,628	158,600
	1,190,172	1,270,260
Remuneration of the chairman and highest paid director		
Emoluments	199,075	172,606

The company paid £nil pension contributions in respect of the highest paid director (2011 £nil)

Six directors (2011 six) were members of the defined contribution pension scheme during the year

Average number of persons employed	2012 No.	2011 No.
Workshop and stores staff	178	173
Administrative staff	117	106
	295	279

Staff costs (including directors)	2012 £	2011 £
Wages and salaries	7,547,532	6,669,993
Social security costs	718,915	676,319
Pension costs (note 18)	406,366	343,054
	8,672,813	7,689,366

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

4. OPERATING PROFIT

	2012 £	2011 £
Operating profit is stated after charging:		
Depreciation		
-Owned assets	3,004,796	2,673,622
-Leased assets	2,736,606	2,009,035
Rentals under operating leases		
-Other operating leases	139,598	179,470
And after crediting:		
Profit on disposal of fixed assets	1,008,737	1,049,782
Rent receivable	19,253	7,500

The profit on disposal of fixed assets is included within operating profit as it results from the routine disposal of plant for hire

The analysis of auditors' remuneration is as follows

	2012 £	2011 £
Fees payable for the company's auditors for the audit of the company's annual accounts	19,000	18,000
Total audit fees	19,000	18,000
Other services pursuant to legislation		
Tax services	1,675	1,750
Total non-audit fees	1,675	1,750

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Interest receivable	51,764	233

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank loans, overdrafts and other loans repayable within five years	132,466	94,091
Finance leases and hire purchase contracts	528,360	299,462
	660,826	393,553

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

i) Analysis of tax charge on ordinary activities

	2012 £	2011 £
Current tax		
United Kingdom corporation tax at 24 5 % (2011 26 5%) based on the profit for the period	553,414	338,827
Adjustment in respect of prior years	(1,275)	11,607
Total current tax	552,139	350,434
Deferred tax		
Origination and reversal of timing differences	(31,335)	162,277
Adjustment in respect of prior years	(578)	(11,194)
Effect of changes in tax rates	(128,110)	(126,967)
Total deferred tax	(160,023)	24,116
Total tax on profit on ordinary activities	392,116	374,550

ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower (2011 lower) than that resulting from applying the standard rate of corporation tax in the UK of 24 5% (2011 26 5%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	1,985,880	1,799,655
Tax at 24 5% (2011 26 5%) thereon	486,540	476,785
Expenses not deductible for tax purposes	58,479	22,661
Income not taxable for tax purposes	(22,544)	
Capital allowances in excess of depreciation	29,340	(128,834)
Movement in short term timing differences	1,996	(33,442)
Adjustments in respect of previous periods	(397)	11,608
Effects of gains	(1,275)	1,656
Current tax charge for the year	552,139	350,434

The UK Government announced in March 2012 that it intended to reduce the main rate of UK corporation tax from 25% to 23% and Finance Act 2012, which was substantively enacted on 17 July 2012, included provisions to reduce the rate of corporation tax to 23% with effect from 1 April 2013 Accordingly, deferred tax balances have been revalued to the lower rate of 23% in these accounts, which has resulted in a credit to the profit & loss account of £128,110

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The UK Government announced in March 2013 it intends to enact further reductions of the main rate of corporation tax, reducing it to 21% with effect from 1 April 2014 and then by a further 1% to 20% by 1 April 2015 As this legislation was not substantively enacted at 31 December 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts If the deferred tax assets and liabilities of the company were all to reverse after 1 April 2014, the effect of the changes from 23% to 20% would be to reduce the net deferred tax liability by £191,199 To the extent that the deferred tax liability reverses more quickly than this, the impact on the net deferred tax liability will be reduced

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, office furniture & vehicles £	Plant for hire £	Total £
Cost or valuation				
At 1 January 2012	2,455,127	7,476,214	38,949,407	48,880,748
Additions	132,073	547,484	11,321,658	12,001,215
Disposals	-	(1,016,847)	(6,137,551)	(7,154,398)
Reclassification	-	(495,207)	495,207	-
At 31 December 2012	2,587,200	6,511,644	44,628,721	53,727,565
Accumulated depreciation				
At 1 January 2012	987,887	4,098,978	19,336,980	24,423,845
Charge for the year	65,690	974,882	4,700,830	5,741,402
Disposals	-	(965,632)	(3,927,935)	(4,893,567)
Reclassification	-	(495,207)	495,207	-
At 31 December 2012	1,053,577	3,613,021	20,605,082	25,271,680
Net book value				
At 31 December 2012	1,533,623	2,898,623	24,023,639	28,455,885
At 31 December 2011	1,467,240	3,377,236	19,612,427	24,456,903

The reclassification adjustment is a result of assets moving between plant for own use to plant for hire during the year

Included within disposals are fully written down assets with a cost value of £363,036 which were identified during the year following a review of the asset register as assets no longer owned by the company

Included within the above are fixed assets with a net book value of £17,994,429 (2011 £13,953,436) in respect of assets held under finance leases and hire purchase contracts

9. STOCKS

	2012 £	2011 £
Consumables	347,898	318,259
Plant for resale	164,316	323,124
	512,214	641,383

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

10. DEBTORS

Amounts falling due within one year	2012 £	2011 £
Trade debtors	5,904,530	4,564,361
Prepayments and accrued income	443,414	362,914
	6,347,944	4,927,275
Amounts falling due after more than one year		
Other debtors	867,269	420,004

Included within Trade Debtors is £107,000 due from Nixon Hire Middle East W L L, a related party, and within Other Debtors is £867,269 (2011 £418,758) due from the same company, which is classed as being due over one year

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdraft (note 13)	842,360	1,188,331
Obligations under finance leases and hire purchase contracts (note 13)	4,939,413	3,550,907
Trade creditors	2,189,368	3,405,887
Corporation tax	284,212	57,434
Other taxes and social security	850,880	516,654
Other creditors	220,853	220,853
Accruals and deferred income	1,401,054	1,479,356
	10,728,140	10,419,422

Included within other creditors is £220,853 (2011 £220,853) owed to certain directors and a former director of the company

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Bank loans	1,969,127	1,606,299
Obligations under finance leases and hire purchase contracts	8,895,835	5,076,631
Other creditors	1,753,053	1,824,482
	12,618,015	8,507,412

Included within other creditors is £1,753,053 (2011 £1,824,482) owed to certain directors and a former director of the company

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

13 BORROWINGS

	2012 £	2011 £
Amounts owed under Sales Invoice Financing	652,616	1,080,205
Treasury loan	2,158,871	1,714,425
	2,811,487	2,794,630
Analysis of loan repayments		
Bank loans and Sales Invoice Financing		
Within one year or on demand	842,360	1,188,331
Between one and two years	189,744	108,126
Between two and five years	1,779,383	324,378
After more than five years	-	1,173,795
	2,811,487	2,794,630
Other loans including finance leases and hire purchase contracts net of future finance charges		
Within one year or on demand	4,939,413	3,550,907
Between one and two years	4,126,340	2,522,151
Between two and five years	4,769,495	2,554,480
	13,835,248	8,627,538

The Sales Invoice Financing relates to borrowings which are secured against trade debtors The facility was renewed on 29 June 2012 Interest is charged on the facility at 2% over the base rate

The treasury loan is secured by a fixed charge over land and buildings at Water Street, Railway Terrace and Dunn Street, Newcastle upon Tyne, Portrack Road, Stockton, Maud Street, Bradford, North Greenwich Road, Berwick upon Tweed, and North Hylton Road, Sunderland Interest was charged on the treasury loan at 3 05% over base The treasury loan will be repaid over a period of five years

Finance lease and hire purchase creditors are secured on the related assets

Barclays Bank PLC holds a debenture over the assets of the Company

14. PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £	Dilapidation provision £	Total £
At 1 January 2012	1,625,885	-	1,625,885
Charged to profit and loss account	(160,023)	-	(160,023)
Transfer from accruals	-	218,500	218,500
At 31 December 2012	1,465,862	218,500	1,684,362

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

14. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

Deferred tax is provided as follows

	2012	2011
	£	£
Opening balance	1,625,885	1,601,769
(Credit)/charge to profit and loss account	(160,023)	24,116
Closing balance	1,465,862	1,625,885
Capital allowances in excess of depreciation	1,550,300	1,715,629
Short term timing differences	(84,438)	(89,744)
	1,465,862	1,625,885

Provision for dilapidations

The directors have determined in the year that the appropriate representation of the provision for dilapidations would be within provisions rather than accruals

15. CALLED UP SHARE CAPITAL

	2012	2011
	£	£
Called up, allotted and fully paid		
1,030,200 ordinary shares of 10p each	103,020	103,020

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit attributable to the members	1,593,764	1,425,105
Dividends	(153,816)	(273,816)
Opening shareholders' funds	10,454,243	9,302,954
Closing shareholders' funds	11,894,191	10,454,243

17. FINANCIAL COMMITMENTS

Operating lease commitments - other

At 31 December the company was committed to making the following payments during the next year in respect of operating leases

	2012	2011
	£	£
Leases which expire within one year	45,265	32,660
Leases which expire within 2-5 years	65,520	90,520
Leases which expire in over 5 years	230,400	140,400

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

18. PENSION SCHEME

The company operates defined contribution pension schemes for all qualifying employees The assets of the schemes are held separately from those of the company in independently administered funds The pension cost charge represents contributions payable by the company to the funds and amounted to £406,366 (2011 £343,054) Contributions totalling £32,285 (2011 £28,139) were payable to the funds at the year end and are included in creditors

19 RELATED PARTY TRANSACTIONS

Included within other creditors and accruals are the following amounts due to directors of the company

	2012			2011		
	Capital	**Interest**	**Total**	**Capital**	**Interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
J Nixon	99,424	-	99,424	99,424	-	99,424
A Blackwood	366,835	-	366,835	366,835	-	366,835
B J Brown	366,835	-	366,835	366,835	-	366,835
C E Nixon	366,835	-	366,835	366,835	-	366,835
G R Nixon	366,835	-	366,835	366,835	-	366,835
	1,566,764	-	1,566,764	1,566,764	-	1,566,764
Former Directors						
P J Nixon	357,142	-	357,142	428,571	-	428,571
T Nixon	50,000	969	50,969	50,000	-	50,000

The amounts within other creditors are amounts owed to related parties £221,822 is redeemable before 31 December 2013 No amounts are interest bearing During the year the company entered into transactions in the ordinary course of business with Nixon Hire Middle East W L L, which is a related party This comprised of sales of £560,765 (2011 £154,611) The amount due to John Nixon Ltd at the year end was £974,269 (2011 £418,758)

20. MOVEMENT ON RESERVES

	Profit and loss account
	£
At 1 January 2012	10,351,223
Profit for the year	1,593,764
Dividends	(153,816)
At 31 December 2012	11,791,171

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	2,594,942	2,192,975
Depreciation and amortisation	5,741,402	4,682,657
Profit on sale of fixed assets	(1,008,737)	(1,049,782)
Decrease/(increase) in stocks	129,169	(213,716)
Increase in debtors	(1,867,934)	(675,299)
(Decrease)/increase in creditors	(838,507)	1,556,821
Increase in provisions	218,500	-
Net cash inflow from operating activities	4,968,835	6,493,656

2011 net cash inflow from operating activities has increased from £5,813,991 to reflect the underlying nature of the transactions The equal and opposite entry is reflected in net cash outflow from financing in note 24

22. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	51,764	233
Interest paid	(662,914)	(377,069)
Dividends paid	(273,816)	(153,816)
	(884,966)	(530,652)

23. CAPITAL EXPENDITURE

	2012 £	2011 £
Payments to acquire tangible fixed assets	(1,922,894)	(2,643,704)
Receipts from sale of tangible fixed assets	3,269,568	2,548,946
Net cash inflow/(outflow) from capital expenditure	1,346,674	(94,758)

24. FINANCING

	2012 £	2011 £
Capital element of hire purchase payments	(4,870,611)	(5,649,549)
Repayment of loans	(138,149)	(740,507)
Proceeds from borrowings	511,166	-
Net cash outflow from financing	(4,497,594)	(6,390,056)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

25. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
Increase/(decrease) in cash in the period	607,588	(1,349,891)
Net cash outflow from financing	4,497,594	6,390,056
Change in net debt resulting from cash flows	5,105,182	5,040,165
New hire purchase and finance leases	(10,078,321)	(8,429,402)
Movement in net debt in year	(4,973,139)	(3,389,237)
Net debt at 1 January	(12,906,106)	(9,516,869)
Net debt at 31 December	(17,879,245)	(12,906,106)

26. ANALYSIS OF NET DEBT

	At 1 January 2012 £	Cash flow £	Other Non-cash Changes £	At 31 December 2012 £
Cash in hand, at bank	561,397	179,999	-	741,396
Overdrafts	(1,080,205)	427,589	-	(652,616)
	(518,808)	607,588	-	88,780
Debt due within one year	(328,979)	179,555	(261,173)	(410,597)
Debt due after one year	(3,430,781)	(552,572)	261,173	(3,722,180)
Finance leases and hire purchase contracts	(8,627,538)	4,870,611	(10,078,321)	(13,835,248)
	(12,906,106)	5,105,182	(10,078,321)	(17,879,245)

27. MAJOR NON-CASH TRANSACTIONS

During the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £10,675,542 (2011 £8,429,402)

28. CONTROLLING PARTY

The company is under the control of J Nixon, a director