

**REGISTERED NUMBER - 1464224
(England and Wales)**

**C & W BERRY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 2013**

TUESDAY



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C & W BERRY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 2013

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C & W BERRY LIMITED
OFFICERS AND ADVISORS

Directors

Colin Berry
David John Berry
Gary William Higham
Peter Jones
Graham Charnley Parker
Ian Richard Hunt
Martin Lambert

Company secretary

Gary William Higham

Registered office

Wellfield Sawmills
King Street
Leyland
PR25 2LE

Auditors

Whitehead & Aldrich
Chartered Accountants
& Statutory Auditor
5 Ribblesdale Place
Preston
Lancashire
PR1 8BZ

Bankers

The Royal Bank of Scotland plc
165 Towngate
Leyland
PR25 2TE

C & W BERRY LIMITED

STRATEGIC REPORT

YEAR ENDED 31ST OCTOBER 2013

A FAIR REVIEW OF THE BUSINESS

The directors are satisfied with the trading results for the year under review particularly given the slow start to the trading year. In the first five trading months of the year almost every month showed negative sales growth compared to the same month the year before in both the cash and credit sales elements of the business. Over this period cash sales turnover declined by 8.0% and credit sales by 2.5%.

Following the introduction of the Government's 'Help to Buy' initiative a significant reversal of this trend took place and over the remainder of the financial year cash sales grew by 7.3% and credit sales by 11.7%. This reversal in trend has continued, and in fact accelerated, in the 2014 trading year and to date overall sales growth stands at 19% year on year.

Whilst this significant return to growth is welcomed the directors are conscious that the main contributor is the lower margin house building sector. This will result in downward pressure on overall margins and, although average gross margin for the year under review only fell by 0.5%, it is expected to fall further during 2014. It is felt however that current sales growth is significant enough to outweigh the reduced margins and that gross and net profit should at least be maintained.

Staff costs as a percentage of turnover are currently running at a level of 1% above pre-recession averages, (16% compared to 15%). However, during the recession, due to the company's strong financial position, we have been able to invest in high quality staff who have become available as a result of competitors reducing their workforces. This has been strategically intended to ensure the company would be well placed in staffing terms as we exit recession.

Throughout the recession the company has continued to reward all staff with annual pay rises and invested in even greater levels of staff training in a bid to maintain and enhance staff motivation and customer service. This, again, should give the company competitive advantage coming out of recession.

During the year the company acquired premises occupied by a neighbouring business with the long term aim of enhancing the development potential of the existing site as a builder's merchant's yard. The site is strategically important to the company as it effectively squares off existing 'U' shaped premises and will therefore strengthen plans to redevelop the yard by allowing segregation of bulk stock holding areas from sales areas and therefore ultimately contribute to the development of a new Main Shop building. In addition, during the year, the company carried out substantial ground works and land improvements in preparation for a new bulk storage warehouse.

Expenditure on other fixed assets, such as commercial vehicles and plant and equipment, increased during the year as the company took advantage of enhanced Annual Investment Allowances introduced by HMRC.

FUTURE DEVELOPMENTS

The company will continue to maintain a tight control on the operating efficiency by mitigating potential risks and ensuring that it remains in a position to benefit from opportunities as and when they arise.

KEY PERFORMANCE INDICATORS

The main financial Key Performance Indicators of the company are turnover, gross profit, staff costs, profit before tax and cash flow from operations.

C & W BERRY LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31ST OCTOBER 2013

PRINCIPAL RISKS AND UNCERTAINTIES

The financial and other principal risks to which the company could be exposed and the way in which these are mitigated can be classified as follows:-

Credit risk

The company's principal financial assets are bank balances and trade debtors.

Risk to bank balances is mitigated by continually reviewing and appraising the risk/return profile of the banks with whom funds are placed and by utilising a spread of at least three separate banking institutions.

Risk from trade debtors is managed by utilising the skills and experience of our own credit management specialist and by maintaining a large and very diverse customer base. Customers to whom credit facilities are provided represent a well-diversified range of businesses in terms of size and business sector.

Liquidity and cash flow risk

The company monitors its day to day cash requirements and has a policy of maintaining a significant level of readily accessible liquid funds. To maximise the return on such liquid funds the company takes advantage of the bank's auto-switching facility which allows automatic transfers of surplus funds to be made to overnight money markets and back again.

Foreign exchange risk

The company has no exposure to exchange rate fluctuations as all purchase contracts are negotiated in sterling.

Market and economic risk

The company's performance is influenced by broader economic conditions as well as those in the construction sector and in particular the house building market. Exposure to this risk is mitigated by maintaining a very wide range of customer type in terms of business segment and also a very wide ranging product offering.


Competition risk

General competition risk is an issue for all businesses and particularly when exiting recession. That is why it has been important for the company to maintain and strengthen its staffing and customer service levels as well as its stock range and levels.

Interest rate risk

The company is not exposed to debit interest rate risk due to its zero gearing levels.

Signed on behalf of the directors


G. W. HIGHAM
Director

Approved by the directors on 3rd July 2014

C & W BERRY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST OCTOBER 2013

The directors present their report and the financial statements of the company for the year ended 31st October 2013.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,951,846. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Colin Berry
David John Berry
Gary William Higham
Peter Jones
Graham Charnley Parker
Ian Richard Hunt
Martin Lambert

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

C & W BERRY LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST OCTOBER 2013

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006, the company has chosen to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' report:

- a fair review of the business;
- future developments; and
- key performance indicators; and
- principal risks and uncertainties

AUDITORS

Whitehead & Aldrich are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

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

Signed on behalf of the directors



G. W. HIGHAM
Director

Approved by the directors on 3rd July 2014

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF C & W BERRY LIMITED

YEAR ENDED 31ST OCTOBER 2013

We have audited the financial statements of C & W Berry Limited for the year ended 31st October 2013. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 4, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st October 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
C & W BERRY LIMITED (continued)**

YEAR ENDED 31ST OCTOBER 2013

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.



RICHARD MULLINEAUX FCA
Senior Statutory Auditor

For and on behalf of
WHITEHEAD & ALDRICH
Chartered Accountants
and Statutory Auditor
Preston

3rd July 2014

C & W BERRY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST OCTOBER 2013

	Note	2 0 1 3 £	2 0 1 2 £
TURNOVER	2	31,155,408	29,719,681
Other operating income		<u>47,712</u>	<u>13,860</u>
		31,203,120	29,733,541
Goods for re-sale		(21,148,223)	(20,040,497)
Staff costs	3	(5,393,524)	(5,140,879)
Depreciation written off fixed assets	4	(160,259)	(140,592)
Other operating charges		<u>(2,030,527)</u>	<u>(1,890,540)</u>
OPERATING PROFIT	4	2,470,587	2,521,033
Interest receivable		91,633	189,688
Interest payable and similar charges	6	<u>(3,063)</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,559,157	2,710,721
Tax on profit on ordinary activities	7	<u>(607,311)</u>	<u>(683,926)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	18	<u>1,951,846</u>	<u>2,026,795</u>

CONTINUING OPERATIONS

All of the activities of the company are classed as continuing.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 19 form part of these financial statements.

C & W BERRY LIMITED**BALANCE SHEET****31ST OCTOBER 2013**

	Note	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		4,423,171		3,384,874
CURRENT ASSETS					
Stocks	10	2,068,924		1,944,862	
Debtors	11	4,992,023		4,386,106	
Cash at bank and in hand		7,551,627		7,175,071	
		<u>14,612,574</u>		<u>13,506,039</u>	
CREDITORS: amounts falling due within one year	12	<u>3,692,997</u>		<u>3,507,811</u>	
NET CURRENT ASSETS			<u>10,919,577</u>		<u>9,998,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,342,748		13,383,102
PROVISIONS FOR LIABILITIES					
Deferred taxation	13		<u>36,400</u>		<u>28,600</u>
NET ASSETS			<u>15,306,348</u>		<u>13,354,502</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16		4,900		4,900
Other reserves	17		100		100
Profit and loss account	18		<u>15,301,348</u>		<u>13,349,502</u>
SHAREHOLDERS' FUNDS	19		<u>15,306,348</u>		<u>13,354,502</u>

These accounts were approved by the directors and authorised for issue on 3rd July 2014, and are signed on their behalf by:



D. J. BERRY
Director

Company Registration Number: 1464224

The notes on pages 11 to 19 form part of these financial statements.

C & W BERRY LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST OCTOBER 2013**

	Note	2 0 1 3 £	2 0 1 2 £
Net cash inflow from operating activities	20	2,297,053	2,762,232
Returns on investments and servicing of finance	20	88,570	189,688
Taxation	20	(810,511)	(901,926)
Capital expenditure and financial investment	20	(1,198,556)	(75,909)
Equity dividends paid		–	(7,225,075)
Increase/(decrease) in cash	20	<u>376,556</u>	<u>(5,250,990)</u>

The notes on pages 11 to 19 form part of these financial statements.

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts receivable for goods and services provided during the year, exclusive of value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold buildings	- 2% on cost
Long leasehold property	- 2% on cost
Motor vehicles	- 25% on written down value
Plant and equipment:	
Computer equipment	- 20% on cost
Other	- 20% on written down value

No depreciation is provided on freehold land.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in bringing stocks to their present location and condition, including attributable overheads.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company contributes to personal defined contribution pension schemes through a stakeholder scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under 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 to the extent that it is considered that a net liability may arise.

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2013

2. TURNOVER

There was no turnover attributable to geographical markets outside the United Kingdom during the two financial years.

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2 0 1 3	2 0 1 2
	No	No
Average number of persons employed	<u>204</u>	<u>201</u>

The aggregate payroll costs of the above were:

	2 0 1 3	2 0 1 2
	£	£
Wages and salaries	4,844,729	4,602,622
Social security costs	451,867	427,739
Other pension costs	96,928	110,518
	<u>5,393,524</u>	<u>5,140,879</u>

The above number of employees has not been analysed into categories because, in the directors' opinion, this would not be practicable because of the nature and variety of work performed by individual employees.

4. OPERATING PROFIT

Operating profit is stated after charging:

	2 0 1 3	2 0 1 2
	£	£
Depreciation of owned fixed assets	160,259	140,592
Auditor's remuneration - as auditor	14,750	14,000
Auditor's remuneration - accountancy and taxation services	1,000	1,000
Operating lease costs:		
Buildings	248,288	237,975

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2013****5. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2 0 1 3	2 0 1 2
	£	£
Remuneration receivable	307,628	278,021
Value of company pension contributions to money purchase schemes	16,800	16,400
	<u>324,428</u>	<u>294,421</u>

Remuneration of highest paid director:

	2 0 1 3	2 0 1 2
	£	£
Total remuneration (excluding pension contributions)	50,039	46,646
Value of company pension contributions to money purchase schemes	5,200	5,100
	<u>55,239</u>	<u>51,746</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2 0 1 3	2 0 1 2
	No	No
Money purchase schemes	<u>7</u>	<u>7</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2 0 1 3	2 0 1 2
	£	£
Interest payable on bank borrowing	6	-
Other similar charges payable	3,057	-
	<u>3,063</u>	<u>-</u>

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2013

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
Corporation tax	599,511	685,926
Total current tax	599,511	685,926
Deferred tax:		
Origination and reversal of timing differences (note 13)		
Capital allowances	6,100	(700)
Short term timing differences	1,700	(1,300)
Total deferred tax (note 13)	7,800	(2,000)
Tax on profit on ordinary activities	607,311	683,926

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2012 - 24%).

	2013	2012
	£	£
Profit on ordinary activities before taxation	2,559,157	2,710,721
Profit on ordinary activities by rate of tax	588,606	650,573
Expenses not deductible for tax purposes	(1,288)	5,742
Capital allowances for period in excess of depreciation	(2,080)	6,265
Tax chargeable at higher rates	10,527	22,931
Adjustments to tax charge in respect of previous periods	(489)	(74)
Rounding on tax charge	4,235	489
Total current tax (note 7(a))	599,511	685,926

8. DIVIDENDS

Equity dividends

	2013	2012
	£	£
Paid during the year:		
Dividends on equity shares	-	7,225,075

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2013

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold property £	Plant and equipment £	Motor vehicles £	Total £
COST					
At 1 November 2012	2,857,335	971,191	1,614,114	799,042	6,241,682
Additions	—	1,027,435	42,857	134,483	1,204,775
Disposals	—	—	(73,696)	(160,417)	(234,113)
At 31 October 2013	<u>2,857,335</u>	<u>1,998,626</u>	<u>1,583,275</u>	<u>773,108</u>	<u>7,212,344</u>
DEPRECIATION					
At 1 November 2012	639,924	185,940	1,409,373	621,571	2,856,808
Charge for the year	14,013	28,158	53,853	64,235	160,259
On disposals	—	—	(71,679)	(156,215)	(227,894)
At 31 October 2013	<u>653,937</u>	<u>214,098</u>	<u>1,391,547</u>	<u>529,591</u>	<u>2,789,173</u>
NET BOOK VALUE					
At 31 October 2013	<u>2,203,398</u>	<u>1,784,528</u>	<u>191,728</u>	<u>243,517</u>	<u>4,423,171</u>
At 31 October 2012	<u>2,217,411</u>	<u>785,251</u>	<u>204,741</u>	<u>177,471</u>	<u>3,384,874</u>

Included in freehold land and buildings is land amounting to £1,793,414 (2012 - £1,793,414) which has not been depreciated.

10. STOCKS

	2013 £	2012 £
Goods for re-sale	<u>2,068,924</u>	<u>1,944,862</u>

11. DEBTORS

	2013 £	2012 £
Trade debtors	4,712,742	4,109,249
Amount due from parent undertaking	103,225	103,225
Other debtors	914	5,845
Prepayments and accrued income	175,142	167,787
	<u>4,992,023</u>	<u>4,386,106</u>

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2013****12. CREDITORS: amounts falling due within one year**

	2 0 1 3 £	2 0 1 2 £
Trade creditors	2,426,640	2,113,586
Corporation tax	75,000	286,000
Other taxes and social security	653,175	550,583
Directors' current accounts	755	755
Accruals and deferred income	537,427	556,887
	<u>3,692,997</u>	<u>3,507,811</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2 0 1 3 £	2 0 1 2 £
Provision brought forward	28,600	30,600
Profit and loss account movement arising during the year	7,800	(2,000)
Provision carried forward	<u>36,400</u>	<u>28,600</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2 0 1 3 £	2 0 1 2 £
Excess of taxation allowances over depreciation on fixed assets	40,300	34,200
Short term timing differences	(3,900)	(5,600)
	<u>36,400</u>	<u>28,600</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31st October 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2 0 1 3 £	2 0 1 2 £
	Land and buildings	
Operating leases which expire:		
After more than 5 years	<u>68,125</u>	<u>43,475</u>

C & W BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2013

15. RELATED PARTY TRANSACTIONS

On 13th August 2013 C & W Berry Property Holding Limited changed its name to C & W Berry Trading Limited and is a related party by virtue of the fact that the two companies have the following common directors:

Mr D. J. Berry
Mr G. W. Higham

During the year there were recharges of £25,007 to C & W Berry Trading Limited in respect of various shared costs and charges of £17,680 from C & W Berry Trading Limited in respect of services provided.

Other amounts included in the financial statements in respect of the above company are as follows:

Balance sheet	£
Debtors	
Prepayments	29,017
Other debtors	14
Profit and loss account	£
Other operating charges	
Operating lease rentals	187,000

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>

17. OTHER RESERVES

	2013	2012
	£	£
Capital redemption reserve	<u>100</u>	<u>100</u>

18. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	13,349,502	18,547,782
Profit for the financial year after taxation	1,951,846	2,026,795
Equity dividends	—	(7,225,075)
Balance carried forward	<u>15,301,348</u>	<u>13,349,502</u>

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2013****19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2 0 1 3 £	2 0 1 2 £
Profit for the financial year after taxation	1,951,846	2,026,795
Equity dividends	—	(7,225,075)
Net addition/(reduction) to shareholders' funds	1,951,846	(5,198,280)
Opening shareholders' funds	13,354,502	18,552,782
Closing shareholders' funds	<u>15,306,348</u>	<u>13,354,502</u>

20. NOTES TO THE CASH FLOW STATEMENT**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2 0 1 3 £	2 0 1 2 £
Operating profit	2,470,587	2,521,033
Depreciation	160,259	140,592
Increase in stocks	(124,062)	(114,243)
Increase in debtors	(605,917)	(174,399)
Increase in creditors	396,186	389,249
Net cash inflow from operating activities	<u>2,297,053</u>	<u>2,762,232</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2 0 1 3 £	2 0 1 2 £
Interest received	91,633	189,688
Interest paid	(3,063)	—
Net cash inflow from returns on investments and servicing of finance	<u>88,570</u>	<u>189,688</u>

TAXATION

	2 0 1 3 £	2 0 1 2 £
Taxation	<u>(810,511)</u>	<u>(901,926)</u>

CAPITAL EXPENDITURE

	2 0 1 3 £	2 0 1 2 £
Payments to acquire tangible fixed assets	(1,204,775)	(80,871)
Receipts from sale of fixed assets	6,219	4,962
Net cash outflow from capital expenditure	<u>(1,198,556)</u>	<u>(75,909)</u>

C & W BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2013****20. NOTES TO THE CASH FLOW STATEMENT (continued)****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2 0 1 3	2 0 1 2
	£	£
Increase/(decrease) in cash in the period	376,556	(5,250,990)
Movement in net funds in the period	376,556	(5,250,990)
Net funds at 1 November 2012	7,175,071	12,426,061
Net funds at 31 October 2013	7,551,627	7,175,071

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 November 2012 £	Cash flows £	At 31 October 2013 £
Cash in hand and at bank	7,175,071	376,556	7,551,627
Net funds	7,175,071	376,556	7,551,627

21. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of C. W. B. G Limited, a company registered in England and Wales (company registration number - 8261788). The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.