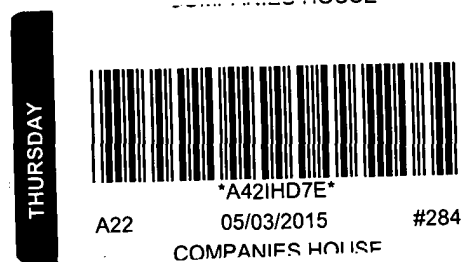


A G Parfett & Sons Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2014



# A G Parfett & Sons Limited

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# A G Parfett & Sons Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

Alan Godfrey Parfett  
Patricia Marian Parfett  
Stephen Parfett  
Barbara Anne Ashcroft  
Patricia Ann Parfett  
Judith Parfett  
David Grimes  
Gregory Suszczenia

### SECRETARY

David Grimes

### REGISTERED OFFICE

Didsbury Road  
Stockport  
Cheshire  
SK4 2JP

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

### BANKERS

Lloyds TSB Bank plc  
Commercial Banking Service Centre  
Norfolk House  
7 Norfolk Street  
Manchester  
M2 1DW

### Santander UK plc

Bridle Road  
Bootle  
Merseyside  
L30 4GB

### SOLICITORS

Pannone LLP  
123 Deansgate  
Manchester  
M3 2BU

### Field Fisher Waterhouse LLP

35 Vine Street  
London  
EC3N 2PX

# A G Parfett & Sons Limited

## STRATEGIC REPORT

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### BUSINESS REVIEW

The results for the year ended June 2014 are very pleasing. Turnover has increased on 2013 by 3.2% and pre exceptional profits have also grown. The fact that we continue to operate in a tough trading environment and an ever more competitive sector makes the figures all the more satisfying.

Tough trading conditions and intense competition for our customers also show no sign of letting up and our Go Local retail club offering is continuing to assist retailers in both respects.

Credit is also due to the hard work of all our colleagues. Throughout the business we are working harder for our customers than ever before and all our staff have benefitted from our results through our bonus system.

### KEY PERFORMANCE INDICATORS

The Directors are focused on the KPI's of the business, the most important of which remain sales, margin, staff costs, stock control and stock availability. Each week around 40 KPI's are measured and reviewed by the management team at the depots and they are normally joined by a director for this meeting.

Overall the business continues to trade satisfactorily and our colleagues, as majority owners of the business, are regularly updated with details of progress.

### MATTERS OF STRATEGIC IMPORTANCE

Matters of strategic importance to the company have been included within the review of business above and future developments (see below).

### FUTURE DEVELOPMENTS

Our Go Local retail club continues to drive our business performance. The introduction of the "tiering" levels of participation (based on differing customer needs) has been a huge success. Whilst the excellent and exciting introduction of a fascia programme to make Go Local a true symbol group but without the costs to customers of traditional symbols.

### PRINCIPAL RISKS AND UNCERTAINTIES

Duty fraud continues to badly affect our market and will continue to do so until Government and HMRC adopt some effective actions and we continue to lobby hard on this matter.

The markets in which the company operates are highly competitive. As a result, there is a constant pressure on sales and margins.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including loans, cash, items, such as trade debtors and trade creditors that arise directly from its operations, no transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are cash flow / liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company policy throughout the year has been to ensure continuity of funding and short-term flexibility is achieved by having appropriate overdraft facilities in place. The maturity of borrowings is set out in the notes to the financial statements.

The company finances its operations through retained profits and borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. The floating rate facility is offset against in credit balances.

The company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from the company's trade debtors.

# A G Parfett & Sons Limited

## STRATEGIC REPORT

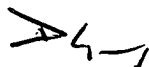
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In order to manage credit risk the directors set limits for customers based on a combination of payment history, likely sales behaviour and third party credit references. Credit reviews are held with depot management on a regular basis in conjunction with debt ageing and collection history.

### EMPLOYEES

It is the company's policy to provide disabled persons, within the limitation of their abilities, with the same opportunities in all respects of employment as those available to other employees. The employees, through the Parfett's Employee Ownership Trust, have an interest in 65.28% of the company's issued share capital. The directors place considerable value on the involvement of the company's employees; each operating branch adopts the practice of keeping its employees informed on matters affecting them as employees and on various factors affecting the performance of their business. This is achieved through elected staff councils at each location meeting both formally and informally with the directors and senior managers.

By order of the Board



DAVID GRIMES  
Secretary

12 December 2014

# A G Parfett & Sons Limited

## DIRECTORS' REPORT

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The directors present their annual report and the audited accounts for the year ended 30 June 2014.

### PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of wholesalers of food, wine, spirits and cigarettes.

### RESULTS AND DIVIDENDS

The profit for the year after taxation was £2,780,098 (2013: £3,959,910). No interim dividend (2013: £nil) was paid. No final dividend (2013: £nil) was paid. The profit of £2,780,098 (2013: £3,959,910 profit) has been transferred to reserves.

### DIRECTORS

The directors who served during the year were as follows:

Alan Godfrey Parfett  
Patricia Marian Parfett  
Stephen Parfett  
Barbara Anne Ashcroft  
Patricia Ann Parfett  
Judith Parfett  
David Grimes  
Gregory Suszczenia

Directors' third party indemnity insurance was in force during the year.

### STRATEGIC REPORT

Review of business, Key performance indicators, Future developments and Risk management are all included in the Strategic Report.

### FIXED ASSETS

Changes in fixed assets are shown in notes 6, 7 and 8 to the accounts.

### CHARITABLE CONTRIBUTIONS

During the year the company made various charitable contributions totalling £15,868 for the benefit of the community (2013: £12,720).

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

Baker Tilly UK Audit LLP have indicated their willingness to continue in office.

By order of the Board



DAVID GRIMES  
Secretary

12 December 2014

# A G Parfett & Sons Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

---

The directors are responsible for preparing the Directors' Report, Strategic 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 the profit or loss of the company for that period. In preparing those 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; and
- 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 to 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A G PARFETT AND SONS LIMITED

We have audited the financial statements on pages 7 to 20. 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 auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://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 company's affairs as at 30 June 2014 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.

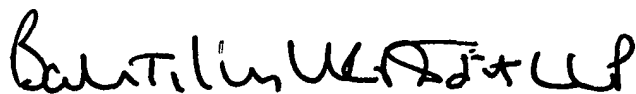
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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



GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

22/1/15



# A G Parfett & Sons Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2014

	Notes	2014 £	2013 £
TURNOVER	1	308,765,026	299,049,635
Cost of sales		(288,565,083)	(279,656,872)
GROSS PROFIT		20,199,943	19,392,763
Administrative expenses		(16,524,157)	(15,833,341)
Other operating income before exceptional income		126,337	120,610
Exceptional income	2	-	1,925,965
Other operating income		126,337	2,046,575
Operating profit before exceptional income		3,802,123	3,680,032
Exceptional income	2	-	1,925,965
OPERATING PROFIT	2	3,802,123	5,605,997
Dividend income		162,838	158,086
Interest receivable and similar income		15,897	22,391
Interest payable	4	(400,548)	(492,930)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,580,310	5,293,544
Tax on profit on ordinary activities	5	(800,212)	(1,333,634)
PROFIT FOR THE FINANCIAL YEAR		2,780,098	3,959,910

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account.

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2014 £	2013 £
Profit on ordinary activities before tax	3,580,310	5,293,544
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount.	118,867	118,827
Historical cost profit on ordinary activities before tax	3,699,177	5,412,371
Historical cost profit for the year retained after tax	2,898,965	4,078,737

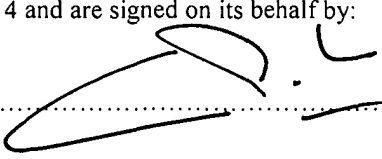
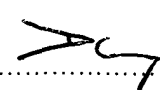
# A G Parfett & Sons Limited

## BALANCE SHEET

As at 30 June 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	6	27,344,349	27,891,881
Intangible assets	7	571,407	688,604
Investments	8	63,802	105,102
		<u>27,979,558</u>	<u>28,685,587</u>
<b>CURRENT ASSETS</b>			
Stocks		29,405,843	30,064,656
Debtors	9	17,616,611	14,601,024
Cash at bank and in hand		15,056,969	12,666,208
		<u>62,079,423</u>	<u>57,331,888</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	(45,171,386)	(42,272,002)
<b>NET CURRENT ASSETS</b>		<u>16,908,037</u>	<u>15,059,886</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>44,887,595</u>	<u>43,745,473</u>
<b>CREDITORS: Amounts falling due after one year</b>	11	(10,734,160)	(12,324,036)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	12	(565,318)	(613,418)
<b>NET ASSETS</b>		<u><u>33,588,117</u></u>	<u><u>30,808,019</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	15	20,000	20,000
Own shares held by Employee Ownership Trust	17	(20,000,000)	(20,000,000)
Revaluation reserve	16	10,598,139	10,717,006
Profit and loss account	16	42,969,978	40,071,013
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>33,588,117</u></u>	<u><u>30,808,019</u></u>

The financial statements on pages 7 to 20 were approved by the board of directors and authorised for issue on 12<sup>th</sup> December 2014 and are signed on its behalf by:

Stephen Parfett .....  
  
 David Grimes .....  
  
 Directors

Company Registration Number: 1472970

# A G Parfett & Sons Limited

## CASH FLOW STATEMENT

for the year ended 30 June 2014

	Note	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	5,939,759	6,329,375
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividend income	162,838	158,086	
Interest received	15,897	22,391	
Interest paid	(400,548)	(492,930)	
Net cash outflow from returns on investments and servicing of finance		(221,813)	(312,453)
TAXATION			
UK Corporation tax paid		(1,397,636)	(1,120,176)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	(694,278)	(651,080)	
Receipts from investments	31,832	35,400	
Receipts from sales of tangible fixed assets	276,977	3,500	
Net cash outflow from capital expenditure and investing activities		(385,469)	(612,180)
Net cash inflow before financing		3,934,841	4,284,566
FINANCING			
Loan repayment		(1,544,080)	(1,511,998)
INCREASE IN CASH	2	2,390,761	2,772,568

Notes to the cashflow statement follow on page 10.

# A G Parfett & Sons Limited

## NOTES TO THE CASH FLOW STATEMENT

### 1 Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	3,802,123	5,605,997
Depreciation	1,028,026	1,004,491
Amortisation of goodwill	49,069	51,881
Impairment of investments	9,468	-
Loss / (Profit) on sale of tangible/intangible fixed assets	4,935	(2,278)
Decrease in stocks	658,814	1,094,414
(Increase) in debtors	(3,015,587)	(1,166,924)
Increase / (Decrease) in creditors	3,402,911	(258,206)
	<u>5,939,759</u>	<u>6,329,375</u>
Net cash inflow from operating activities	<u>5,939,759</u>	<u>6,329,375</u>

### 2 Reconciliation of net cash flow to movements in net debt

	2014 £	2013 £
Increase in cash	2,390,761	2,772,568
Loan repayments	1,544,080	1,511,998
	<u>3,934,841</u>	<u>4,284,566</u>
Changes in net funds resulting from cash flows	<u>3,934,841</u>	<u>4,284,566</u>
Net debt at 1 July	(1,201,908)	(5,486,474)
	<u>2,732,933</u>	<u>(1,201,908)</u>
Net funds / (debt) at 30 June	<u>2,732,933</u>	<u>(1,201,908)</u>

### 3 Analysis of changes in net debt

	At 1 July 2013 £	Cash flows £	Other changes £	At 30 June 2014 £
Cash at bank and in hand	12,666,208	2,390,761	-	15,056,969
	<u>12,666,208</u>	<u>2,390,761</u>	<u>-</u>	<u>15,056,969</u>
Debt due within one year	(1,544,080)	1,544,080	(1,589,876)	(1,589,876)
Debt due after one year	(12,324,036)	-	1,589,876	(10,734,160)
	<u>(13,868,116)</u>	<u>1,544,080</u>	<u>1,589,876</u>	<u>(10,734,160)</u>
	<u>(1,201,908)</u>	<u>3,934,841</u>	<u>-</u>	<u>2,732,933</u>

# A G Parfett & Sons Limited

## ACCOUNTING POLICIES

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### ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain freehold land and buildings, and are in accordance with applicable UK accounting standards.

### BASIS OF ACCOUNTING

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

### GOING CONCERN

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009." The Board has prepared detailed financial forecasts and cash flows looking 12 months ahead from the date the accounts are signed. In drawing up these forecasts the Board has made assumptions based upon its view of the current and future economic conditions that will prevail over the forecast period. The timing of the cash flows and covenants in respect of bank loans provided have been taken into consideration and in addition to the forecasts we have also considered how the business might be affected by foreseeable turnover scenarios. These do not lead us to believe that we face significant difficulties but should we do so we are confident we could adjust costs accordingly.

The Company has an agreed 12 month banking facility, which is due for renewal on 31 March 2015 and due to the strong relationship with their bankers it is anticipated that this will be renewed at the appropriate time.

The Board have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### EXEMPTION FROM PREPARING CONSOLIDATED ACCOUNTS

In accordance with S402 of the Companies Act 2006 the wholly owned subsidiary has not been consolidated on the grounds that it is immaterial for the purposes of a true and fair view (individually and collectively). The financial statements therefore present information about the company as an individual undertaking and not about its group.

### TURNOVER AND REVENUE RECOGNITION

Turnover represents amounts excluding value added tax, derived from the provision of goods to third party customers during the year. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, and receipt of payment is probable.

### INTANGIBLE ASSETS

Intangible assets are initially recorded at cost and amortised at rates calculated to write off the cost over a 20 year period. The annual amortisation rate used is as follows.

Purchased Goodwill	5%	straight line
--------------------	----	---------------

The carrying values of intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

### FIXED ASSETS

Fixed assets are stated at historical cost other than freehold land and buildings which are held at the revalued amount.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. The annual depreciation rates used are as follows:

Freehold buildings	2%	straight line
Leasehold land and buildings	5%	straight line
Computer equipment	25%	straight line
Fork lift trucks	20%	straight line
Other plant, machinery, fixtures and fittings	15%	reducing balance
Motor vehicles	25%	reducing balance

Freehold land is not depreciated

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying values may not be recoverable.

# A G Parfett & Sons Limited

## ACCOUNTING POLICIES

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### INVESTMENTS

Long term investments are classified as fixed assets. Fixed asset investments are stated at cost less provision for any permanent diminution in value.

### STOCKS

Stocks, representing goods for resale, are valued on a first in, first out basis at the lower of cost and net realisable value.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

### FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currencies are re-translated into sterling at the rate of exchange ruling at the balance sheet date. Any exchange differences are taken to the profit and loss account.

### PENSION COSTS

The company operates defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Contributions are specified in the scheme rules.

### 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.

### EMPLOYEE OWNERSHIP TRUST

In accordance with UITF 32 "Employee Benefit Trusts", investment in the company's own shares which are held for the benefit of beneficiaries of the Employee Ownership Trust are shown as a deduction from shareholder's funds. At the year end all shares held have not been allocated to employees of the company.

As the company has de facto control over the Employee Ownership Trust, the assets and liabilities of the trust have been included within the assets and liabilities of the company.

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 1 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced by the company in respect of goods sold and services provided during the year. Turnover relates to the continuing principal activity as described in the directors' report on page 4.

Analysis of turnover is given by:

	2014 £	2013 £
UK	305,074,176	295,799,144
Europe	2,583,300	2,370,701
Rest of the World	1,107,550	879,790
	<u>308,765,026</u>	<u>299,049,635</u>

### 2 OPERATING PROFIT

This is stated after charging the following:

	2014 £	2013 £
Depreciation of owned tangible fixed assets	1,028,026	1,004,491
Amortisation of goodwill	49,069	51,881
Impairment on investment	9,468	-
Loss on disposal of fixed assets	4,935	-
Auditors' remuneration – audit services	31,919	30,640
– tax compliance	7,630	6,470
Operating leases – plant and machinery	77,282	104,611
Operating leases – vehicles	175,725	202,049
Operating leases – land and buildings	36,280	34,218
Restructuring and redundancy costs	-	-
	<u>                    </u>	<u>                    </u>

and after crediting the following:

	£	£
Exceptional Income, Key man Insurance Receipt	-	1,925,965
Rental income	41,700	43,354
Profit on disposal of fixed assets	-	2,278
	<u>                    </u>	<u>                    </u>

### 3 PARTICULARS OF EMPLOYEES

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

	2014 No.	2013 No.
Management and administration	123	120
Warehouse and sales	418	417
	<u>                    </u>	<u>                    </u>
	541	537
	<u>                    </u>	<u>                    </u>

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 3 PARTICULARS OF EMPLOYEES (*continued*)

The aggregate payroll costs of the above were as follows:	2014	2013
	£	£
Wages and salaries	9,814,706	9,345,250
Social security costs	823,898	844,829
Other pension costs	543,819	431,991
	<u>11,182,423</u>	<u>10,622,070</u>

Details of directors' emoluments are set out below:

	2014	2013
	£	£
Emoluments receivable	771,901	856,369
Value of company pension contributions to defined contribution schemes	55,071	67,144
	<u></u>	<u></u>

	2014	2013
	No	No
Members of defined contributions pension scheme	5	7
	<u></u>	<u></u>

Emoluments of highest paid director

	2014	2013
	£	£
Total emoluments (excluding pension contributions)	311,081	272,250
Pension Contribution	25,399	25,399
	<u></u>	<u></u>

### 4 INTEREST PAYABLE

	2014	2013
	£	£
Bank loans and overdrafts wholly repayable within two to five years	370,501	415,785
Bank loans and overdrafts not wholly repayable within five years	30,047	77,145
Total	<u>400,548</u>	<u>492,930</u>



# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
UK corporation tax	857,800	1,336,008
Overprovision in prior year	(9,488)	(2,188)
Total current tax	<u>848,312</u>	<u>1,333,820</u>
Deferred tax:		
Deferred tax movements (note 12)	(48,100)	(186)
Tax on profit on ordinary activities	<u>800,212</u>	<u>1,333,634</u>

	2014 £	2013 £
Factors affecting current tax charge		

The tax assessed for the year is at the standard rate of corporation tax in the UK 22.5% (2013 23.75%). The differences are explained below:

Profit on ordinary activities before tax	<u>3,580,310</u>	<u>5,293,544</u>
Profit on ordinary activities multiplied by the composite rate of corporation tax in the UK of 22.5 % (2013: 23.75%)	805,570	1,257,217
Effects of:		
Capital allowances in excess of depreciation	67,636	85,398
Expenses not deductible for tax purposes	24,068	25,393
Franked investment income	(36,639)	(37,545)
Amounts in respect of prior periods	(9,488)	(2,188)
Short term timing differences	(2,835)	5,545
Current tax charge for the period	<u>848,312</u>	<u>1,333,820</u>

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, machinery, fixtures and fittings £	Motor vehicles £	Leasehold land and buildings £	Total £
Cost or valuation					
At 1 July 2013	26,835,655	14,573,916	91,384	252,625	41,753,580
Additions	65,520	628,758	-	-	694,278
Disposals	(228,314)	(19,892)	(8,200)	-	(256,406)
At 30 June 2014	26,672,861	15,182,782	83,184	252,625	42,191,452
Depreciation					
At 1 July 2013	1,878,423	11,889,905	67,267	26,104	13,861,699
Charge for the year	474,534	534,985	5,876	12,631	1,028,026
Disposals	(21,688)	(13,349)	(7,585)	-	(42,622)
At 30 June 2014	2,331,269	12,411,541	65,558	38,735	14,847,103
Net Book Value					
At 30 June 2014	24,341,592	2,771,241	17,626	213,890	27,344,349
At 30 June 2013	24,957,232	2,684,011	24,117	226,521	27,891,881

Included within Freehold land and buildings is land at a valuation of £3,119,542 (2013: £3,119,452 ) which is not depreciated.

A valuation of freehold land and buildings was carried out on the basis of Market Value on 16<sup>th</sup> October 2014. The valuation was carried out by Greenham Commercial Limited in accordance with the RICS Appraisal and Valuation Manual. In the opinion of the directors, under FRS 15, taking account of notional directly attributable acquisition costs and trade specific adaptations, there is no material difference between the carrying value of the properties and the revaluation.

On the historical cost basis, freehold land and buildings would have been included as follows:

Cost:	£
At 1 July 2013	19,485,918
Additions	65,520
Disposals	(228,314)
At 30 June 2014	19,324,124
Cumulative depreciation based on cost:	
At 1 July 2013	5,245,692
At 30 June 2014	5,579,671

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 July 2013	2,150,319
Disposals	(225,004)
At 30 June 2014	<u>1,925,315</u>
Amortisation	
At 1 July 2013	1,461,715
Disposals	(156,876)
Charge for the year	49,069
At 30 June 2014	<u>1,353,908</u>
Net Book Value	
At 30 June 2014	<u>571,407</u>
At 30 June 2013	<u>688,604</u>

### 8 INVESTMENTS

	Subsidiary Undertakings £	Other Investment Loan £	Other Investment Shares £	Investment in Enterprise Zone Trusts £	Total £
Cost at 1 July 2013	1	351,761	26,640	186,600	565,002
Repayment received in year	-	(30,000)	-	(1,832)	(31,832)
Cost at 30 June 2014	<u>1</u>	<u>321,761</u>	<u>26,640</u>	<u>184,768</u>	<u>533,170</u>
Provisions					
At 1 July 2013	-	(257,961)	(26,639)	(175,300)	(459,900)
Charge in period	-	-	-	(9,468)	(9,468)
At 30 June 2014	<u>-</u>	<u>-</u>	<u>(26,639)</u>	<u>(184,768)</u>	<u>(469,368)</u>
Net Book Value					
30 June 2014	<u>1</u>	<u>63,800</u>	<u>1</u>	<u>-</u>	<u>63,802</u>
30 June 2013	<u>1</u>	<u>93,800</u>	<u>1</u>	<u>11,300</u>	<u>105,102</u>

The company owns 100% of the issued share capital of Parfett's Employee Trust Limited, a dormant company incorporated in England and Wales.

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 9 DEBTORS

	2014 £	2013 £
Due within one year:		
Trade debtors	16,003,519	11,112,316
Other debtors	936,973	2,675,272
Prepayments	676,119	813,436
	<u>17,616,611</u>	<u>14,601,024</u>

### 10 CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank loan	1,588,400	1,539,289
Carbon trust loan	1,476	4,791
Trade creditors	39,830,601	36,934,845
Corporation tax	347,799	897,092
Other taxation and social security	2,327,687	1,891,702
Accruals	1,075,422	1,004,283
	<u>45,171,386</u>	<u>42,272,002</u>

The company has a bank overdraft facility which is secured by a debenture on all the company's assets. The bank loan is also secured by a debenture on all the company's assets.

### 11 CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Bank loan	10,734,160	12,322,560
Carbon trust loan	-	1,476
	<u>10,734,160</u>	<u>12,324,036</u>

The bank loan is repayable by variable monthly instalments over a period of 14 years commencing April 2009. The first tranche of £10,000,000 is at a fixed rate of 5.8% for 6.4 years from November 2010. The second tranche of £10,000,000 is at an interest rate of 1.4% above base for 1 year followed by 1.5% above base for the remainder of the term.

The bank loan is secured against all the company's assets.

The above loans are repayable:	2014 £	2013 £
Within one year	1,589,876	1,544,079
Between one and two years	1,638,436	1,589,876
Between two and five years	6,357,666	7,281,826
Over five years	2,738,058	3,452,334
	<u>12,324,036</u>	<u>13,868,115</u>

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

### 12 DEFERRED TAXATION

	2014 £	2013 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	613,418	613,604
Origination and reversal of timing differences	(48,100)	(186)
Provision carried forward	<u>565,318</u>	<u>613,418</u>

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

	2014 £	2013 £
Excess of capital allowances over depreciation	613,232	671,416
Other short term timing differences	(47,914)	(57,998)
	<u>565,318</u>	<u>613,418</u>

The tax on the gains arising from the revaluation would only become payable if the property were sold without rollover relief or capital losses being available. Additional tax arising on the revaluation gain of £11,654,994 would be approximately £2,622,374 (2013: £2,768,061) (before indexation allowance and capital allowances) and has not been recognised.

### 13 COMMITMENTS UNDER OPERATING LEASES

At the balance sheet date the company had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings 2014 £	Land and Buildings 2013 £	Plant and machinery 2014 £	Plant and machinery 2013 £
Operating leases which expire				
In less than one year	-	-	31,722	81,363
In one to two years	-	-	44,536	31,001
In two to five years	-	-	75,101	60,057
Over five years	33,500	22,500	-	-
Total	<u>33,500</u>	<u>22,500</u>	<u>151,359</u>	<u>172,421</u>

### 14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by FRS 8 from disclosing transactions with wholly-owned fellow group undertakings.

D Grimes and G Suszczenia have guaranteed certain of the company's third party liabilities since 1<sup>st</sup> October 2013. At the year end these amounted to £13,239,055 (2013 £12,333,522).

D Grimes serves as a director of Landmark Wholesale, S Parfett also served as a director of Landmark Wholesale until 31<sup>st</sup> October 2013.

# A G Parfett & Sons Limited

## NOTES TO THE ACCOUNTS

15 SHARE CAPITAL	2014 £	2013 £
Authorised: 50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid: 20,000 Ordinary shares of £1 each	20,000	20,000

## 16 RESERVES

	Revaluation Reserve £	Profit and loss account £	Total £
Balance at 1 July 2013	10,717,006	40,071,013	50,788,019
Retained profit for the year	-	2,780,098	2,780,098
Transfer in respect of depreciation on revalued buildings	(118,867)	118,867	-
Balance at 30 June 2014	10,598,139	42,969,978	53,568,117

## 17 OWN SHARES HELD BY EMPLOYEE OWNERSHIP TRUST

	2014 £	2013 £
Employee Ownership Trust	20,000,000	20,000,000

On 4<sup>th</sup> April 2008, the Parfett's Employee Ownership Trust purchased 11,000 £1 ordinary shares of the company's issued shares. In accordance with UITF 32, these shares are included in the company's financial statements. On 4<sup>th</sup> April 2014 a further 2,056 shares were transferred to the Employee Ownership Trust for no consideration.

## 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Retained profit for the year	2,780,098	3,959,910
Shareholders' funds at 1 July	30,808,019	26,848,109
Shareholders' funds at 30 June	33,588,117	30,808,019

## 19 CAPITAL COMMITMENTS

Capital expenditure commitments (authorised and contracted) at 30 June 2014 was £46,394 (2013: £19,758).

## 20 PENSIONS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £543,819 (2013: £431,991).

## 21 CONTROLLING PARTIES

As of 4 April 2014, Parfett's Employee Ownership Trust is the owner of 65.28% of the ordinary shares of the company, the other 34.72% being owned by the directors of the company.