

COMPANY REGISTRATION NUMBER 01895837

MAINLINE FLATPACKS LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2013

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MAINLINE FLATPACKS LTD

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

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MAINLINE FLATPACKS LTD

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

R S Lill
J Lill
B R Lill
F J Lill

COMPANY SECRETARY

J Lill

REGISTERED OFFICE

9 Glebe Road
Huntingdon
Cambridgeshire
PE29 7DB

AUDITOR

Streets Audit LLP
Chartered Accountants
& Statutory Auditor
Charter House
62-64 Hills Road
Cambridge
CB2 1LA

MAINLINE FLATPACKS LTD

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity during the year continued to be that of trade and retail printers, and packaging manufacturers

The directors consider the following to be key performance indicators of the business

	2013	2012
	£	£
Turnover	5,833,911	6,594,429
Gross profit	1,333,453	1,504,676
Gross profit percentage	23	23
Net (loss)/profit before tax	72,771	229,240
Net current assets	55,989	213,823
Net assets	2,184,100	2,292,254

The directors are disappointed with the results which they attribute to the continued difficult economic climate. The board believe that given the straightforward nature of the business no further KPI analysis is required to understand the development, performance and position of the company

The directors are confident that given investment in plant and machinery in recent years the business is well placed to continue to provide customers with an efficient, premium level of service. They are mindful of the challenges being faced as a result of the current economic climate such that in addition to the core business, the company will continue to explore market opportunities outside the UK

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates within the printing and packaging industry, which means its activities are exposed to the economic climate across a variety of business sectors to which products and services are provided. Whilst this is a risk, the directors recognise it also provides an element of business protection where downturns are sector specific

The nature of the work carried out by the business gives rise to a large proportion of fixed cost expenditure, therefore maintaining activity is of prime importance

RESULTS AND DIVIDENDS

The loss for the year amounted to £27,566. Particulars of dividends paid are detailed in note 7 to the financial statements

MAINLINE FLATPACKS LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed to various common financial risks arising in the normal course of business as follows

Interest Rate Risk

The business considers the level of risk exposure on all debt transactions and takes necessary steps to reduce risk to an acceptable level. For significant obligations the company seeks to arrange fixed rate finance where possible in order to mitigate interest rate risk.

Exchange Rate Risk

The company's trading activities require certain products to be purchased and sold in foreign currency as opposed to Sterling, giving rise to exchange rate risk. The company operates a foreign currency bank account to give short term control over exchange rate risk. The company also considers the use of forward contracts and forward options to reduce risk to an acceptable level.

Credit Risk and Liquidity Risk

The company has policies in place to ensure transactions are entered into only with parties that are of acceptable credit quality. The company ensures that there are adequate funds available through credit facilities to meet the operational requirements of the business.

DIRECTORS

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

R S Lill
J Lill
W Wickens
B R Lill
F J Lill

W Wickens resigned as a director on 31 December 2012

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MAINLINE FLATPACKS LTD

THE DIRECTORS' REPORT *(continued)*

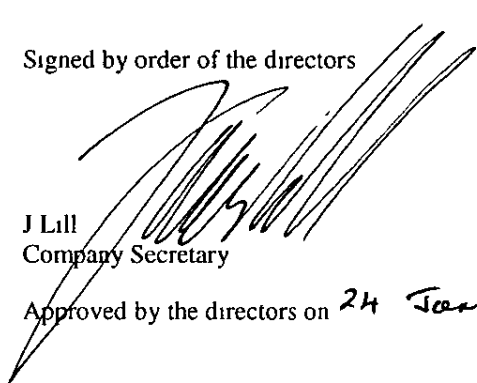
YEAR ENDED 31 MARCH 2013

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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the directors


J Lill
Company Secretary

Approved by the directors on 24 Jan 2013

MAINLINE FLATPACKS LTD

INDEPENDENT AUDITOR'S REPORT TO MAINLINE FLATPACKS LTD

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of Mainline Flatpacks Ltd for the year ended 31 March 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

AR Blake

ALAN BLAKE (Senior Statutory Auditor)
For and on behalf of
STREETS AUDIT LLP
Chartered Accountants & Statutory Auditor

Charter House
62-64 Hills Road
Cambridge
CB2 1LA

15 July 2013

MAINLINE FLATPACKS LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

		2013	2012
	Note	£	£
TURNOVER		5,833,911	6,594,429
Cost of Sales and Other operating income		4,500,458	5,068,763
Administrative expenses		1,284,914	1,174,457
OPERATING PROFIT	2	48,539	351,209
Interest payable and similar charges	5	121,310	121,969
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(72,771)	229,240
Tax on (loss)/profit on ordinary activities	6	(45,205)	(7,434)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(27,566)	236,674

All of the activities of the company are classed as continuing

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

The notes on pages 9 to 19 form part of these abbreviated accounts.

MAINLINE FLATPACKS LTD

ABBREVIATED BALANCE SHEET

31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		3,726,680		4,034,575
CURRENT ASSETS					
Stocks	9	510,600		564,181	
Debtors	10	1,347,190		1,535,670	
Cash at bank and in hand		76,465		114,591	
		1,934,255		2,214,442	
CREDITORS: Amounts falling due within one year	11	1,878,266		2,000,619	
NET CURRENT ASSETS			55,989		213,823
TOTAL ASSETS LESS CURRENT LIABILITIES			3,782,669		4,248,398
CREDITORS: Amounts falling due after more than one year	12		1,263,809		1,589,900
PROVISIONS FOR LIABILITIES					
Deferred taxation	14		334,760		366,244
			2,184,100		2,292,254
CAPITAL AND RESERVES					
Called-up equity share capital	17		9,000		9,000
Capital redemption reserve	18		7,700		7,700
Profit and loss account	18		2,167,400		2,275,554
SHAREHOLDERS' FUNDS	19		2,184,100		2,292,254

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 24-06-13, and are signed on their behalf by



B R Lill

Company Registration Number 01895837

The notes on pages 9 to 19 form part of these abbreviated accounts.

MAINLINE FLATPACKS LTD

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2013

	Note	£	2013 £	£	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20		482,583		653,563
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20		(121,310)		(121,969)
TAXATION	20		(69,528)		(58,228)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20		31,124		(145,285)
EQUITY DIVIDENDS PAID			(80,588)		(116,068)
CASH INFLOW BEFORE FINANCING			<u>242,281</u>		<u>212,013</u>
FINANCING	20		(280,407)		(247,378)
DECREASE IN CASH	20		<u>(38,126)</u>		<u>(35,365)</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents work done during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% straight line for buildings only
Plant & Machinery	-	4%-33% straight line
Fixtures & Fittings	-	4%-25% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost of raw materials is based upon purchase price. Cost of finished goods is calculated by discounting the sales value of products held

Work in progress

Non Contractual work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Cost is calculated based upon discounted sales value. Provision is made for foreseeable losses where appropriate. No element of profit is included within the valuation of non-contractual work in progress

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

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

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. 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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Where realisation is anticipated to be covered by forward exchange contracts or forward options, assets and liabilities in foreign currencies are translated at the contracted rate of exchange. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation of owned fixed assets	197,660	325,727
Depreciation of assets held under hire purchase agreements	112,226	91,977
Profit on disposal of fixed assets	(6,000)	–
Auditor's remuneration		
- as auditor	8,300	8,300
- for other services	5,590	3,400
Operating lease costs		
- Plant and equipment	38,320	27,778
- Other	98,765	94,919
Net profit on foreign currency translation	<u>(5,615)</u>	<u>(16,529)</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

3. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Number of production staff	33	36
Number of administrative staff	9	7
Number of management staff	10	9
	<u>52</u>	<u>52</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	1,333,713	1,409,060
Social security costs	126,885	141,113
Pension costs	6,210	5,233
	<u>1,466,808</u>	<u>1,555,406</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration and other payments in respect of qualifying services were

	2013	2012
	£	£
Aggregate remuneration	229,726	205,809
Value of company pension contributions to money purchase schemes	6,210	5,233
Compensation for loss of directorship	15,000	—
	<u>250,936</u>	<u>211,042</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	80,997	69,770
Value of company pension contributions to money purchase schemes	1,634	1,634
	<u>82,631</u>	<u>71,404</u>

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

	2013	2012
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on bank borrowing	50,474	54,399
Finance charges	46,087	43,949
Other similar charges	24,749	23,621
	<u>121,310</u>	<u>121,969</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2012 - 20%)	(14,662)	68,587
(Over)/under provision in prior year	941	-
Total current tax	<u>(13,721)</u>	<u>68,587</u>
Deferred tax		
Origination and reversal of timing differences	<u>(31,484)</u>	<u>(76,021)</u>
Tax on (loss)/profit on ordinary activities	<u>(45,205)</u>	<u>(7,434)</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2012 - 20%)

	2013	2012
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(72,771)</u>	<u>229,240</u>
(Loss)/profit on ordinary activities by rate of tax	(14,554)	45,848
Expenses not deductible for tax purposes	1,590	1,353
Difference between capital allowances and depreciation	12,835	7,110
Differences between actual rate of tax and standard rate	(2,599)	2,342
Adjustments to tax charge in respect of previous periods	941	-
(Reversal of)/general provisions	<u>(11,934)</u>	<u>11,934</u>
Total current tax (note 6(a))	<u>(13,721)</u>	<u>68,587</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

7. DIVIDENDS

Equity dividends

	2013 £	2012 £
Paid in the year		
Equity dividends on ordinary shares	<u>80,588</u>	<u>116,068</u>
Proposed after the year-end (not recognised as a liability)		
Equity dividends on ordinary shares	<u>41,301</u>	<u>41,130</u>

During the year ended 31 March 2013, the directors were paid the following dividends

	2013 £	2012 £
R S Lill	28,206	40,624
J Lill	28,206	40,624
B R Lill	12,088	17,410
F J Lill	12,088	17,410
	<u>80,588</u>	<u>116,068</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 April 2012	1,323,523	5,285,207	276,430	6,885,160
Additions	-	57,828	34,161	91,989
Disposals	-	(634,397)	-	(634,397)
At 31 March 2013	<u>1,323,523</u>	<u>4,708,638</u>	<u>310,591</u>	<u>6,342,752</u>
DEPRECIATION				
At 1 April 2012	19,594	2,648,186	182,805	2,850,585
Charge for the year	5,004	280,589	24,293	309,886
On disposals	-	(544,399)	-	(544,399)
At 31 March 2013	<u>24,598</u>	<u>2,384,376</u>	<u>207,098</u>	<u>2,616,072</u>
NET BOOK VALUE				
At 31 March 2013	<u>1,298,925</u>	<u>2,324,262</u>	<u>103,493</u>	<u>3,726,680</u>
At 31 March 2012	<u>1,303,929</u>	<u>2,637,021</u>	<u>93,625</u>	<u>4,034,575</u>

The directors estimate the cost of land included within freehold property above to be £524,000 (2012 - £524,000) Land is not depreciated

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

8. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £3,726,680 is £1,418,586 (2012 - £1,526,524) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £112,226 (2012 - £91,977)

9. STOCKS

	2013	2012
	£	£
Raw materials	98,282	116,969
Work in progress	25,852	37,098
Finished goods	386,466	410,114
	<u>510,600</u>	<u>564,181</u>

10. DEBTORS

	2013	2012
	£	£
Trade debtors	1,248,735	1,492,403
Corporation tax repayable	14,662	-
Prepayments and accrued income	83,793	43,267
	<u>1,347,190</u>	<u>1,535,670</u>

Trade debtors includes amounts recoverable on contract of £241,641 (2012 - £411,235)

11. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Bank loans	693,904	625,290
Trade creditors	636,092	813,933
Corporation tax	-	68,587
Other taxation and social security	205,223	169,696
Hire purchase agreements	271,419	267,234
Other creditors	18,671	19,651
Directors current accounts	8,153	10,000
Accruals and deferred income	44,804	26,228
	<u>1,878,266</u>	<u>2,000,619</u>

Bank loans are secured by a charge over certain trade debtors, a fixed and floating debenture over the company's assets and a legal charge over the freehold property owned by Mainline Flatpacks Limited. In addition to the security provided by the company R S Lill and J Lill have provided a personal guarantee amounting to £50,000 in total.

Bank loans includes a treasury loan repayable by monthly instalments of £9,259. The monthly repayment is inclusive of interest charged at 1.4% over base rate. The company has also taken out an interest rate swap to mirror the repayment terms of the loan such that interest is effectively paid at a fixed rate of 6.85%.

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

11. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013	2012
	£	£
Bank loans	693,904	625,290
Hire purchase agreements	271,419	267,234
	<u>965,323</u>	<u>892,524</u>

12. CREDITORS: Amounts falling due after more than one year

	2013	2012
	£	£
Bank loans and overdrafts	684,568	749,404
Hire purchase agreements	559,453	811,791
Directors' loan accounts	19,788	28,705
	<u>1,263,809</u>	<u>1,589,900</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013	2012
	£	£
Bank loans and overdrafts	684,568	749,404
Hire purchase agreements	559,453	811,791
	<u>1,244,021</u>	<u>1,561,195</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2013	2012
	£	£
Bank loans and overdrafts	390,035	475,241

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2013	2012
	£	£
Amounts payable within 1 year	271,419	267,234
Amounts payable between 2 to 5 years	559,453	811,791
	<u>830,872</u>	<u>1,079,025</u>
Hire purchase agreements are analysed as follows		
Current obligations	271,419	267,234
Non-current obligations	559,453	811,791
	<u>830,872</u>	<u>1,079,025</u>

Hire purchase creditors are secured on the assets to which they relate

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2013 £	2012 £
Provision brought forward	366,244	442,265
Profit and loss account movement arising during the year	(31,484)	(76,021)
Provision carried forward	<u>334,760</u>	<u>366,244</u>

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

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	334,760	381,162
Other timing differences	-	(14,918)
	<u>334,760</u>	<u>366,244</u>

15. COMMITMENTS UNDER OPERATING LEASES

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

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	8,461	-	5,807
Within 2 to 5 years	102,000	24,942	-	2,529
After more than 5 years	-	-	82,000	-
	<u>102,000</u>	<u>33,403</u>	<u>82,000</u>	<u>8,336</u>

In addition to the operating lease commitments noted above, the company has entered into a commitment to purchase board from a supplier during the year ended 31 March 2014 amounting to £226,000 (2012 - £nil)

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

16. EXCHANGE RATE RISK

The company is exposed to exchange rate risk on certain customer and supplier relationships where invoicing and settlement of liabilities is undertaken in a foreign currency. If risk can not be reduced to an acceptable level the company may also use forward contract or forward options to mitigate risk.

The company had contracted with its bankers to sell Euros at an exchange rate of Euros 1.14 £1 under a forward contract which expired in September 2012. The volume of monthly Euro sales is variable although during the period 1 April 2012 to expiry the maximum amount to be sold is Euros 146,500 and the minimum amount Euros 117,200.

The Directors no longer perceive the risks associated with exchange rates to warrant such contracts.

17. SHARE CAPITAL

Allotted and called up:

	2013		2012	
	No	£	No	£
9,000 Ordinary Class A shares fully paid of £1 each	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>

18. RESERVES

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	7,700	2,275,554
Loss for the year	—	(27,566)
Equity dividends	—	(80,588)
Balance carried forward	<u>7,700</u>	<u>2,167,400</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
(Loss)/Profit for the financial year	(27,566)	236,674
Equity dividends	(80,588)	(116,068)
Net (reduction)/addition to shareholders' funds	(108,154)	120,606
Opening shareholders' funds	<u>2,292,254</u>	<u>2,171,648</u>
Closing shareholders' funds	<u>2,184,100</u>	<u>2,292,254</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

20. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	48,539	351,209
Depreciation	309,886	417,704
Profit on disposal of fixed assets	(6,000)	–
Decrease/(increase) in stocks	53,581	(38,282)
Decrease in debtors	203,142	32,627
Decrease in creditors	(126,565)	(109,695)
Net cash inflow from operating activities	<u>482,583</u>	<u>653,563</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013 £	2012 £
Interest paid	(75,223)	(78,020)
Interest element of hire purchase	<u>(46,087)</u>	<u>(43,949)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(121,310)</u>	<u>(121,969)</u>

TAXATION

	2013 £	2012 £
Taxation	<u>(69,528)</u>	<u>(58,228)</u>

CAPITAL EXPENDITURE

	2013 £	2012 £
Payments to acquire tangible fixed assets	(64,874)	(166,146)
Receipts from sale of fixed assets	<u>95,998</u>	<u>20,861</u>
Net cash inflow/(outflow) from capital expenditure	<u>31,124</u>	<u>(145,285)</u>

FINANCING

	2013 £	2012 £
Increase in/(repayment of) bank loans	3,778	(15,247)
Capital element of hire purchase	(275,268)	(223,213)
Repayment of directors' long-term loans	<u>(8,917)</u>	<u>(8,918)</u>
Net cash outflow from financing	<u>(280,407)</u>	<u>(247,378)</u>

MAINLINE FLATPACKS LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2013

20. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£	2013 £	£	2012 £
Decrease in cash in the period	(38,126)		(35,365)	
Net cash (inflow) from/outflow from bank loans	(3,778)		15,247	
Cash outflow in respect of hire purchase	275,268		223,213	
Cash outflow from directors' long-term loans	8,917		8,918	
Change in net debt resulting from cash flows		242,281		212,013
New finance leases		(27,115)		(524,868)
Movement in net debt in the period		215,166		(312,855)
Net debt at 1 April 2012		(2,367,833)		(2,054,978)
Net debt at 31 March 2013		(2,152,667)		(2,367,833)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2012 £	Cash flows £	Other changes £	At 31 Mar 2013 £
Net cash				
Cash in hand and at bank	114,591	(38,126)	—	76,465
Debt				
Debt due within 1 year	(625,290)	(3,778)	(64,836)	(693,904)
Debt due after 1 year	(778,109)	8,917	64,836	(704,356)
Hire purchase agreements	(1,079,025)	275,268	(27,115)	(830,872)
	(2,482,424)	280,407	(27,115)	(2,229,132)
Net debt	(2,367,833)	242,281	(27,115)	(2,152,667)

21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £66,000 (2012 - £Nil)