

KIRWIN BROTHERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW



KIRWIN BROTHERS LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9 to 10
Notes to the Financial Statements	11 to 20

KIRWIN BROTHERS LIMITED

COMPANY INFORMATION

Directors	L Kirwin G Kirwin
Company secretary	L Kirwin
Registered office	North Quay Fish Docks Grimsby North East Lincolnshire DN31 3SY
Solicitors	Wilkin Chapman Grange New Oxford House Town Hall Square Grimsby North East Lincolnshire DN31 1EY
Bankers	Yorkshire Bank 12 Bethlehem Street Grimsby N E Lincolnshire DN31 1JZ SME Invoice Finance Limited Hallamshire House Meadowcourt 5 Hayland Street Sheffield S9 1BY
Auditors	Forrester Boyd Chartered Accountants 26 South Saint Mary's Gate Grimsby N E Lincolnshire DN31 1LW

KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Directors of the company

The directors who held office during the year were as follows

L Kirwin

G Kirwin

Principal activity

The principal activity of the company is that of wholesale fish merchants

Business review

Fair review of the business

The company has achieved excellent results for the current year following a difficult period of change in 2012, which saw a large change in customer base and direction for the company. This has been a key factor in driving turnover growth of 27%.

The business is now in a very strong position with a wider customer base than previous years and an improved gross margin achieved from the new sales lines. Production lines for the new trade are now in place with a high level of investment in assets during the current year adding to the potential for further growth in the operation.

The company's key financial and other performance indicators during the year were as follows

	Unit	2013	2012
Turnover	£	24,165,828	19,079,334
Gross profit margin	%	7	5
Profit before tax	£	385,067	(58,833)

Having coped with the loss of the company's major customer during the previous year and invested in the new machinery and operations, the company has the potential to go from strength to strength with the new customers currently only in its infancy. Aligned with the existing core customer base the company can expect to see further success in turnover growth and continuing strong margins.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company remain the availability and price of raw material fish supplies which affects the ability of the company to utilise factory capacity, achieve sales, and maintain operating margins.

Financial instruments

Objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

..... **CONTINUED**

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All business cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Important post balance sheet events

On 1 July 2013 the MW Seafood division of the company was hived out into a new company and this is shown as discontinued operations on the face of the profit and loss account.

This is an active decision made by the directors due to the autonomy now enjoyed by the division. It will also ensure the division has its own identity and help continue its successful growth.

The continued operations of the company will not be affected by the changes and current results show that both companies can expect profitable futures and growth.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 23 October 2013 and signed on its behalf by



L. Kirwin
Director

KIRWIN BROTHERS LIMITED

STATEMENT OF 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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 AUDITOR'S REPORT TO THE MEMBERS OF KIRWIN BROTHERS LIMITED

We have audited the financial statements of Kirwin Brothers Limited for the year ended 30 June 2013, set out 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (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 (APB'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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRWIN BROTHERS LIMITED

..... **CONTINUED**

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



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW

23 October 2013

KIRWIN BROTHERS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013**

	Note	£	2013 £	2012 £
Turnover				
Continuing operations			21,438,372	16,999,763
Discontinued operations			<u>2,785,956</u>	<u>2,079,571</u>
			24,224,328	19,079,334
Cost of sales	2		<u>(22,564,656)</u>	<u>(18,160,852)</u>
Gross profit			1,659,672	918,482
Administrative expenses	2		(1,187,998)	(914,292)
Operating profit	3			
Continuing operations			430,563	(32,498)
Discontinued operations			<u>41,111</u>	<u>36,688</u>
Operating profit			471,674	4,190
Interest payable and similar charges	6		<u>(86,607)</u>	<u>(63,023)</u>
Profit/(loss) on ordinary activities before taxation			385,067	(58,833)
Tax on profit/(loss) on ordinary activities	7		<u>(109,216)</u>	<u>11,900</u>
Profit/(loss) for the financial year	16		<u>275,851</u>	<u>(46,933)</u>

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

KIRWIN BROTHERS LIMITED
(REGISTRATION NUMBER: 2388808)
BALANCE SHEET AT 30 JUNE 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	8	<u>1,588,340</u>	<u>1,419,201</u>
Current assets			
Stocks	9	766,837	419,375
Debtors	10	3,124,796	2,086,019
Cash at bank and in hand		<u>50</u>	<u>550</u>
		<u>3,891,683</u>	<u>2,505,944</u>
Creditors Amounts falling due within one year	11	<u>(4,082,796)</u>	<u>(2,689,908)</u>
Net current liabilities		<u>(191,113)</u>	<u>(183,964)</u>
Total assets less current liabilities		<u>1,397,227</u>	<u>1,235,237</u>
Creditors Amounts falling due after more than one year	12	(55,136)	(100,215)
Provisions for liabilities	13	<u>(164,350)</u>	<u>(151,972)</u>
Net assets		<u><u>1,177,741</u></u>	<u><u>983,050</u></u>
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account	16	<u>1,167,741</u>	<u>973,050</u>
Shareholders' funds	17	<u><u>1,177,741</u></u>	<u><u>983,050</u></u>

Approved by the Board on 23 October 2013 and signed on its behalf by


L Kirwin
Director


G Kirwin
Director

KIRWIN BROTHERS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

Reconciliation of operating profit to net cash flow from operating activities

	2013 £	2012 £
Operating profit	471,674	4,190
Depreciation, amortisation and impairment charges	228,445	213,748
(Increase)/decrease in stocks	(347,462)	147,461
(Increase)/decrease in debtors	(1,040,425)	440,816
Increase/(decrease) in creditors	1,289,827	(775,614)
Net cash inflow from operating activities	<u>602,059</u>	<u>30,601</u>

Cash flow statement

	2013 £	2012 £
Net cash inflow from operating activities	<u>602,059</u>	<u>30,601</u>
Returns on investments and servicing of finance		
HP and finance lease interest	(1,962)	(1,390)
Interest paid	<u>(84,645)</u>	<u>(61,633)</u>
	<u>(86,607)</u>	<u>(63,023)</u>
Taxation paid	<u>(19,346)</u>	<u>(58,180)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(397,584)	(196,552)
Sale of tangible fixed assets	<u>-</u>	<u>36,093</u>
	<u>(397,584)</u>	<u>(160,459)</u>
Equity dividends paid	<u>(81,160)</u>	<u>(41,160)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>17,362</u>	<u>(292,221)</u>
Financing		
Repayment of loans and borrowings	(29,711)	(30,511)
Repayment of capital element of finance leases and HP contracts	<u>(20,977)</u>	<u>(23,998)</u>
	<u>(50,688)</u>	<u>(54,509)</u>
Decrease in cash	<u>(33,326)</u>	<u>(346,730)</u>

KIRWIN BROTHERS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013****..... CONTINUED****Reconciliation of net cash flow to movement in net debt**

	Note	2013 £	2012 £
Decrease in cash		(33,326)	(346,730)
Cash outflow from repayment of loans		29,711	30,511
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>20,977</u>	<u>23,998</u>
Change in net debt resulting from cash flows	20	17,362	(292,221)
 New finance leases		 <u>-</u>	 <u>(22,722)</u>
Movement in net debt	20	17,362	(314,943)
Net debt at 1 July	20	<u>(1,316,607)</u>	<u>(1,001,664)</u>
Net debt at 30 June	20	<u><u>(1,299,245)</u></u>	<u><u>(1,316,607)</u></u>

KIRWIN BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Land and buildings	5% straight line basis
Plant and machinery	10-100% reducing balance or 30% straight line basis
Motor vehicles	25% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks
Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

.... . CONTINUED

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Cost of sales and operating expenses

	2013 £	2012 £
Cost of sales		
Continuing operations	19,970,887	16,247,142
Discontinued operations	2,593,769	1,913,710
	<u>22,564,656</u>	<u>18,160,852</u>
Administrative expenses		
Continuing operations	1,036,922	785,119
Discontinued operations	151,076	129,173
	<u>1,187,998</u>	<u>914,292</u>

3 Operating profit

Operating profit is stated after charging

	2013 £	2012 £
Operating leases - other assets	75,750	64,598
Auditor's remuneration - The audit of the company's annual accounts	8,500	7,500
Depreciation of owned assets	218,103	202,327
Depreciation of assets held under finance lease and hire purchase contracts	10,355	11,423
	<u>212,708</u>	<u>285,848</u>

4 Particulars of employees

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

	2013 No.	2012 No.
Administration and support	3	3
Production	122	98
Sales	5	5
Other departments	2	2
	<u>132</u>	<u>108</u>

The aggregate payroll costs were as follows

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

..... *CONTINUED*

	2013 £	2012 £
Wages and salaries	3,002,650	2,387,077
Staff pensions	212,400	62,400
	<u>3,215,050</u>	<u>2,449,477</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2013 £	2012 £
Remuneration (including benefits in kind)	25,657	25,854
Company contributions paid to money purchase schemes	160,000	60,000
	<u>185,657</u>	<u>85,854</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2013 No.	2012 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

6 Interest payable and similar charges

	2013 £	2012 £
Interest on bank borrowings	80,445	57,133
Other interest payable	4,200	4,500
Finance charges	1,962	1,390
	<u>86,607</u>	<u>63,023</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

. **CONTINUED**

7 Taxation

Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
Current tax		
Corporation tax charge/(credit)	75,844	(13,732)
Adjustments in respect of previous years	<u>20,994</u>	<u>33</u>
UK Corporation tax	96,838	(13,699)
Deferred tax		
Origination and reversal of timing differences	<u>12,378</u>	<u>1,799</u>
Total tax on profit/(loss) on ordinary activities	<u><u>109,216</u></u>	<u><u>(11,900)</u></u>

Factors affecting current tax charge for the year

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

The differences are reconciled below

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	<u>385,067</u>	<u>(58,833)</u>
Corporation tax at standard rate	88,565	(14,120)
Accelerated capital allowances	(11,767)	(616)
Other differences	(1,365)	877
Expenses not deductible for tax purposes	411	160
Prior period adjustment	<u>20,994</u>	<u>-</u>
Total current tax	<u><u>96,838</u></u>	<u><u>(13,699)</u></u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

..... *CONTINUED*

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 July 2012	276,924	2,121,933	2,398,857
Additions	-	397,584	397,584
Disposals	(11,070)	(213,015)	(224,085)
At 30 June 2013	<u>265,854</u>	<u>2,306,502</u>	<u>2,572,356</u>
Depreciation			
At 1 July 2012	75,422	904,234	979,656
Charge for the year	23,019	205,426	228,445
Eliminated on disposals	(11,070)	(213,015)	(224,085)
At 30 June 2013	<u>87,371</u>	<u>896,645</u>	<u>984,016</u>
Net book value			
At 30 June 2013	<u>178,483</u>	<u>1,409,857</u>	<u>1,588,340</u>
At 30 June 2012	<u>201,502</u>	<u>1,217,699</u>	<u>1,419,201</u>

Finance lease assets

Included within the net book value of tangible fixed assets is £44,360 (2012 - £54,715) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £10,355 (2012 - £11,423)

9 Stocks

	2013 £	2012 £
Stocks	<u>766,837</u>	<u>419,375</u>

10 Debtors

	2013 £	2012 £
Trade debtors	2,774,758	1,778,347
Other debtors	145,873	142,762
Prepayments and accrued income	<u>204,165</u>	<u>164,910</u>
	<u>3,124,796</u>	<u>2,086,019</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

..... .. **CONTINUED**

11 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,414,924	1,245,482
Bank loans and overdrafts	1,232,864	1,194,038
Obligations under finance lease and hire purchase contracts	11,295	22,904
Corporation tax	75,844	-
Other taxes and social security	66,044	53,761
Other creditors	145,314	135,290
Directors' current accounts	75,000	-
Accruals and deferred income	61,511	38,433
	<u>4,082,796</u>	<u>2,689,908</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2013 £	2012 £
Bank loan	30,000	24,000
Obligations under finance leases and hire purchase contracts	11,295	22,904
Bank overdraft	1,202,864	1,170,038
	<u>1,244,159</u>	<u>1,216,942</u>

Bank loans and overdrafts include an advance from an invoice discounting company amounting to £1,083,916 (2012 £696,198), which fluctuates on a daily basis. The bank overdraft, loans and invoice discounting balance are secured by a fixed and floating charge over the company's assets. Personal guarantees have been given by Mr G Kirwin and Mr L Kirwin in respect of the bank debt, subject to a maximum of £50,000 each.

Hire purchase contracts are secured on the assets they finance.

12 Creditors. Amounts falling due after more than one year

	2013 £	2012 £
Bank loans and overdrafts	47,789	83,500
Obligations under finance lease and hire purchase contracts	7,347	16,715
	<u>55,136</u>	<u>100,215</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

. CONTINUED

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2013 £	2012 £
Bank loan	47,789	83,500
Obligations under finance leases and hire purchase contracts	<u>7,347</u>	<u>16,715</u>
	<u>55,136</u>	<u>100,215</u>

Obligations under finance leases and HP contracts

Amounts repayable.

	2013 £	2012 £
In one year or less on demand	11,295	22,904
Between one and two years	<u>7,347</u>	<u>16,715</u>
	<u>18,642</u>	<u>39,619</u>

13 Provisions

	Deferred tax £	Total £
At 1 July 2012	151,972	151,972
Charged to the profit and loss account	<u>12,378</u>	<u>12,378</u>
At 30 June 2013	<u>164,350</u>	<u>164,350</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>164,350</u>	<u>151,972</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

... . CONTINUED

14 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

15 Dividends

	2013 £	2012 £
Dividends paid		
Current year interim dividend paid	<u>81,160</u>	<u>41,160</u>

16 Reserves

	Profit and loss account £	Total £
At 1 July 2012	973,050	973,050
Profit for the year	275,851	275,851
Dividends	<u>(81,160)</u>	<u>(81,160)</u>
At 30 June 2013	<u>1,167,741</u>	<u>1,167,741</u>

17 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit/(loss) attributable to the members of the company	275,851	(46,933)
Dividends	<u>(81,160)</u>	<u>(41,160)</u>
Net addition/(reduction) to shareholders' funds	194,691	(88,093)
Shareholders' funds at 1 July	<u>983,050</u>	<u>1,071,143</u>
Shareholders' funds at 30 June	<u>1,177,741</u>	<u>983,050</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

..... **CONTINUED**

18 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £212,400 (2012 - £62,400)

19 Commitments

Operating lease commitments

As at 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2013 £	2012 £
Land and buildings		
Over five years	<u>20,166</u>	<u>17,985</u>

20 Analysis of net debt

	At 1 July 2012 £	Cash flow £	At 30 June 2013 £
Cash at bank and in hand	550	(500)	50
Bank overdraft	(1,170,038)	(32,826)	(1,202,864)
	<u>(1,169,488)</u>	<u>(33,326)</u>	<u>(1,202,814)</u>
Debt due within one year	(24,000)	(6,000)	(30,000)
Debt due after more than one year	(83,500)	35,711	(47,789)
Finance leases and hire purchase contracts	(39,619)	20,977	(18,642)
Net debt	<u>(1,316,607)</u>	<u>17,362</u>	<u>(1,299,245)</u>

21 Post balance sheet events

On 1 July 2013 the MW Seafood division of the company was hived out into a new company and this is shown as discontinued operations on the face of the profit and loss account

This is an active decision made by the directors due to the autonomy now enjoyed by the division. It will also ensure the division has its own identity and help continue its successful growth.

The continued operations of the company will not be affected by the changes and current results show that both companies can expect profitable futures and growth.

KIRWIN BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

... .. CONTINUED

22 Related party transactions

During the year the company made the following related party transactions

Mr G Kirwin

(Director and Shareholder)

Dividends were paid to Mr G Kirwin during the year of £27,500 (2012 £7,500) At the balance sheet date the amount due to Mr G Kirwin was £37,500 (2012 - £nil)

Mr L Kirwin

(Director and Shareholder)

Dividends were paid to Mr L Kirwin during the year of £27,500 (2012 £7,500) At the balance sheet date the amount due to Mr L Kirwin was £37,500 (2012 - £nil)

Mrs S Kirwin

(Wife of L Kirwin and Shareholder)

Dividends were paid to Mrs S Kirwin during the year of £17,160 (2012 £17,160) At the balance sheet date the amount due to Mrs S Kirwin was £nil (2012 - £nil)

Mrs K Kirwin

(Wife of G Kirwin and Shareholder)

Dividends were paid to Mrs K Kirwin during the year of £9,000 (2012 £9,000) At the balance sheet date the amount due to Mrs K Kirwin was £nil (2012 - £nil)

Mrs J P Kirwin

(Mother of the directors)

Included within other creditors is an unsecured personal loan from Mrs J P Kirwin Interest charges of £3,600 (2012 £3,300) were paid to Mrs Kirwin on this loan during the year At the balance sheet date the amount due to Mrs J P Kirwin was £90,000 (2012 - £90,000)

Igloo Seafoods (Louth)

(An unincorporated business controlled by Mrs J P Kirwin, the mother of the directors)

Sales amounting to £6,225 (2012 £13,490) were made to the business during the year At the balance sheet date the amount due to Igloo Seafoods (Louth) was £nil (2012 - £1,000)

All Sea Fish Limited

(L Kirwin and G Kirwin are directors and shareholders of this company)

Sales amounting to £120,657 (2012 £528,455) were made to All Sea Fish Limited during the year At the balance sheet date the amount due from All Sea Fish Limited was £94,959 (2012 - £139,345)

Quayside Distribution Limited

(Divineskills owns shares in the company)

Sales amounting to £59,453 (2012 £93,725) and purchases of £228,153 (2012 £396,477) were made to/ from the business during the year At the balance sheet date the amount due to Quayside Distribution Limited was £15,130 (2012 - £37,483)

Fish Shop Supplies Limited

(L Kirwin and G Kirwin are shareholders in this company)

Sales amounting to £794,655 (2012 £285,367) and purchases of £55,544 (2012 £35,434) were made to/ from the business during the year At the balance sheet date the amount due from Fish Shop Supplies Limited was £101,893 (2012 - £115,888)

23 Control

The company is controlled by the directors who own 100% of the called up share capital