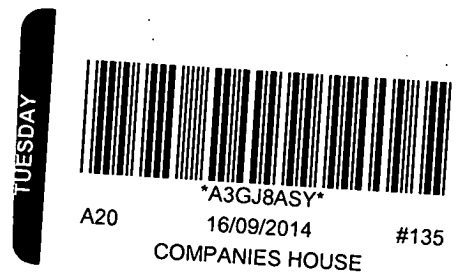


Registered number: 02749235

T Crossling & Co Limited

Directors' report and financial statements

31 December 2013



T Crossling & Co Limited

Officers and Professional advisers

Directors	R R Errington C P H Errington S M Errington K C Clifford
Company secretary	K C Clifford
Registered number	02749235
Registered office	PO Box 5 Coast Road Newcastle upon Tyne NE6 5TP
Independent auditors	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds TSB Plc Black Horse House 91 Sandyford Road Newcastle upon Tyne NE99 1JW
Solicitors	Sintons The Cube Barrack Road Newcastle upon Tyne NE4 6DB

T Crossling & Co Limited

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T Crossling & Co Limited

Group strategic report for the year ended 31 December 2013

Introduction

The principal activity of the group continues to be that of plumbers, pipeline and tool merchants.

Business review

The directors are pleased with the development and performance of the group's business during the year.

Against a continuing background of challenging trading conditions the group achieved a respectable increase in sales, margin and profitability. The improvement in sales was greater during the second half of 2013 which together with a close control of costs enabled a strong finish to the year.

As evidenced by its Balance Sheet the group finances remain in an extremely healthy position with net assets at year end in excess of £29.5 million. Working capital ratios in particular enable the company to maximise its use of liquid resources.

For the year ahead the economic outlook appears to be marginally improving which the directors anticipate will enable further increases in sales and profitability to be achieved. The group also plans to relocate its plumbing and plastics operations in Doncaster to two separate locations in Doncaster and Sheffield respectively. The intention is that the current Doncaster site will be sold.

Key performance indicators

The group monitors certain financial key performance indicators to measure movements and evaluate trends in revenues and profit. These are detailed in the table below.

	2013	2012
	£'000	£'000
Sales	54,279	53,256
Gross profit	12,595	11,952
Number of employees	282	305
Payroll costs	6,105	6,478
Other expenses	3,797	3,752
Sales per employee	192.5	174.6
Gross profit percentage	23.2%	22.4%
Gross profit per employee	44.7	39.2
Payroll costs per employee	21.6	21.2
Other expenses per employee	13.5	12.3

The group does not maintain key performance indicators for non-financial information but does ensure it complies with all of its environmental responsibilities. The group also recognises the importance of its staff and actively promotes staff training and development.

T Crossling & Co Limited

Group strategic report (continued) for the year ended 31 December 2013

Principal risks and uncertainties

The main risks associated with the group's financial assets and liabilities are set out below.

Credit risk

The profile of the group debtors is well spread. The group monitors the accounts of its customers closely including setting and monitoring credit limits. Old debts are chased promptly. The directors believe that although the group is exposed to credit risk they have adequate measures in place to minimise the risk to the group.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generated by its operations in the most effective manner. It is group policy to invoice amounts due as soon as possible, all amounts owed by debtors are collected promptly, all major capital expenditure must be approved by the directors.

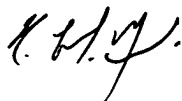
Interest rate risk

All surplus cash is invested in high interest bank deposits at a variable rate. Interest on any overdraft is charged at a variable rate. Therefore financial assets, liabilities, interest charges, interest receivable and cash flows can be affected by movements in interest rates. This risk is reduced by the fact that the amount of interest received exceeds the amount of interest charged and therefore there is minimal risk to the group.

Price Risk

The group is exposed to commodity price risk as a result of its operations. However given the size of the group's operations, the cost of managing this exposure exceeds the potential benefits.

This report was approved by the board of directors on 24 July 2014 and signed on its behalf by:



K C Clifford
Director

T Crossling & Co Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £2,196,000 (2012 - £1,493,000).

Details of dividends are disclosed in note 18 to the financial statements.

Directors

The directors who served during the year were:

R R Errington
C P H Errington
S M Errington
K C Clifford

Political contributions

The group did not make any political contributions to political parties within or outside of the European Union during the year and previous period.

Employee involvement

The group's policy is to discuss and consult with employees on matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled employees

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities exist for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Auditors

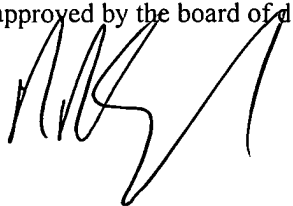
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

T Crossling & Co Limited

Directors' report for the year ended 31 December 2013

This report was approved by the board of directors on 24 July 2014 and signed on its behalf by:

R R Errington
Director

A handwritten signature in black ink, appearing to be 'R R Errington', written over a horizontal line.

T Crossling & Co Limited

Directors' responsibilities statement for the year ended 31 December 2013

The directors are responsible for preparing the Group strategic report, 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 the group and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of T Crossling & Co Limited

We have audited the financial statements of T Crossling & Co Limited for the year ended 31 December 2013, set out on pages 8 to 26. 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 Auditors' 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 explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditors' report to the members of T Crossling & Co Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

A handwritten signature in black ink, appearing to read 'Andrew Wilson', with a stylized, wavy line extending from the end.

Andrew Wilson BA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP (Statutory Auditor)
Chartered Accountants
Newcastle upon Tyne

24 July 2014

T Crossling & Co Limited

Consolidated profit and loss account for the year ended 31 December 2013

		2013 £000	As restated 2012 £000
	Note		
Turnover	2	54,279	53,256
Cost of sales		(41,684)	(41,304)
Gross profit		12,595	11,952
Distribution costs		(6,166)	(6,664)
Administrative expenses		(3,736)	(3,566)
Operating profit		2,693	1,722
Interest receivable and similar income	6	207	302
Interest payable and similar charges	7	(3)	(5)
Profit on ordinary activities before taxation		2,897	2,019
Tax on profit on ordinary activities	8	(701)	(526)
Profit for the financial year	16	2,196	1,493

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

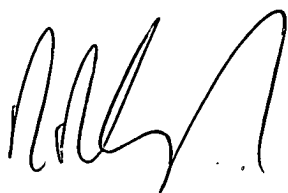
The notes on pages 12 to 26 form part of these financial statements.

T Crossling & Co Limited

Consolidated balance sheet At 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	9		5,558		5,932
Current assets					
Stocks	11	5,893		5,946	
Debtors	12	11,152		9,883	
Cash at bank		13,200		12,526	
		<u>30,245</u>		<u>28,355</u>	
Creditors: amounts falling due within one year	13	<u>(6,204)</u>		<u>(4,728)</u>	
Net current assets			<u>24,041</u>		<u>23,627</u>
Net assets			<u>29,599</u>		<u>29,559</u>
Capital and reserves					
Called up share capital	15		39		39
Capital redemption reserve	16		11		11
Other reserves	16		68		68
Profit and loss account	16		<u>29,481</u>		<u>29,441</u>
Shareholders' funds	17		<u>29,599</u>		<u>29,559</u>

The financial statements were approved by the board of directors on 24 July 2014 and were signed on its behalf by:



R R Errington
Director

The notes on pages 12 to 26 form part of these financial statements.

T Crossling & Co Limited

Company balance sheet At 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Investments	10		3,585		3,585
Current assets					
Debtors		4,081		1,737	
Creditors: amounts falling due within one year	13	(2,000)		-	
Net current assets			2,081		1,737
Net assets			5,666		5,322
Capital and Reserves					
Called up share capital	15		39		39
Capital redemption reserve	16		11		11
Profit and loss account	16		5,616		5,272
Shareholders' funds	17		5,666		5,322

The financial statements were approved by the board of directors on 24 July 2014 and were signed on its behalf by:



R R Errington
Director

Company registered number: 02749235

The notes on pages 12 to 26 form part of these financial statements.

T Crossling & Co Limited

Consolidated cash flow statement for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	19	1,541	3,399
Returns on investments and servicing of finance	20	204	297
Taxation		(594)	(611)
Capital expenditure and financial investment	20	(230)	(500)
Equity dividends paid		(156)	(154)
Cash inflow before financing		765	2,431
Financing	20	(91)	(139)
Increase in cash in the year		674	2,292

Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 December 2013

	2013 £000	2012 £000
Increase in cash in the year	674	2,292
Cash outflow from decrease in debt and lease financing	91	139
Movement in net debt in the year	765	2,431
Net funds at 1 January 2013	12,374	9,943
Net funds at 31 December 2013	13,139	12,374

The notes on pages 12 to 26 form part of these financial statements.

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of T Crossling & Co Limited and all of its subsidiary undertakings ('subsidiaries'). These are adjusted, where appropriate, to conform with group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Long-term leasehold property	-	50 years straight line
Plant and machinery	-	3 to 10 years straight line
Motor vehicles	-	4 years straight line

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the invoiced value of goods supplied less rebates and allowances. Provision is made where necessary for defective, obsolete and slow moving stocks.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies (continued)

1.8 Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 otherwise required by FRS 19.

1.9 Pension costs and other post retirement benefits

The group operates a defined benefit pension scheme for employees. The scheme was closed to new members on 1 October 2000 and accrual of benefits for existing members ceased on 31 October 2011. The assets of the scheme are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value. Pension scheme assets are valued at market value at the balance sheet date.

On 1st October 2000 a defined contribution scheme was introduced. The group will contribute the same amount as employees up to a limit of 6% of pensionable salary.

The group provides no other post-retirement benefits to its employees.

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, 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 group after deducting all of its liabilities.

1.11 Reclassification of expenses

After consideration, the directors have reclassified certain expense items within the profit and loss, impacting on the prior period comparatives. Overall there has been no impact on the prior period profit or on reserves.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover by class of business is as follows:

	2013 £000	2012 £000
United Kingdom	<u>54,279</u>	<u>53,256</u>

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

3. Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
-owned by the company	644	686
Operating lease rentals:		
- Land and buildings	255	253
Profit on disposal of fixed assets	(39)	(106)
Auditors' remuneration		
Audit of these financial statements	24	24
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	4	4

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	5,471	5,838
Social security costs	457	499
Other pension costs	177	141
	6,105	6,478

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Distribution	254	277
Administrative	28	28
	282	305

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

5. Directors' remuneration

	2013	2012
	£000	£000
Remuneration	191	211
Company pension contributions to defined contribution pension schemes	55	31

During the year retirement benefits were accruing to 3 directors (2012 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £43,000 (2012 - £62,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £41,000 (2012 - £18,000).

6. Interest receivable

	2013	2012
	£000	£000
Bank interest receivable	207	302

7. Interest payable and similar charges

	2013	2012
	£000	£000
Other similar charges payable	3	5

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

8. Taxation

	2013 £000	2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	721	533
Adjustments in respect of prior periods	(30)	-
Total current tax	691	533
Deferred tax		
Origination and reversal of timing differences	3	(7)
Adjustment in respect of prior periods	1	-
Effect of change in tax rates	6	-
Total deferred tax (see note 14)	10	(7)
Tax on profit on ordinary activities	701	526

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	2,897	2,019
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	673	495
Effects of:		
Expenses not deductible for tax purposes	51	53
Capital allowances for year in excess of depreciation	(3)	(24)
Adjustments to tax charge in respect of prior periods	(30)	7
Short term timing differences	-	2
Current tax charge for the year (see note above)	691	533

Factors that may affect future tax charges

Recent Budget measures have reduced the standard rate of corporation tax down to 20% in stages. During 2013, the rate was 24% until 31 March 2013, then 23% from 1 April 2013. The rate applying from 1 April 2014 is 21%, and the rate will reduce further to 20% from 1 April 2015. These changes will tend to reduce future tax charges

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

9. Tangible fixed assets

Group	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2013	5,257	1,280	2,464	2,164	11,165
Additions	-	-	180	90	270
Disposals	-	-	(339)	(204)	(543)
At 31 December 2013	5,257	1,280	2,305	2,050	10,892
Depreciation					
At 1 January 2013	1,563	172	2,081	1,417	5,233
Charge for the year	113	26	140	365	644
On disposals	-	-	(339)	(204)	(543)
At 31 December 2013	1,676	198	1,882	1,578	5,334
Net book value					
At 31 December 2013	3,581	1,082	423	472	5,558
At 31 December 2012	3,694	1,108	383	747	5,932

Included in freehold property is freehold land of £861,152 (2012 - £861,152) which is not depreciated.

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Crossling Limited	Ordinary	100%
Crossling Properties Limited	Ordinary	100%
*Northern Tools and Accessories Limited (Dormant)	Ordinary	100%
*Potter Cowan (Pipe Fittings) Limited (Dormant)	Ordinary	100%
*Crossling CBM Limited (Dormant)	Ordinary	100%
*Crossling Mitchells Limited (Dormant)	Ordinary	100%
*Crossling Bancroft Limited (Dormant)	Ordinary	100%
*Stokplas Limited (Dormant)	Ordinary	100%
*Held indirectly through Crossling Limited.		

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

10. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Crossling Limited	18,446	1,473
Crossling Properties Limited	10,175	722
*Northern Tools and Accessories Limited (Dormant)	9	-
*Potter Cowan (Pipe Fittings) Limited (Dormant)	1	-
*Crossling CBM Limited (Dormant)	32	-
*Crossling Mitchells Limited (Dormant)	-	-
*Crossling Bancroft Limited (Dormant)	-	-
*Stokplas Limited (Dormant)	-	-

*Held indirectly through Crossling Limited.

The principal activity of Crossling Limited is that of plumbers, pipeline and tools merchants. The principal activity of Crossling Properties Limited is the ownership and management of commercial properties.

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	3,585
Net book value	
At 31 December 2013	3,585
At 31 December 2012	3,585

11. Stocks

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Finished goods and goods for resale	5,893	5,946	-	-

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

12. Debtors

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	10,546	9,266	-	-
Amounts owed by group undertakings	-	-	4,081	1,737
Other debtors	27	-	-	-
Prepayments and accrued income	516	544	-	-
Deferred tax asset (see note 14)	63	73	-	-
	11,152	9,883	4,081	1,737

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	61	152	-	-
Trade creditors	2,762	3,201	-	-
Corporation tax	481	384	-	-
Other taxation and social security	662	836	-	-
Proposed dividend	2,000	-	2,000	-
Other creditors	19	53	-	-
Accruals and deferred income	219	102	-	-
	6,204	4,728	2,000	-

Details of the unsecured loans are provided in note 24.

14. Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
At beginning of year	73	94	-	-
(Charge for)/released during the year (P&L)	(10)	(21)	-	-
At end of year	63	73	-	-

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

14. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Accelerated capital allowances	59	73	-	-
Short term timing differences	4	-	-	-
	<u>63</u>	<u>73</u>	<u>-</u>	<u>-</u>

15. Share capital

	2013	2012
	£000	£000
Authorised		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted, called up and fully paid		
39,034 Ordinary shares of £1 each	<u>39</u>	<u>39</u>

16. Reserves

	Capital redempt'n reserve	Other reserves	Profit and loss account
	£000	£000	£000
Group			
At 1 January 2013	11	68	29,441
Profit for the financial year	-	-	2,196
Dividends: Equity capital	-	-	(2,156)
	<u>11</u>	<u>68</u>	<u>29,481</u>
At 31 December 2013			

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

16. Reserves (continued)

Company	Capital redempt'n reserve £000	Profit and loss account £000
At 1 January 2013	11	5,272
Profit for the financial year	-	2,500
Dividends: Equity capital	-	(2,156)
	<u>11</u>	<u>5,616</u>
At 31 December 2013	<u>11</u>	<u>5,616</u>

17. Reconciliation of movement in shareholders' funds

Group	2013 £000	2012 £000
Opening shareholders' funds	29,559	28,220
Profit for the financial year	2,196	1,493
Dividends (Note 18)	(2,156)	(154)
	<u>29,599</u>	<u>29,559</u>
Closing shareholders' funds	<u>29,599</u>	<u>29,559</u>

Company	2013 £000	2012 £000
Opening shareholders' funds	5,322	5,476
Profit for the financial year	2,500	-
Dividends (Note 18)	(2,156)	(154)
	<u>5,666</u>	<u>5,322</u>
Closing shareholders' funds	<u>5,666</u>	<u>5,322</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account.

The profit for the year dealt with in the accounts of the company was £2,500,000 (2012 - £Nil).

18. Dividends

	2013 £000	2012 £000
Dividends paid on equity capital	<u>2,156</u>	<u>154</u>

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

19. Net cash flow from operating activities

	2013 £000	2012 £000
Operating profit	2,693	1,722
Depreciation of tangible fixed assets	644	686
Profit on disposal of tangible fixed assets	(39)	(106)
Decrease in stocks	54	1,452
(Increase)/decrease in debtors	(1,278)	709
Decrease in creditors	(533)	(1,064)
Net cash inflow from operating activities	1,541	3,399

20. Analysis of cash flows for headings netted in cash flow statement

	2013 £000	2012 £000
Returns on investments and servicing of finance		
Interest received	207	302
Interest paid	(3)	(5)
Net cash inflow from returns on investments and servicing of finance	204	297

	2013 £000	2012 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(270)	(624)
Sale of tangible fixed assets	40	124
Net cash outflow from capital expenditure	(230)	(500)

	2013 £000	2012 £000
Financing		
Repayment of other loans	(91)	(139)

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

21. Analysis of changes in net funds

	1 January 2013 £000	Cash flow £000	31 December 2013 £000
Cash at bank and in hand	12,526	674	13,200
Debt:			
Debts due within one year	(152)	91	(61)
Net funds	12,374	765	13,139

22. Pension commitments

(a) Defined contribution scheme

The company operates a defined contribution pension scheme whose assets are held in a separate trustee administered fund. The pension costs for the year in respect of this scheme were £176,925 (2012: £141,082). Pension contributions of £14,471 (2012: £16,774) were owed to the scheme at the year end.

(b) Defined benefit scheme

The company also operates a funded pension scheme, the T. Crossling & Co Limited Staff Pension and Assurance Scheme (the "Plan"). This provides benefits based on final pensionable earnings. The assets of the plan are held in separate trustee administered funds.

Under the scheme, the employees are entitled to retirement benefits varying on a percentage of final salary on reaching retirement age of 65. No other post-retirement benefits are provided. The scheme is a funded scheme. The scheme is closed to new members.

The employer expects to make no further contributions to the scheme which was closed to future accrual on 31 October 2011 with all active members at this date becoming deferred members.

The amounts recognised in the Balance sheet are as follows:

	2013 £000	2012 £000
Present value of funded obligations	(16,192)	(16,231)
Fair value of scheme assets	20,226	19,096
Surplus in scheme	4,034	2,865
Effect of limit on recognisable surplus	(4,034)	(2,865)
Net asset	-	-

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

22. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2013 £000	2012 £000
Interest on obligation	(652)	(652)
Expected return on scheme assets	652	652
Total	-	-

Movements in the present value of the defined benefit obligation were as follows:

	2013 £000	2012 £000
Opening defined benefit obligation	16,231	14,556
Interest cost	652	652
Actuarial (gain)/ loss	(45)	1,785
Benefits paid	(646)	(762)
Closing defined benefit obligation	16,192	16,231

Changes in the fair value of scheme assets were as follows:

	2013 £000	2012 £000
Opening fair value of scheme assets	19,096	17,766
Expected return on assets	652	652
Actuarial gain	1,124	1,440
Benefits paid	(646)	(762)
	20,226	19,096

The actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £Nil (2012 - £Nil).

The group expects to contribute £Nil to its Defined benefit pension scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
European equities	62.00 %	65.00 %
European bonds	36.00 %	34.00 %
Other assets	2.00 %	1.00 %

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

22. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2013	2012
Discount rate at 31 December	4.40 %	4.10 %
Expected return on scheme assets at 31 December	5.10 %	5.30 %
Future pension increases	2.50 %	2.00 %
Inflation	3.40 %	2.80 %

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Defined benefit obligation	(16,192)	(16,231)	(14,556)	(15,670)	(14,459)
Scheme assets	20,226	19,096	17,766	18,301	15,982
Surplus	4,034	2,865	3,210	2,631	1,523

23. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
Group	2013 £000	2012 £000
Expiry date:		
Within 1 year	30	30
Between 2 and 5 years	104	104
After more than 5 years	112	114

T Crossling & Co Limited

Notes to the financial statements for the year ended 31 December 2013

24. Related party transactions

On 16 October 2001 the company entered into a loan agreement with Claire Errington Ltd, a company where Mr R R Errington is also a director. The loan accrues interest at the same highest rate payable to Crossling Properties Limited on bank deposits. The maximum outstanding during the year was £151,891 (2012: £292,273). The balance at 31 December 2013 was £60,571 (2012: £151,891).

The group operates a pension scheme for its employees. At the year end an amount of £84,487 (2012: £43,179) is owed from T Crossling & Co Limited 1972 Staff Pension & Assurance Scheme, which is considered to be a related party. The balance is due to pensioner payroll costs and expenses which have been paid on behalf of the scheme and are therefore owed back to the group.

Included within other creditors is £24,249 (2012: £52,863) relating to amounts due to Brocks Properties. Brocks Properties is a partnership owned and controlled by persons connected to R R Errington and C P H Errington, who themselves have a minority holding. The group acts as an agent for Brocks Properties collecting rents totaling £188,836 (2012: £191,245) from tenants on their behalf.

The company has taken advantage of exemption in FRS 8 Related Party Disclosures, that transactions with wholly owned group members do not need to be disclosed.

25. Ultimate controlling party

The directors consider there to be no controlling party.