

T Crossling & Co Limited

Directors' report and financial statements

31 December 2014

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COMPANIES HOUSE

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 year ended 31 December 2014

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 performance of the group's business during the year. In a competitive trading environment the group achieved a satisfactory increase in sales, margin and profitability.

During the year the group relocated its plumbing and plastics operations in Doncaster to two separate locations in Doncaster and Sheffield respectively. These relocations resulted in a number of one off costs, but a close control on costs generally allowed total administrative and distribution expenses to remain similar to last 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 £27.4 million. Strong working capital ratios enable the group to maximise its use of liquid resources.

The year ahead remains challenging as pressure remains on local authority budgets.

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.

	2014 £'000	2013 £'000
Sales	55,067	54,279
Gross profit	13,358	12,595
Number of employees	278	282
Payroll costs	6,234	6,105
Other expenses	3,769	3,797
Sales per employee	198.1	192.5
Gross profit percentage	24.3%	23.2%
Gross profit per employee	48.1	44.7
Payroll costs per employee	22.4	21.6
Other expenses per employee	13.6	13.5

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) year ended 31 December 2014

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 2 July 2015 and signed on its behalf by:



K C Clifford
Director

T Crossling & Co Limited

Directors' report year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £2,976,000 (2013 - £2,196,000).

Details of dividends are disclosed in note 19 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.

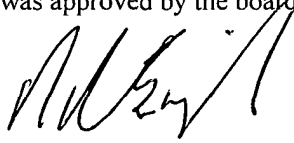
T Crossling & Co Limited

Directors' report year ended 31 December 2014

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.

This report was approved by the board of directors on 2 July 2015 and signed on its behalf by:



R R Errington
Director

T Crossling & Co Limited

Directors' responsibilities statement year ended 31 December 2014

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 2014, 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 2014 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 flourish at the end.

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

T Crossling & Co Limited

Consolidated profit and loss account year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	2	55,067	54,279
Cost of sales		(41,709)	(41,684)
Gross profit		13,358	12,595
Distribution costs		(6,209)	(6,166)
Administrative expenses		(3,797)	(3,736)
Operating profit		3,352	2,693
Exceptional items			
Net profit on sale of tangible fixed assets	8	297	-
Profit on ordinary activities before interest		3,649	2,693
Interest receivable and similar income	6	116	207
Interest payable and similar charges	7	-	(3)
Profit on ordinary activities before taxation		3,765	2,897
Tax on profit on ordinary activities	9	(789)	(701)
Profit for the financial year	17	2,976	2,196

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 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 2014

	Note	£000	2014 £000	£000	2013 £000
Fixed assets					
Tangible assets	10		4,892		5,558
Current assets					
Stocks	12	6,369		5,893	
Debtors	13	10,233		11,152	
Cash at bank		10,584		13,200	
		<u>27,186</u>		<u>30,245</u>	
Creditors: amounts falling due within one year	14	<u>(4,659)</u>		<u>(6,204)</u>	
Net current assets			<u>22,527</u>		<u>24,041</u>
Net assets			<u>27,419</u>		<u>29,599</u>
Capital and reserves					
Called up share capital	16		39		39
Capital redemption reserve	17		11		11
Other reserves	17		68		68
Profit and loss account	17		<u>27,301</u>		<u>29,481</u>
Shareholders' funds	18		<u>27,419</u>		<u>29,599</u>

The financial statements were approved by the board of directors on 2 July 2015. 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 2014

	Note	£000	2014 £000	2013 £000
Fixed assets				
Investments	11		3,585	3,585
Current assets				
Debtors		4,288		4,081
Creditors: amounts falling due within one year	14	(363)	(2,000)	
Net current assets			3,925	2,081
Net assets			7,510	5,666
Capital and Reserves				
Called up share capital	16		39	39
Capital redemption reserve	17		11	11
Profit and loss account	17		7,460	5,616
Shareholders' funds	18		7,510	5,666

The financial statements were approved by the board of directors on 2 July 2015 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 year ended 31 December 2014

	Note	2014 £000	2013 £000
Net cash flow from operating activities	20	4,911	1,541
Returns on investments and servicing of finance	21	116	204
Taxation		(846)	(594)
Capital expenditure and financial investment	21	390	(230)
Equity dividends paid		(7,156)	(156)
Cash (outflow)/inflow before financing		(2,585)	765
Financing	21	(31)	(91)
(Decrease)/Increase in cash in the year		(2,616)	674

Reconciliation of net cash flow to movement in net funds/debt year ended 31 December 2014

	2014 £000	2013 £000
(Decrease)/Increase in cash in the year	(2,616)	674
Cash outflow from decrease in debt and lease financing	31	91
Movement in net debt in the year	(2,585)	765
Net funds at 1 January 2014	13,139	12,374
Net funds at 31 December 2014	10,554	13,139

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

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

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 year ended 31 December 2014

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.

2. Turnover

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

	2014 £000	2013 £000
United Kingdom	<u>55,067</u>	<u>54,279</u>

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

3. Notes to the profit and loss account

Operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	612	644
Operating lease rentals:		
- land and buildings	297	255
Profit on disposal of fixed assets	(39)	(39)
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:

	2014 £000	2013 £000
Wages and salaries	5,577	5,471
Social security costs	459	457
Other pension costs	198	177
	<u>6,234</u>	<u>6,105</u>

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

	2014 No.	2013 No.
Distribution	250	254
Administrative	28	28
	<u>278</u>	<u>282</u>

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

5. Directors' remuneration

	2014 £000	2013 £000
Remuneration	217	191
Company pension contributions to defined contribution pension schemes	46	55

During the year retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £58,000 (2013 - £43,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £32,000 (2013 - £41,000).

6. Interest receivable

	2014 £000	2013 £000
Bank interest receivable	116	207

7. Interest payable and similar charges

	2014 £000	2013 £000
Other similar charges payable	-	3

8. Exceptional items

	2014 £000	2013 £000
Profit on disposal of fixed assets	297	-

The exceptional profit arose from the disposal of a property in the period.

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

9. Taxation

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	788	721
Adjustments in respect of prior periods	(15)	(30)
Total current tax	<u>773</u>	<u>691</u>
Deferred tax		
Origination and reversal of timing differences	13	3
Adjustment in respect of prior periods	1	1
Effect of change in tax rates	2	6
Total deferred tax (see note 15)	<u>16</u>	<u>10</u>
Tax on profit on ordinary activities	<u>789</u>	<u>701</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>3,765</u>	<u>2,897</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	809	673
Effects of:		
Expenses not deductible for tax purposes	56	51
Capital allowances for year in excess of depreciation	(13)	(3)
Adjustments to tax charge in respect of prior periods	(15)	(30)
Non-taxable capital gain on property disposal	(64)	-
Current tax charge for the year (see note above)	<u>773</u>	<u>691</u>

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

10. 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 2014	5,257	1,280	2,305	2,050	10,892
Additions	15	-	246	246	507
Disposals	(662)	-	(114)	(259)	(1,035)
Transfer between classes	397	(397)	-	-	-
At 31 December 2014	5,007	883	2,437	2,037	10,364
Depreciation					
At 1 January 2014	1,676	198	1,882	1,578	5,334
Charge for the year	111	18	151	332	612
On disposals	(123)	-	(92)	(259)	(474)
Transfer between classes	48	(48)	-	-	-
At 31 December 2014	1,712	168	1,941	1,651	5,472
Net book value					
At 31 December 2014	3,295	715	496	386	4,892
At 31 December 2013	3,581	1,082	423	472	5,558

Included in freehold property is freehold land of £761,152 (2012 - £861,152) which is not depreciated.

11. 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 year ended 31 December 2014

11. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2014 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	18,563	2,117
Crossling Properties Limited	6,035	860
*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 2014 and 31 December 2014	3,585
Net book value	
At 31 December 2014	3,585
At 31 December 2013	3,585

12. Stocks

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Finished goods and goods for resale	6,369	5,893	-	-

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

13. Debtors

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	9,766	10,546	-	-
Amounts owed by group undertakings	-	-	4,288	4,081
Other debtors	1	27	-	-
Prepayments and accrued income	419	516	-	-
Deferred tax asset (see note 15)	47	63	-	-
	10,233	11,152	4,288	4,081

14. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Other loans	30	61	-	-
Trade creditors	3,236	2,762	-	-
Amounts owed to group undertakings	-	-	363	-
Corporation tax	408	481	-	-
Other taxation and social security	592	662	-	-
Proposed dividend	-	2,000	-	2,000
Other creditors	10	19	-	-
Accruals and deferred income	383	219	-	-
	4,659	6,204	363	2,000

Details of the unsecured loans are provided in note 25.

15. Deferred taxation

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
At beginning of year	63	73	-	-
(Charge for)/released during the year	(16)	(10)	-	-
At end of year	47	63	-	-

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

15. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Accelerated capital allowances	44	59	-	-
Short term timing differences	3	4	-	-
	<u>47</u>	<u>63</u>	<u>-</u>	<u>-</u>

16. Share capital

	2014	2013
	£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>

17. Reserves

Group	Capital redempt'n reserve £000	Other reserves £000	Profit and loss account £000
At 1 January 2014	11	68	29,481
Profit for the financial year	-	-	2,976
Dividends: Equity capital	-	-	(5,156)
At 31 December 2014	<u>11</u>	<u>68</u>	<u>27,301</u>

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

17. Reserves (continued)

Company	Capital redempt'n reserve £000	Profit and loss account £000
At 1 January 2014	11	5,616
Profit for the financial year	-	7,000
Dividends: Equity capital	-	(5,156)
	<u>11</u>	<u>7,460</u>
At 31 December 2014	<u>11</u>	<u>7,460</u>

18. Reconciliation of movement in shareholders' funds

Group	2014 £000	2013 £000
Opening shareholders' funds	29,599	29,559
Profit for the financial year	2,976	2,196
Dividends (Note 19)	(5,156)	(2,156)
	<u>27,419</u>	<u>29,599</u>
Closing shareholders' funds	<u>27,419</u>	<u>29,599</u>

Company	2014 £000	2013 £000
Opening shareholders' funds	5,666	5,322
Profit for the financial year	7,000	2,500
Dividends (Note 19)	(5,156)	(2,156)
	<u>7,510</u>	<u>5,666</u>
Closing shareholders' funds	<u>7,510</u>	<u>5,666</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 £7,000,000 (2013 - £2,500,000).

19. Dividends

	2014 £000	2013 £000
Dividends paid on equity capital	<u>5,156</u>	<u>2,156</u>

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

20. Net cash flow from operating activities

	2014 £000	2013 £000
Operating profit	3,352	2,693
Depreciation of tangible fixed assets	612	644
Profit on disposal of tangible fixed assets	(39)	(39)
(Increase)/decrease in stocks	(476)	54
Decrease/(increase) in debtors	903	(1,278)
Increase/(decrease) in creditors	559	(533)
Net cash inflow from operating activities	4,911	1,541

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

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	116	207
Interest paid	-	(3)
Net cash inflow from returns on investments and servicing of finance	116	204

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(507)	(270)
Sale of tangible fixed assets	897	40

Net cash inflow/(outflow) from capital expenditure	390	(230)
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	2014 £000	2013 £000
Financing		
Repayment of other loans	(31)	(91)

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

22. Analysis of changes in net funds

	1 January 2014 £000	Cash flow £000	31 December 2014 £000
Cash at bank and in hand	13,200	(2,616)	10,584
Debt:			
Debts due within one year	(61)	31	(30)
Net funds	13,139	(2,585)	10,554

23. 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 £198,324 (2013: £176,925). Pension contributions of £16,670 (2013: £14,471) 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:

	2014 £000	2013 £000
Present value of funded obligations	(17,326)	(16,192)
Fair value of scheme assets	21,248	20,226
Surplus in scheme	3,922	4,034
Effect of limit on recognisable surplus	(3,922)	(4,034)
Net asset	-	-

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

23. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2014 £000	2013 £000
Interest on obligation	(699)	(652)
Expected return on scheme assets	699	652
Total	-	-

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

	2014 £000	2013 £000
Opening defined benefit obligation	16,192	16,231
Interest cost	699	652
Actuarial (gain)/ loss	1,069	(45)
Benefits paid	(634)	(646)
Closing defined benefit obligation	17,326	16,192

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

	2014 £000	2013 £000
Opening fair value of scheme assets	20,226	19,096
Expected return on assets	699	652
Actuarial gain	957	1,124
Benefits paid	(634)	(646)
	21,248	20,226

The actuarial gains and losses recognised in the consolidated statement of total recognised gains and losses was £Nil (2013 - £Nil).

The group expects to contribute £Nil to its defined benefit pension scheme in 2015.

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

	2014	2013
Equities and alternatives	59.00 %	62.00 %
Bonds	39.00 %	36.00 %
Cash	2.00 %	2.00 %

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

23. Pension commitments (continued)

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

	2014	2013
Discount rate at 31 December	3.30 %	4.40 %
Expected return on scheme assets at 31 December	5.50 %	5.10 %
Future pension increases	2.25 %	2.50 %
Inflation	2.30 %	2.60 %

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

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	(17,326)	(16,192)	(16,231)	(14,556)	(15,670)
Scheme assets	21,248	20,226	19,096	17,766	18,301
Surplus	3,922	4,034	2,865	3,210	2,631

24. Operating lease commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
Group	2014 £000	2013 £000
Expiry date:		
Within 1 year	68	30
Between 2 and 5 years	196	104
After more than 5 years	26	112

T Crossling & Co Limited

Notes to the financial statements year ended 31 December 2014

25. 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 £60,571 (2013: £151,891). The balance at 31 December 2014 was £29,565 (2013: £60,571).

The group operates a pension scheme for its employees. At the year end an amount of £28,062 (2013: £84,487) 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 £31,896 (2013: £24,249) 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 £199,420 (2013: £188,836) from tenants on their behalf.

During the year dividends of £2,577,868 (2013: £1,077,868) were paid to R R Errington and C P H Errington.

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.

26. Ultimate controlling party

The directors consider there to be no controlling party.