

Registered number. 04691768

Earth's Crust Resources Limited

Financial statements

For the year ended 31 March 2013

WEDNESDAY



A12

A2JKQC8W

23/10/2013

#361

COMPANIES HOUSE

CLB
coopers
Chartered Accountants
Delivering solutions through excellence

EARTH'S CRUST RESOURCES LIMITED

Company Information

Directors	M Haslam M D Bevan G E Slawson
Company secretary	J Haslam
Registered number	04691768
Registered office	Eagley House Deakins Business Park Egerton Bolton BL7 9RP
Independent auditor	CLB Coopers Statutory Auditors and Chartered Accountants Laurel House 173 Chorley New Road Bolton BL1 4QZ
Bankers	Bank of Scotland 116 Wellington Street Leeds Yorkshire LS1 4LT

EARTH'S CRUST RESOURCES LIMITED

Contents

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 23

EARTH'S CRUST RESOURCES LIMITED

Directors' report For the year ended 31 March 2013

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

Directors' responsibilities statement

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 the group and of 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.

Principal activities

The principal activity of the company during the year was that of a holding company and trading in building materials. The principal activity of Hardscape Products Limited was that of the supply of products for landscaping and paving.

Business review

The directors are happy with the performance over the last 12 months and are looking to increase turnover in the next year. This, together with a stable cost basis, makes us extremely positive for the future of the group.

We have expanded our territories, increased our market share and have added to our team in critical areas to continue to develop the group.

The directors keep a constant eye on the costs of the business and, with good financial strength and stability, the business faces no significant risks other than those that you would normally expect from its business activities.

Results

The profit for the year, after taxation, amounted to £361,770 (2012: £409,913).

Directors

The directors who served during the year were

M Haslam
M D Bevan
G E Slawson

EARTH'S CRUST RESOURCES LIMITED

Directors' report
For the year ended 31 March 2013

Financial risk management objectives and policies

The group holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The group operates without the need for borrowings and as such does not suffer from interest rate fluctuations in any way other than from poor return on investments

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. The group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts

Credit risk

The group insures all of its customers and each must go through a full test procedure before credit facilities are granted

Companies can lose this facility if persistently trading outside of agreed terms

Cash surpluses are held on deposit with the group bankers

Provision of information to auditor

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 auditor is 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 information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

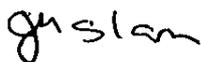
EARTH'S CRUST RESOURCES LIMITED

Directors' report
For the year ended 31 March 2013

Auditor

The auditor, CLB Coopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 25 July 2013 and signed on its behalf



J Haslam
Company secretary

Eagley House
Deakins Business Park
Egerton
Bolton
BL7 9RP

EARTH'S CRUST RESOURCES LIMITED

Independent auditor's report to the shareholders of Earth's Crust Resources Limited

We have audited the financial statements of Earth's Crust Resources Limited for the year ended 31 March 2013, set out on pages 6 to 23. 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 shareholders 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 shareholders 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 shareholders 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 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 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 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 March 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EARTH'S CRUST RESOURCES LIMITED

Independent auditor's report to the shareholders of Earth's Crust Resources 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



Mark Worsley (senior statutory auditor)

for and on behalf of

CLB Coopers

Statutory Auditors and Chartered Accountants

Laurel House
173 Chorley New Road
Bolton
BL1 4QZ

25 July 2013

EARTH'S CRUST RESOURCES LIMITED

Consolidated profit and loss account For the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1	12,983,205	13,330,269
Cost of sales		(7,374,972)	(7,502,766)
Gross profit	3	5,608,233	5,827,503
Distribution costs		(3,006,591)	(3,090,113)
Administrative expenses		(2,124,309)	(2,184,501)
Operating profit	3	477,333	552,889
Interest receivable and similar income		4,173	4,388
Interest payable and similar charges	6	-	(1,261)
Profit on ordinary activities before taxation		481,506	556,016
Tax on profit on ordinary activities	7	(119,736)	(146,103)
Profit for the financial year		361,770	409,913

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 10 to 23 form part of these financial statements

EARTH'S CRUST RESOURCES LIMITED

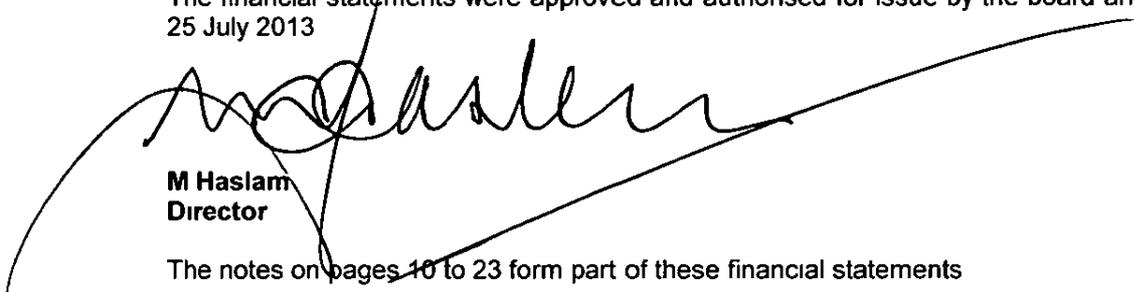
Registered number: 04691768

Consolidated balance sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		116,143		104,898
			<u>116,143</u>		<u>104,898</u>
Current assets					
Stocks	13	278,215		300,987	
Debtors	14	2,917,158		2,831,042	
Cash at bank and in hand		1,150,670		1,402,238	
		<u>4,346,043</u>		<u>4,534,267</u>	
Creditors: amounts falling due within one year	15	(2,295,744)		(2,629,244)	
Net current assets			2,050,299		1,905,023
Total assets less current liabilities			2,166,442		2,009,921
Provisions for liabilities					
Other provisions	17		(422,000)		(349,000)
Net assets			1,744,442		1,660,921
Capital and reserves					
Called up share capital	18		20,000		20,000
Share premium account	19		180,000		180,000
Profit and loss account	19		1,544,442		1,460,921
Shareholders' funds	20		1,744,442		1,660,921

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2013



M Haslam
Director

The notes on pages 10 to 23 form part of these financial statements

EARTH'S CRUST RESOURCES LIMITED

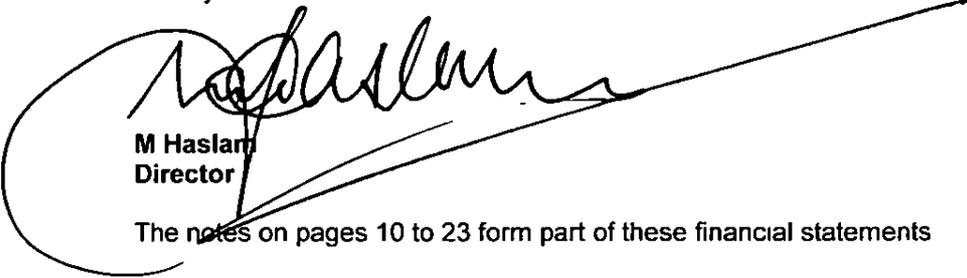
Registered number: 04691768

Company balance sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		92,637		77,799
Investments	11		300,000		300,000
			<u>392,637</u>		<u>377,799</u>
Current assets					
Stocks	13	278,215		300,987	
Debtors	14	535,037		670,708	
Cash at bank and in hand		479,479		358,433	
		<u>1,292,731</u>		<u>1,330,128</u>	
Creditors: amounts falling due within one year	15	(343,833)		(395,983)	
Net current assets			<u>948,898</u>		<u>934,145</u>
Total assets less current liabilities			<u>1,341,535</u>		<u>1,311,944</u>
Provisions for liabilities					
Deferred tax	16		(5,962)		(3,475)
Net assets			<u>1,335,573</u>		<u>1,308,469</u>
Capital and reserves					
Called up share capital	18		20,000		20,000
Share premium account	19		180,000		180,000
Profit and loss account	19		1,135,573		1,108,469
Shareholders' funds	20		<u>1,335,573</u>		<u>1,308,469</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2013



M Haslam
Director

The notes on pages 10 to 23 form part of these financial statements

EARTH'S CRUST RESOURCES LIMITED

Consolidated cash flow statement For the year ended 31 March 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	24	224,087	1,017,434
Returns on investments and servicing of finance	25	4,173	3,127
Taxation	25	(147,822)	(134,686)
Capital expenditure and financial investment	25	(53,757)	(98,774)
Equity dividends paid		(278,249)	(252,060)
Cash (outflow)/inflow before financing		(251,568)	535,041
Financing	25	-	(7,928)
(Decrease)/increase in cash in the year		(251,568)	527,113

Reconciliation of net cash flow to movement in net funds For the year ended 31 March 2013

	2013 £	2012 £
Increase/(decrease) in cash in the year	(251,568)	527,113
Cash outflow from decrease in debt and lease financing	-	7,928
Movement in net funds in the year	(251,568)	535,041
Net funds at 1 April 2012	1,402,238	867,197
Net funds at 31 March 2013	1,150,670	1,402,238

The notes on pages 10 to 23 form part of these financial statements

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 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 financial statements of Earth's Crust Resources Limited and all of its subsidiary undertakings ('subsidiaries')

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 Intangible assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of two years

1.5 Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant and machinery	-	10 - 33% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	50% straight line
Property improvements	-	10 - 15% straight line / over the life of the lease

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.9 Trade and other debtors

Trade debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off to the profit and loss account when the directors deem that the balance is no longer collectable. Prepayments are recognised when a purchase invoice has been paid relating to the period after the year end date

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

1 Accounting policies (continued)

1.10 Cash at bank and in hand

Cash comprises cash at bank after adjustment for any uncredited lodgments and unrepresented cheques clearing the bank account following the year end

1.11 Trade and other creditors

Trade and other creditors are recognised and carried forward at invoiced amounts. Accruals are recognised for costs relating to the year where an invoice had not been received as at the year end date

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.14 Pensions

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.15 Financial instruments

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

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

2. Turnover

The whole of the turnover is attributable to the group companies' principal activities

A geographical analysis of turnover is as follows

	2013 £	2012 £
United Kingdom	12,601,574	12,961,141
Rest of European Union	368,325	360,240
Rest of world	13,306	8,888
	<u>12,983,205</u>	<u>13,330,269</u>

3. Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Amortisation - intangible assets	-	42,574
Depreciation of tangible assets		
- owned by the group	41,184	66,538
- held under hire purchase contracts	-	151
Auditor's remuneration	14,000	12,000
Operating lease rentals		
- plant and machinery	48,830	50,974
Loss on sale of tangible assets	1,328	3,447
	<u>1,328</u>	<u>3,447</u>

Auditor's fees for the company were £5,500 (2012 £3,500)

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	1,253,733	1,268,931
Social security costs	117,000	105,718
Other pension costs	118,884	55,080
	<u>1,489,617</u>	<u>1,429,729</u>

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

	2013 No.	2012 No
Directors	3	3
Administrative staff	29	27
	<u>32</u>	<u>30</u>

5. Directors' remuneration

	2013 £	2012 £
Emoluments	<u>209,910</u>	<u>357,887</u>
Company pension contributions to defined contribution pension schemes	<u>118,884</u>	<u>55,080</u>

During the year retirement benefits were accruing to 2 directors (2012 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £129,267 (2012 £111,215)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £68,884 (2012 £52,800)

6. Interest payable

	2013 £	2012 £
On hire purchase contracts	<u>-</u>	<u>1,261</u>

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

7. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	117,624	147,606
Adjustments in respect of prior periods	216	-
Total current tax	<u>117,840</u>	<u>147,606</u>
Deferred tax		
Origination and reversal of timing differences	1,720	(1,890)
Effect of increased tax rate on opening liability	176	387
Total deferred tax (see note 16)	<u>1,896</u>	<u>(1,503)</u>
Tax on profit on ordinary activities	<u>119,736</u>	<u>146,103</u>

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 24% (2012 26%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>481,506</u>	<u>556,016</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	115,561	144,564
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,364	14,215
Capital allowances for year in excess of depreciation	(6)	748
Adjustments to tax charge in respect of prior periods	216	-
Short term timing difference leading to an increase in taxation	2,400	1,300
Marginal relief	(9,695)	(13,221)
Current tax charge for the year (see note above)	<u>117,840</u>	<u>147,606</u>

8 Dividends

	2013 £	2012 £
Dividends paid on equity capital	<u>278,249</u>	<u>252,060</u>

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

9. Intangible assets

	Goodwill £
Group	
Cost	
At 1 April 2012 and 31 March 2013	<u>241,855</u>
Amortisation	
At 1 April 2012 and 31 March 2013	<u>241,855</u>
Net book value	
At 31 March 2013	<u><u>-</u></u>
At 31 March 2012	<u><u>-</u></u>
	Goodwill £
Company	
Cost	
At 1 April 2012 and 31 March 2013	<u>85,149</u>
Amortisation	
At 1 April 2012 and 31 March 2013	<u>85,149</u>
Net book value	
At 31 March 2013	<u><u>-</u></u>
At 31 March 2012	<u><u>-</u></u>

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

10. Tangible assets

Group	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Property improvements £	Total £
Cost					
At 1 April 2012	186,647	7,000	145,570	107,253	446,470
Additions	23,361	-	15,298	21,839	60,498
Disposals	-	(7,000)	(75,946)	-	(82,946)
At 31 March 2013	210,008	-	84,922	129,092	424,022
Depreciation					
At 1 April 2012	182,937	7,000	124,055	27,580	341,572
Charge for the year	9,495	-	10,543	21,146	41,184
On disposals	-	(7,000)	(67,877)	-	(74,877)
At 31 March 2013	192,432	-	66,721	48,726	307,879
Net book value					
At 31 March 2013	17,576	-	18,201	80,366	116,143
At 31 March 2012	3,710	-	21,515	79,673	104,898

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

10. Tangible assets (continued)

Company	Plant and machinery £	Fixtures, fittings and equipment £	Property improvements £	Total £
Cost				
At 1 April 2012	137,321	6,500	93,758	237,579
Additions	22,911	-	15,679	38,590
At 31 March 2013	<u>160,232</u>	<u>6,500</u>	<u>109,437</u>	<u>276,169</u>
Depreciation				
At 1 April 2012	137,321	6,500	15,959	159,780
Charge for the year	7,560	-	16,192	23,752
At 31 March 2013	<u>144,881</u>	<u>6,500</u>	<u>32,151</u>	<u>183,532</u>
Net book value				
At 31 March 2013	<u>15,351</u>	<u>-</u>	<u>77,286</u>	<u>92,637</u>
At 31 March 2012	<u>-</u>	<u>-</u>	<u>77,799</u>	<u>77,799</u>

11. Investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2012 and 31 March 2013	<u>300,000</u>
Net book value	
At 31 March 2013	<u>300,000</u>
At 31 March 2012	<u>300,000</u>

12. Principal subsidiaries

Company name	Class of shares	Percentage Shareholding
Hardscape Products Limited	Ordinary	100%

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

13. Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Goods for resale	278,215	300,987	278,215	300,987

14. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	2,686,955	2,523,022	194,570	210,107
Amounts owed by group undertakings	-	-	267,339	375,156
Directors' loan accounts	17,500	42,685	17,500	42,500
Other debtors	36,544	37,612	4,375	-
Prepayments and accrued income	173,839	223,507	51,253	42,945
Deferred tax asset (see note 16)	2,320	4,216	-	-
	2,917,158	2,831,042	535,037	670,708

15. Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	1,662,716	1,919,840	148,428	194,421
Corporation tax	121,999	147,606	71,719	87,431
Social security and other taxes	143,120	125,391	104,059	95,170
Other creditors	10	442	-	-
Accruals and deferred income	367,899	435,965	19,627	18,961
	2,295,744	2,629,244	343,833	395,983

16. Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	4,216	2,713	(3,475)	(6,448)
(Charge for)/released during the year	(1,896)	1,503	(2,487)	2,973
At end of year	2,320	4,216	(5,962)	(3,475)

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

16. Deferred taxation (continued)

The deferred taxation balance is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	(6,880)	(2,984)	(5,962)	(3,475)
Short term timing differences	9,200	7,200	-	-
	2,320	4,216	(5,962)	(3,475)

17. Provisions

Group	Provisions
	£
At 1 April 2012	349,000
Additions	155,000
Amounts reversed	(82,000)
At 31 March 2013	422,000

Provisions

The provision relates to amounts provided for in respect of claims for defects from customers. At present the timing of any possible outflows relating to this provision is uncertain.

The company has no provisions.

18. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000

19. Reserves

Group	Share premium account	Profit and loss account
	£	£
At 1 April 2012	180,000	1,460,921
Profit for the year	-	361,770
Dividends	-	(278,249)
Equity capital		
At 31 March 2013	180,000	1,544,442

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

19. Reserves (continued)

	Share premium account £	Profit and loss account £
Company		
At 1 April 2012	180,000	1,108,469
Profit for the year	-	305,353
Dividends Equity capital	-	(278,249)
	<u>180,000</u>	<u>1,135,573</u>
At 31 March 2013	<u>180,000</u>	<u>1,135,573</u>

20. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Group		
Opening shareholders' funds	1,660,921	1,503,068
Profit for the year	361,770	409,913
Dividends (Note 8)	(278,249)	(252,060)
	<u>1,744,442</u>	<u>1,660,921</u>
Closing shareholders' funds	<u>1,744,442</u>	<u>1,660,921</u>
	2013 £	2012 £
Company		
Opening shareholders' funds	1,308,469	1,199,391
Profit for the year	305,353	361,138
Dividends (Note 8)	(278,249)	(252,060)
	<u>1,335,573</u>	<u>1,308,469</u>
Closing shareholders' funds	<u>1,335,573</u>	<u>1,308,469</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 financial statements of the company was £305,353 (2012 £361,138)

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

21. Operating lease commitments

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

Group	Land and buildings		2013	Other
	2013	2012		
	£	£	£	£
Expiry date:				
Within 1 year	-	41,375	12,077	7,469
Between 2 and 5 years	109,040	-	46,673	39,589
After more than 5 years	-	68,752	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Company	Land and buildings		2013	Other
	2013	2012		
	£	£	£	£
Expiry date.				
Between 2 and 5 years	54,520	-	7,858	7,858
After more than 5 years	-	68,752	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements For the year ended 31 March 2013

22. Directors' benefits: advances, credit and guarantees

The following transactions occurred with the directors of the company

M Haslam

	2013 £	2012 £
Closing director's loan account balance	11,435	31,436
Cash drawn	25,000	134,000
Capital introduced	(45,000)	(90,000)
Dividends received	201,499	182,830

The advance made to M Haslam is unsecured and repayable on demand. An additional advance of £25,000 was made in the year. Repayments of £45,000 including single repayments of £30,000 and £15,000 have been made in the year. Interest of £1,153 (2012: £1,153) has been charged on the advance in the year.

M Bevan

	2013 £	2012 £
Closing director's loan account balance	6,250	11,250
Cash drawn	10,000	15,000
Capital introduced	(15,000)	(3,750)
Dividends received	76,750	69,230

The advance made to M Bevan is unsecured and repayable on demand. An additional advance of £10,000 was made in the year. Repayments of £15,000 including a single repayment of £10,000 have been made in the year. Interest of £385 (2012: £288) has been charged on the advance in the year.

23. Controlling party

Throughout the current and previous year the company was under the control of M Haslam, director and majority shareholder.

24. Net cash flow from operating activities

	2013 £	2012 £
Operating profit	477,333	552,889
Amortisation of intangible assets	-	42,574
Depreciation of tangible assets	41,184	66,689
Loss on disposal of tangible assets	1,328	3,447
Decrease in stocks	22,772	14,054
Increase in debtors	(83,637)	(324,687)
(Decrease)/increase in creditors	(307,893)	313,468
Increase in provisions	73,000	349,000
Net cash inflow from operating activities	224,087	1,017,434

EARTH'S CRUST RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 March 2013

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	4,173	4,388
Hire purchase interest	-	(1,261)
	<u>4,173</u>	<u>3,127</u>
Net cash inflow from returns on investments and servicing of finance		
	2013 £	2012 £
Taxation		
Corporation tax	(147,822)	(134,686)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible assets	(60,498)	(107,074)
Sale of tangible assets	6,741	8,300
	<u>(53,757)</u>	<u>(98,774)</u>
Net cash outflow from capital expenditure		
	2013 £	2012 £
Financing		
Repayment of hire purchase contracts	-	(7,928)
	<u>-</u>	<u>(7,928)</u>

26. Analysis of changes in net debt

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
Cash at bank and in hand	1,402,238	(251,568)	-	1,150,670
Net funds	<u>1,402,238</u>	<u>(251,568)</u>	<u>-</u>	<u>1,150,670</u>