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**Thos Storey Fabrications Limited**

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**Directors' Report and Financial Statements**

**for the year ended 31 December 2012**

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**Thos Storey Fabrications Limited**

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**Company Information**

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<b>Directors</b>	F Ellis FCMA J Huggins
<b>Company secretary</b>	F Ellis FCMA
<b>Registered number</b>	04955870
<b>Registered office</b>	Stainburn Road Openshaw Manchester M11 2EB
<b>Trading address</b>	Stainburn Road Openshaw Manchester M11 2EB
<b>Independent auditors</b>	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
<b>Bankers</b>	National Westminster Bank Plc PO Box 546 100 Barbirolli Square Manchester M60 2FT

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**Thos Storey Fabrications Limited**

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## **Thos Storey Fabrications Limited**

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### **Directors' Report for the year ended 31 December 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012

#### **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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activities**

The principal activities of the company were the manufacture, sale and distribution of high quality steel fabrications to original equipment manufacturers (OEM's) in the earth moving, construction, agricultural, materials handling and specialist vehicle sectors.

#### **Business review**

The growth seen over the last 2 years in the earthmoving/construction equipment sectors stalled in 2012 with demand from most of the world's major economies softening from the middle of the year. The inevitable de-stocking of the distributor networks impacted adversely on all major OEM's production schedules and Q4 alone saw demand for components reduce by in excess of 25%. £40k of Redundancy costs were incurred as a result of this downturn. £35k was the net cost of the discontinued operations at Rugby.

Fortunately the newly entered agricultural sector recorded strong demand particularly in the last 2 quarters and was able to mitigate some of the adverse impact of this sudden downturn. This market accounted for almost 10% of all sales in its first year and additional products are already scheduled for production in 2013.

Growth in the material handling/specialist vehicle sectors continued to grow strongly (+18%) throughout the year and justifies the earlier investments which enabled the company to win contracts in these more stable demand areas.

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## Thos Storey Fabrications Limited

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### Directors' Report for the year ended 31 December 2012

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Development costs of £125k are included in cost of sales and have been expended to enable the company to further develop its capabilities in these 2 growing areas of activity and further reduce its reliance on its historically traditional earthmoving/construction customers

After 3 years of negotiations and quality evaluations the company has won its first contract in yet another unrelated field and prototype production is already underway in Q2 of 2013

The final payment of £254k on the company's chattel mortgage, which was taken out to finance the purchase of new plant & machinery and the fitting out of the new factory, was made in the year. This led to the reduction of £32k in the interest payable in the year and both figures will benefit the cash flow and the overhead burden going forward

#### Results

The loss for the year, after taxation, amounted to £180,754 (2011 - profit £132,253)

#### Directors

The directors who served during the year were

F Ellis FCMA  
J Huggins

#### Financial instruments

The company's principal financial instruments comprise bank balances, an invoice discounting facility, trade debtors, trade creditors, operating lease agreements, hire purchase agreements and an inter company loan. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances and the invoice discounting facility the liquidity risk is managed by maintaining a balance between the continuity of funding and ensuring sufficient funds are available to meet amounts due

The inter company loan carries interest charges which are paid on a monthly basis. The loans are repayable on demand. The company manages the liquidity risk by regular monitoring of these accounts

The company is a lessee in respect of operating leased and hire purchase assets. The liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the use of both invoice discounting and credit insurance facilities

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

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**Thos Storey Fabrications Limited**

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**Directors' Report  
for the year ended 31 December 2012**

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**Provision of information to auditors**

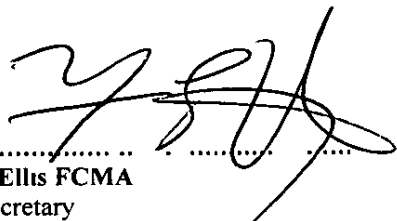
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company'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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**Auditors**

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



.....  
F Ellis FCMA  
Secretary

Date 15/5/2013

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## **Thos Storey Fabrications Limited**

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### **Independent Auditors' Report to the Members of Thos Storey Fabrications Limited**

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We have audited the financial statements of Thos Storey Fabrications Limited for the year ended 31 December 2012, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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 company's affairs as at 31 December 2012 and of its loss 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.

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**Thos Storey Fabrications Limited**

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**Independent Auditors' Report to the Members of Thos Storey Fabrications Limited**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Hurst & Company Accountants LLP*

Anthony Woodings (Senior statutory auditor)

for and on behalf of

**Hurst & Company Accountants LLP**

Chartered Accountants &

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date *16 May 2013*



**Thos Storey Fabrications Limited**

**Profit and Loss Account  
for the year ended 31 December 2012**

	Note	2012 £	2011 £
<b>Turnover</b>	1,2		
Continuing operations		12,273,925	14,515,025
Discontinued operations		14,656	1,801,903
		<u>12,288,581</u>	<u>16,316,928</u>
Cost of sales	4	<u>(11,666,416)</u>	<u>(15,054,601)</u>
<b>Gross profit</b>		622,165	1,262,327
Distribution costs	4	(180,525)	(304,483)
Administrative expenses	4	<u>(665,007)</u>	<u>(733,255)</u>
<b>Operating (loss)/profit</b>	3		
Continuing operations		(173,583)	603,347
Discontinued operations		(49,784)	(378,758)
		<u>(223,367)</u>	<u>224,589</u>
Interest receivable and similar income		-	528
Interest payable and similar charges	7	<u>(36,739)</u>	<u>(69,213)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(260,106)	155,904
Tax on (loss)/profit on ordinary activities	8	<u>79,352</u>	<u>(23,651)</u>
<b>(Loss)/profit for the financial year</b>	17	<u><u>(180,754)</u></u>	<u><u>132,253</u></u>

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

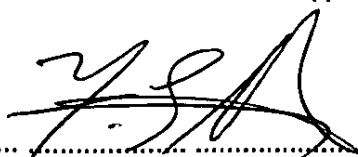
The notes on pages 9 to 20 form part of these financial statements

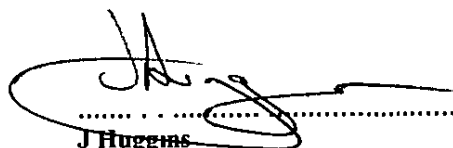
**Thos Storey Fabrications Limited**  
Registered number: 04955870

**Balance Sheet**  
as at 31 December 2012

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Intangible assets	9		-		-
Tangible assets	10		<u>1,900,589</u>		<u>2,102,145</u>
			<u>1,900,589</u>		<u>2,102,145</u>
<b>Current assets</b>					
Stocks	11	887,838		986,725	
Debtors	12	1,815,388		1,973,220	
Cash at bank and in hand		<u>3,492</u>		<u>34,112</u>	
			<u>2,706,718</u>	<u>2,994,057</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,048,565)</u>		<u>(3,377,060)</u>	
<b>Net current liabilities</b>			<u>(341,847)</u>		<u>(383,003)</u>
<b>Total assets less current liabilities</b>			<u>1,558,742</u>		<u>1,719,142</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(60,242)</u>		<u>(1,589)</u>
<b>Provisions for liabilities</b>					
Deferred tax	15		<u>(157,201)</u>		<u>(195,500)</u>
<b>Net assets</b>			<u><u>1,341,299</u></u>		<u><u>1,522,053</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		<u>500,002</u>		<u>500,002</u>
Profit and loss account	17		<u>841,297</u>		<u>1,022,051</u>
<b>Shareholders' funds</b>	18		<u><u>1,341,299</u></u>		<u><u>1,522,053</u></u>

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

  
.....  
F Ellis FCMA  
Director

  
.....  
J Huggins  
Director

Date 15/5/2013

The notes on pages 9 to 20 form part of these financial statements

**Thos Storey Fabrications Limited**

**Cash Flow Statement  
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	19	(195,256)	333,227
Returns on investments and servicing of finance	20	(36,739)	(68,685)
Taxation	20	40,946	(290)
Capital expenditure and financial investment	20	(44,258)	(30,428)
<b>Cash (outflow)/inflow before financing</b>		<b>(235,307)</b>	<b>233,824</b>
Financing	20	294,250	(513,637)
<b>Increase/(Decrease) in cash in the year</b>		<b>58,943</b>	<b>(279,813)</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds/Debt  
for the year ended 31 December 2012**

	2012 £	2011 £
Increase/(Decrease) in cash in the year	58,943	(279,813)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(294,250)	513,637
<b>Change in net debt resulting from cash flows</b>	<b>(235,307)</b>	<b>233,824</b>
New finance lease	(82,240)	-
<b>Movement in net debt in the year</b>	<b>(317,547)</b>	<b>233,824</b>
Net debt at 1 January 2012	(893,261)	(1,127,085)
<b>Net debt at 31 December 2012</b>	<b>(1,210,808)</b>	<b>(893,261)</b>

The notes on pages 9 to 20 form part of these financial statements

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## **Thos Storey Fabrications Limited**

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### **Notes to the Financial Statements for the year ended 31 December 2012**

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#### **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 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

##### **1.3 Intangible fixed 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. Positive goodwill is capitalised and amortised over 10 years, being the directors' estimate of its estimated economic life.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed 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 & machinery	-	5 - 50% on cost
Motor vehicles	-	20% on cost
Fixtures & fittings	-	5 - 33% on cost

Where useful economic life is revised, depreciation will be charged over the remaining useful economic life.

##### **1.5 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.6 Operating leases**

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

##### **1.7 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2012**

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**1. Accounting Policies (continued)**

**1.8 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

**1.9 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

**1.10 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred

**1.11 Pensions**

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

**2. Turnover**

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	11,493,016	15,824,317
Rest of European Union	795,565	492,611
	<u>12,288,581</u>	<u>16,316,928</u>

The whole of the turnover and profit before taxation from continuing and discontinued activities is attributable to the manufacture, sale and distribution of high quality steel fabrications to original equipment manufacturers (OEM's) in the earth moving, construction, agricultural, materials handling and specialist vehicle sectors

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**3. Operating (loss)/profit**

The operating (loss)/profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	308,590	337,234
- held under finance leases	24,464	27,693
Auditors' remuneration	13,250	14,875
Operating lease rentals		
- plant and machinery	49,659	64,168
- land & buildings	418,783	488,958
Difference on foreign exchange	(7,592)	(1,409)
Profit/(loss) on sales of fixed assets	(5,000)	(10,541)

**4. Analysis of operating (loss)/profit**

	Continuing £	2012 Discontinued £	Continuing £	2011 Discontinued £
Turnover	12,273,925	14,656	14,515,025	1,801,903
Cost of sales	(11,634,267)	(32,149)	(13,187,914)	(1,866,687)
Gross profit	639,658	(17,493)	1,327,111	(64,784)
Distribution costs	(180,166)	(359)	(234,375)	(70,108)
Administrative expenses	(633,075)	(31,932)	(486,104)	(247,151)
Other operating income	-	-	(4,498)	4,498
Other operating charges	-	-	1,213	(1,213)
	(173,583)	(49,784)	603,347	(378,758)

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2012**

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**5. Staff costs**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,897,531	3,668,367
Social security costs	278,359	363,306
Other pension costs	120,000	-
	<u>3,295,890</u>	<u>4,031,673</u>

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

	2012 No.	2011 No
Manufacturing	107	150
Management/Administration	29	31
	<u>136</u>	<u>181</u>

Included in wages and salaries are redundancy costs of £40,397 (2011 £56,384)

**6. Directors' remuneration**

	2012 £	2011 £
Emoluments	<u>78,097</u>	<u>113,945</u>
Company pension contributions to defined contribution pension schemes	<u>120,000</u>	<u>-</u>

During the year retirement benefits were accruing to 2 directors (2011 - NIL) in respect of defined contribution pension schemes

**7. Interest payable**

	2012 £	2011 £
On bank loans and overdrafts	28,391	28,042
Other interest payable	8,348	41,171
	<u>36,739</u>	<u>69,213</u>

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**8. Taxation**

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(41,053)	107
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	(38,299)	23,544
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(79,352)</u>	<u>23,651</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than *(2011 - lower than)* the standard rate of corporation tax in the UK of 20% *(2011 - 20%)*. The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(260,106)</u>	<u>155,904</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% <i>(2011 - 20%)</i>	(52,021)	31,181
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	497	657
Capital allowances for year in excess of depreciation	38,299	(23,544)
Ineligible depreciation	431	-
Corporation tax refund received in the year	(41,053)	-
Additional tax losses introduced	12,794	-
Changes to tax rates	-	(8,187)
<b>Current tax (credit)/charge for the year</b> (see note above)	<u>(41,053)</u>	<u>107</u>



**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**9. Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 January 2012 and 31 December 2012	122,799
<b>Amortisation</b>	
At 1 January 2012 and 31 December 2012	122,799
<b>Net book value</b>	
At 31 December 2012	-
<i>At 31 December 2011</i>	-

**10. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 January 2012	3,446,403	14,424	187,951	3,648,778
Additions	112,368	-	26,466	138,834
Disposals	(57,265)	-	-	(57,265)
At 31 December 2012	3,501,506	14,424	214,417	3,730,347
<b>Depreciation</b>				
At 1 January 2012	1,392,232	14,424	139,977	1,546,633
Charge for the year	287,780	-	45,274	333,054
On disposals	(49,929)	-	-	(49,929)
At 31 December 2012	1,630,083	14,424	185,251	1,829,758
<b>Net book value</b>				
At 31 December 2012	1,871,423	-	29,166	1,900,589
<i>At 31 December 2011</i>	2,054,171	-	47,974	2,102,145

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Plant and machinery	257,929	193,015

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**11. Stocks**

	2012 £	2011 £
Raw materials	539,355	612,882
Work in progress	263,488	292,007
Finished goods and goods for resale	84,995	81,836
	<u>887,838</u>	<u>986,725</u>

**12. Debtors**

	2012 £	2011 £
Trade debtors	1,637,681	1,738,926
Amounts owed by group undertakings	19,171	19,171
Amounts owed by connected companies	8,601	8,601
Other debtors	42,012	96,248
Prepayments and accrued income	107,923	110,274
	<u>1,815,388</u>	<u>1,973,220</u>

**13. Creditors**

**Amounts falling due within one year**

	2012 £	2011 £
Bank loans and overdrafts	125,701	469,185
Net obligations under finance leases and hire purchase contracts	20,544	39,140
Trade creditors	1,378,765	1,886,666
Corporation tax	-	107
Social security and other taxes	333,538	475,112
Invoice discounting facility	1,007,813	417,459
Other creditors	63,186	31,483
Accruals and deferred income	119,018	57,908
	<u>3,048,565</u>	<u>3,377,060</u>

Chattel mortgages amounting to £Nil (2011 £253,922) shown as bank loans within short term and long term creditors are secured on plant and machinery

The invoice discounting facility is secured by means of a fixed charge on the assets of the company

Net obligations under finance lease and hire purchase contracts are secured on the assets acquired

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**14. Creditors:**  
**Amounts falling due after more than one year**

	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	<u>60,242</u>	<u>1,589</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012 £	2011 £
Between one and five years	<u>60,242</u>	<u>1,589</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired

**15. Deferred taxation**

	2012 £	2011 £
At beginning of year	195,500	171,956
(Released during)/charge for year	(38,299)	23,544
At end of year	<u>157,201</u>	<u>195,500</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	213,644	239,706
Tax losses carried forward	(56,443)	(44,206)
	<u>157,201</u>	<u>195,500</u>

**16. Share capital**

	2012 £	2011 £
Allotted, called up and fully paid		
500,002 Ordinary shares shares of £1 each	<u>500,002</u>	<u>500,002</u>

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2012**

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**17. Reserves**

	<b>Profit and loss account £</b>
At 1 January 2012	<b>1,022,051</b>
Loss for the year	<b>(180,754)</b>
	<hr/>
At 31 December 2012	<b>841,297</b>
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**18. Reconciliation of movement in shareholders' funds**

	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	<b>1,522,053</b>	<b>1,389,800</b>
(Loss)/profit for the year	<b>(180,754)</b>	<b>132,253</b>
	<hr/>	<hr/>
Closing shareholders' funds	<b>1,341,299</b>	<b>1,522,053</b>
	<hr/>	<hr/>

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**19. Net cash flow from operating activities**

	Continuing	Discontinued	2012 Total	2011
	£	£	£	£
Operating (loss)/profit	(173,583)	(49,784)	(223,367)	224,589
Depreciation of tangible fixed assets	333,054	-	333,054	364,927
Profit on disposal of tangible fixed assets	(5,000)	-	(5,000)	(10,541)
Decrease in stocks	98,067	821	98,888	70,725
(Increase)/Decrease in debtors	(41,193)	199,024	157,831	757,028
Decrease in creditors	(347,160)	(209,502)	(556,662)	(1,073,501)
<b>Net cash outflow from continuing operating activities</b>	<b>(135,815)</b>			
<b>Net cash outflow in respect of discontinued activities</b>		<b>(59,441)</b>		
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(195,256)</b>	<b>333,227</b>

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

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	528
Interest paid	(36,739)	(69,213)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(36,739)</b>	<b>(68,685)</b>
<b>Taxation</b>		
Corporation tax repaid/(paid)	40,946	(290)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(56,594)	(80,479)
Sale of tangible fixed assets	12,336	50,051
<b>Net cash outflow from capital expenditure</b>	<b>(44,258)</b>	<b>(30,428)</b>

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2012**

**20. Analysis of cash flows for headings netted in cash flow statement (continued)**

	2012 £	2011 £
<b>Financing</b>		
Repayment of loans	(253,921)	(483,388)
Repayment of finance leases	(42,183)	(61,131)
Movements on invoice discounting	590,354	30,882
<b>Net cash inflow/(outflow) from financing</b>	<u>294,250</u>	<u>(513,637)</u>

**21. Analysis of changes in net debt**

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	34,112	(30,620)	-	3,492
Bank overdraft	(215,264)	89,563	-	(125,701)
	<u>(181,152)</u>	<u>58,943</u>	<u>-</u>	<u>(122,209)</u>
<b>Debt:</b>				
Finance leases	(40,729)	42,183	(82,240)	(80,786)
Debts due within one year	(253,921)	253,921	-	-
Invoice discounting	(417,459)	(590,354)	-	(1,007,813)
<b>Net debt</b>	<u>(893,261)</u>	<u>(235,307)</u>	<u>(82,240)</u>	<u>(1,210,808)</u>

**22. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £120,000 (2011 - £Nil).

**23. Operating lease commitments**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	2011 £	2012 £	Other 2011 £
<b>Expiry date</b>				
Within 1 year	400,000	400,000	9,222	3,757
Between 2 and 5 years	-	-	-	44,816

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2012**

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**24. Related party transactions**

During the year the company has paid rental charges to Thos Storey Property Limited of £400,000 (2011 £400,000) Mr F Ellis and Mr J Huggins are also directors of Thos Storey Property Limited At the year end, the company owed Thos Storey Property Limited £40,000 (2011 £Nil) in respect of these transactions, this amount was paid after the year end

The company rented premises from Thos Storey Fabrications Retirement Benefit Scheme until the property's sale to an unconnected third party during the year The company has paid annual rent of £88,958 (2011 £106,750) Mr F Ellis and Mr J Huggins are members of this scheme

Included within debtors amounts owed by group companies is an amount of £19,171 (2011 £19,171) owed by Hallco 1431 Limited, the ultimate parent company Mr F Ellis and Mr J Huggins are also directors of Hallco 1431 Limited

Included within debtors amounts owed by connected companies is an amount of £8,601 (2011 £8,601) owed by Hallco 1430 Limited Mr F Ellis and Mr J Huggins are also directors of Hallco 1430 Limited

All transactions occurred on an arms length basis

**25. Ultimate parent undertaking and controlling party**

The ultimate parent company is Hallco 1431 Limited, a company registered in England and Wales, company number 06030787