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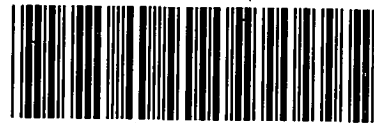
**Thos Storey Fabrications Limited**

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**Directors' Report and Financial Statements**

**for the year ended 31 December 2013**

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**Thos Storey Fabrications Limited**

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**Company Information**

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|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | F Ellis FCMA<br>J Huggins<br>J Lynch (appointed 17 February 2014)<br>M Walton (appointed 17 February 2014)<br>A Ramsdale (appointed 17 February 2014)  |
| <b>Company secretary</b>    | F Ellis FCMA                                                                                                                                           |
| <b>Registered number</b>    | 04955870                                                                                                                                               |
| <b>Registered office</b>    | Stainburn Road<br>Openshaw<br>Manchester<br>M11 2EB                                                                                                    |
| <b>Trading address</b>      | Stainburn Road<br>Openshaw<br>Manchester<br>M11 2EB                                                                                                    |
| <b>Independent auditors</b> | Hurst & Company Accountants LLP<br>Chartered Accountants & Statutory Auditors<br>Lancashire Gate<br>21 Tiviot Dale<br>Stockport<br>Cheshire<br>SK1 1TD |
| <b>Bankers</b>              | Lloyds Banking Group plc<br>53 King Street<br>Manchester<br>M2 4LQ                                                                                     |
| <b>Solicitors</b>           | DTM Legal LLP<br>Archway House<br>Station Road<br>Chester<br>CH1 3DR                                                                                   |

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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 2013**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the 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 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.

#### **Results**

The profit for the year, after taxation, amounted to £204,700 (2012 - loss £180,754).

#### **Directors**

The directors who served during the year were:

F Ellis FCMA  
J Huggins

#### **Events since the end of the year**

On 17 February 2014, the company appointed three new directors, J Lynch, M Walton and A Ramsdale. Each director received 12,500 shares in the company from the ultimate parent company, being Hallco 1431 Limited.

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**Thos Storey Fabrications Limited**

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**Directors' Report  
for the year ended 31 December 2013**

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**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'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'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.



.....  
**M Walton**  
Director

Date: 23 April 2014

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## **Thos Storey Fabrications Limited**

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### **Strategic Report for the year ended 31 December 2013**

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#### **Introduction**

The directors present their strategic report for the year ended 31 December 2013.

#### **Business review, including financial key performance indicators and future outlook**

The material handling/specialist vehicle sectors grew again (+27%) in the year, and along with the agricultural sales, now make up almost 30% of the company's business.

Further development is ongoing in all of these product areas and prototype production on an unrelated range of agricultural products along with a product in the specialist vehicle sector is already underway in the first quarter of the new year. The stronger margins inherent in these products along with the long term exclusive licence acquired during the year for the Spread-a-Bale range are already beginning to be reflected in the bottom line profit.

Strong emphasis continues to be placed on training and developing managerial, supervisory and technical operatives, in order to avoid the skills shortages which have beset some of our UK completitors.

#### **Principal risks and uncertainties**

##### **Market risk**

The construction sector remains highly competitive and whilst the previous high dependence on this area is being reduced, sales into these customers are still considered important so as to maintain both a base load for the Openshaw plant and maintain the company's buying power among its traditional engineering supply chain.

The high volumes of quality output required also ensures high levels of performance and competence, and the respect of a very demanding customer base. All of these are recognised by potential new customers.

##### **Exchange rate risk**

A balance is maintained between sales and purchases in any foreign currency so as to minimise the company's exposure to currency fluctuations.

##### **Liquidity risk**

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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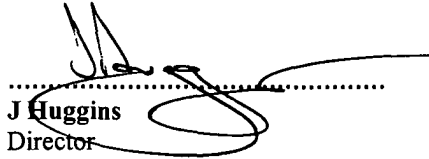
**Thos Storey Fabrications Limited**

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**Strategic Report (continued)**

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This report was approved by the board on 23 April 2014 and signed on its behalf.

  
.....  
**J Huggins**  
Director

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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 2013, set out on pages 7 to 21. 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 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 company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and 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

23 April 2014

**Thos Storey Fabrications Limited**

**Profit and Loss Account  
for the year ended 31 December 2013**

|                                                             | Note | 2013<br>£             | 2012<br>£               |
|-------------------------------------------------------------|------|-----------------------|-------------------------|
| <b>Turnover</b>                                             | 1,2  |                       |                         |
| Continuing operations                                       |      | 11,551,515            | 12,273,925              |
| Discontinued operations                                     |      | -                     | 14,656                  |
|                                                             |      | <u>11,551,515</u>     | <u>12,288,581</u>       |
| Cost of sales                                               | 4    | <u>(10,621,847)</u>   | <u>(11,666,416)</u>     |
| <b>Gross profit</b>                                         |      | 929,668               | 622,165                 |
| Distribution costs                                          | 4    | (188,263)             | (180,525)               |
| Administrative expenses                                     | 4    | <u>(496,810)</u>      | <u>(665,007)</u>        |
| <b>Operating profit/(loss)</b>                              | 3    |                       |                         |
| Continuing operations                                       |      | 280,793               | (173,583)               |
| Discontinued operations                                     |      | (36,198)              | (49,784)                |
|                                                             |      | <u>244,595</u>        | <u>(223,367)</u>        |
| Interest payable and similar charges                        | 7    | <u>(32,645)</u>       | <u>(36,739)</u>         |
| <b>Profit/(loss) on ordinary activities before taxation</b> |      | 211,950               | (260,106)               |
| Tax on profit/(loss) on ordinary activities                 | 8    | <u>(7,250)</u>        | <u>79,352</u>           |
| <b>Profit/(loss) for the financial year</b>                 | 17   | <u><u>204,700</u></u> | <u><u>(180,754)</u></u> |

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

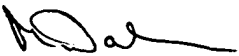
The notes on pages 10 to 21 form part of these financial statements.


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

**Balance Sheet**  
**as at 31 December 2013**

|                                                                | Note | £                | 2013<br>£        | £                | 2012<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |                  |                  |
| Intangible assets                                              | 9    |                  | 1,750            |                  | -                |
| Tangible assets                                                | 10   |                  | 1,740,417        |                  | 1,900,589        |
|                                                                |      |                  | <u>1,742,167</u> |                  | <u>1,900,589</u> |
| <b>Current assets</b>                                          |      |                  |                  |                  |                  |
| Stocks                                                         | 11   | 919,419          |                  | 887,838          |                  |
| Debtors                                                        | 12   | 2,143,504        |                  | 1,815,388        |                  |
| Cash at bank and in hand                                       |      | 189,960          |                  | 3,492            |                  |
|                                                                |      | <u>3,252,883</u> |                  | <u>2,706,718</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 13   | (3,222,339)      |                  | (3,048,566)      |                  |
| <b>Net current assets/(liabilities)</b>                        |      |                  | <u>30,544</u>    |                  | <u>(341,848)</u> |
| <b>Total assets less current liabilities</b>                   |      |                  | <u>1,772,711</u> |                  | <u>1,558,741</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 14   |                  | (61,093)         |                  | (60,242)         |
| <b>Provisions for liabilities</b>                              |      |                  |                  |                  |                  |
| Deferred tax                                                   | 15   |                  | (165,620)        |                  | (157,201)        |
| <b>Net assets</b>                                              |      |                  | <u>1,545,998</u> |                  | <u>1,341,298</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |                  |                  |
| Called up share capital                                        | 16   |                  | 500,002          |                  | 500,002          |
| Profit and loss account                                        | 17   |                  | 1,045,996        |                  | 841,296          |
| <b>Shareholders' funds</b>                                     | 18   |                  | <u>1,545,998</u> |                  | <u>1,341,298</u> |

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

  
.....  
**M Walton**  
Director

  
.....  
**J Huggins**  
Director

Date: 23 April 2014

The notes on pages 10 to 21 form part of these financial statements.

**Thos Storey Fabrications Limited**

**Cash Flow Statement  
for the year ended 31 December 2013**

|                                                 | Note | 2013<br>£       | 2012<br>£        |
|-------------------------------------------------|------|-----------------|------------------|
| Net cash flow from operating activities         | 19   | 98,166          | (195,256)        |
| Returns on investments and servicing of finance | 20   | (32,645)        | (36,739)         |
| Taxation                                        | 20   | -               | 40,946           |
| Capital expenditure and financial investment    | 20   | (110,797)       | (44,258)         |
| <b>Cash outflow before financing</b>            |      | <b>(45,276)</b> | <b>(235,307)</b> |
| Financing                                       | 20   | 357,445         | 294,250          |
| <b>Increase in cash in the year</b>             |      | <b>312,169</b>  | <b>58,943</b>    |

**Reconciliation of Net Cash Flow to Movement in Net Funds/Debt  
for the year ended 31 December 2013**

|                                                       | 2013<br>£          | 2012<br>£          |
|-------------------------------------------------------|--------------------|--------------------|
| Increase in cash in the year                          | 312,169            | 58,943             |
| Cash inflow from increase in debt and lease financing | (357,445)          | (294,250)          |
| <b>Change in net debt resulting from cash flows</b>   | <b>(45,276)</b>    | <b>(235,307)</b>   |
| New finance lease                                     | (41,611)           | (82,240)           |
| <b>Movement in net debt in the year</b>               | <b>(86,887)</b>    | <b>(317,547)</b>   |
| Net debt at 1 January 2013                            | (1,210,808)        | (893,261)          |
| <b>Net debt at 31 December 2013</b>                   | <b>(1,297,695)</b> | <b>(1,210,808)</b> |

The notes on pages 10 to 21 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 2013

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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.

##### 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 2013**

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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 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:

|                        | 2013<br>£         | 2012<br>£         |
|------------------------|-------------------|-------------------|
| United Kingdom         | 10,970,646        | 11,493,016        |
| Rest of European Union | 576,831           | 795,565           |
| Rest of world          | 4,038             | -                 |
|                        | <u>11,551,515</u> | <u>12,288,581</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 2013**

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

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

|                                        | 2013<br>£         | 2012<br>£         |
|----------------------------------------|-------------------|-------------------|
| Amortisation - intangible fixed assets | 250               | -                 |
| Depreciation of tangible fixed assets: |                   |                   |
| - owned by the company                 | 297,582           | 308,590           |
| - held under finance leases            | 37,870            | 24,464            |
| Auditors' remuneration                 | 13,700            | 13,250            |
| - land & buildings                     |                   |                   |
| - plant and machinery                  | 41,977            | 49,659            |
| - other operating leases               | 400,000           | 418,783           |
| Difference on foreign exchange         | 11,782            | (7,592)           |
| Profit/(loss) on sales of fixed assets | 3,952             | (5,000)           |
|                                        | <u>          </u> | <u>          </u> |

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

|                         | 2013              |                   | 2012             |
|-------------------------|-------------------|-------------------|------------------|
|                         | Continuing<br>£   | Discontinued<br>£ | Continuing<br>£  |
| Turnover                | 11,551,515        | -                 | 12,273,925       |
| Cost of sales           | (10,621,847)      | -                 | (11,634,267)     |
| Gross profit            | 929,668           | -                 | 639,658          |
| Distribution costs      | (188,263)         | -                 | (180,166)        |
| Administrative expenses | (460,612)         | (36,198)          | (633,075)        |
|                         | <u>280,793</u>    | <u>(36,198)</u>   | <u>(173,583)</u> |
|                         | <u>          </u> | <u>          </u> | <u>(49,784)</u>  |

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2013**

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**5. Staff costs**

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

|                       | 2013<br>£        | 2012<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 2,743,766        | 2,897,531        |
| Social security costs | 248,870          | 278,359          |
| Other pension costs   | 20,721           | 120,000          |
|                       | <u>3,013,357</u> | <u>3,295,890</u> |

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

|                           | 2013<br>No. | 2012<br>No. |
|---------------------------|-------------|-------------|
| Manufacturing             | 96          | 107         |
| Management/Administration | 26          | 29          |
|                           | <u>122</u>  | <u>136</u>  |

Included in wages and salaries are redundancy costs of £5,999 (2012: £40,397).

**6. Directors' remuneration**

|                                                                       | 2013<br>£     | 2012<br>£      |
|-----------------------------------------------------------------------|---------------|----------------|
| Remuneration                                                          | <u>54,993</u> | <u>78,097</u>  |
| Company pension contributions to defined contribution pension schemes | <u>-</u>      | <u>120,000</u> |

During the year retirement benefits were accruing to no directors (2012 - 2) in respect of defined contribution pension schemes.

**7. Interest payable**

|                              | 2013<br>£     | 2012<br>£     |
|------------------------------|---------------|---------------|
| On bank loans and overdrafts | 27,788        | 28,391        |
| Other interest payable       | 4,857         | 8,348         |
|                              | <u>32,645</u> | <u>36,739</u> |



**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

**8. Taxation**

|                                                  | 2013<br>£    | 2012<br>£       |
|--------------------------------------------------|--------------|-----------------|
| <b>Analysis of tax credit in the year</b>        |              |                 |
| <b>Current tax</b> (see note below)              |              |                 |
| Adjustments in respect of prior periods          | (1,169)      | (41,053)        |
| <b>Deferred tax</b> (see note 15)                |              |                 |
| Origination and reversal of timing differences   | 8,419        | (38,299)        |
| <b>Tax on profit/loss on ordinary activities</b> | <u>7,250</u> | <u>(79,352)</u> |

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below:

|                                                                                                                 | 2013<br>£      | 2012<br>£        |
|-----------------------------------------------------------------------------------------------------------------|----------------|------------------|
| Profit/loss on ordinary activities before tax                                                                   | <u>211,950</u> | <u>(260,106)</u> |
| Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%) | 42,390         | (52,021)         |
| <b>Effects of:</b>                                                                                              |                |                  |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                       | 262            | 497              |
| Capital allowances for year in excess of depreciation                                                           | (8,419)        | 38,299           |
| Ineligible depreciation                                                                                         | 370            | 431              |
| Allowances deferred on deposits in accordance with tax legislation                                              | 7,327          | -                |
| Additional tax losses introduced                                                                                | (41,930)       | 12,794           |
| Adjustments to tax charge in respect of prior periods                                                           | (1,169)        | (41,053)         |
| <b>Current tax credit for the year</b> (see note above)                                                         | <u>(1,169)</u> | <u>(41,053)</u>  |

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

**9. Intangible fixed assets**

|                       | Goodwill<br>£ |
|-----------------------|---------------|
| <b>Cost</b>           |               |
| At 1 January 2013     | 122,799       |
| Additions             | 2,000         |
| At 31 December 2013   | 124,799       |
| <b>Amortisation</b>   |               |
| At 1 January 2013     | 122,799       |
| Charge for the year   | 250           |
| At 31 December 2013   | 123,049       |
| <b>Net book value</b> |               |
| At 31 December 2013   | 1,750         |
| At 31 December 2012   | -             |

**10. Tangible fixed assets**

|                       | Plant &<br>machinery<br>£ | Motor vehicles<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|-----------------------|---------------------------|---------------------|-----------------------------|------------|
| <b>Cost</b>           |                           |                     |                             |            |
| At 1 January 2013     | 3,501,506                 | 14,424              | 214,417                     | 3,730,347  |
| Additions             | 114,713                   | 28,926              | 39,199                      | 182,838    |
| Disposals             | (7,218)                   | (12,358)            | (2,605)                     | (22,181)   |
| At 31 December 2013   | 3,609,001                 | 30,992              | 251,011                     | 3,891,004  |
| <b>Depreciation</b>   |                           |                     |                             |            |
| At 1 January 2013     | 1,630,083                 | 14,424              | 185,251                     | 1,829,758  |
| Charge for the year   | 282,419                   | 1,588               | 51,445                      | 335,452    |
| On disposals          | (2,048)                   | (12,358)            | (217)                       | (14,623)   |
| At 31 December 2013   | 1,910,454                 | 3,654               | 236,479                     | 2,150,587  |
| <b>Net book value</b> |                           |                     |                             |            |
| At 31 December 2013   | 1,698,547                 | 27,338              | 14,532                      | 1,740,417  |
| At 31 December 2012   | 1,871,423                 | -                   | 29,166                      | 1,900,589  |

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**Thos Storey Fabrications Limited**

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**Notes to the Financial Statements  
for the year ended 31 December 2013**

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**10. Tangible fixed assets (continued)**

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

|                     | 2013           | 2012           |
|---------------------|----------------|----------------|
|                     | £              | £              |
| Plant and machinery | 234,334        | 257,929        |
| Motor vehicles      | 27,338         | -              |
|                     | <u>261,672</u> | <u>257,929</u> |

**11. Stocks**

|                                     | 2013           | 2012           |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Raw materials                       | 497,196        | 539,355        |
| Work in progress                    | 266,179        | 263,488        |
| Finished goods and goods for resale | 156,044        | 84,995         |
|                                     | <u>919,419</u> | <u>887,838</u> |

**12. Debtors**

|                                     | 2013             | 2012             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Trade debtors                       | 1,931,508        | 1,637,681        |
| Amounts owed by group undertakings  | 19,171           | 19,171           |
| Amounts owed by connected companies | 8,601            | 8,601            |
| Other debtors                       | 49,221           | 42,012           |
| Prepayments and accrued income      | 133,834          | 107,923          |
| Tax recoverable                     | 1,169            | -                |
|                                     | <u>2,143,504</u> | <u>1,815,388</u> |

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

**13. Creditors:  
Amounts falling due within one year**

|                                                                  | 2013<br>£        | 2012<br>£        |
|------------------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                                        | -                | 125,701          |
| Net obligations under finance leases and hire purchase contracts | 34,063           | 20,544           |
| Trade creditors                                                  | 1,224,476        | 1,378,765        |
| Other taxation and social security                               | 436,774          | 333,538          |
| Invoice discounting facility                                     | 1,392,499        | 1,007,813        |
| Other creditors                                                  | 48,084           | 63,184           |
| Accruals and deferred income                                     | 86,443           | 119,021          |
|                                                                  | <u>3,222,339</u> | <u>3,048,566</u> |

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.

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

|                                                                  | 2013<br>£     | 2012<br>£     |
|------------------------------------------------------------------|---------------|---------------|
| Net obligations under finance leases and hire purchase contracts | <u>61,093</u> | <u>60,242</u> |

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

|                            | 2013<br>£     | 2012<br>£     |
|----------------------------|---------------|---------------|
| Between one and five years | <u>61,093</u> | <u>60,242</u> |

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

**15. Deferred taxation**

|                                         | 2013<br>£      | 2012<br>£      |
|-----------------------------------------|----------------|----------------|
| At beginning of year                    | 157,201        | 195,500        |
| Charge for/(released during) year (P&L) | 8,419          | (38,299)       |
| At end of year                          | <u>165,620</u> | <u>157,201</u> |

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

**15. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

|                                | 2013<br>£      | 2012<br>£      |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | 205,414        | 213,644        |
| Tax losses carried forward     | (39,794)       | (56,443)       |
|                                | <u>165,620</u> | <u>157,201</u> |

**16. Share capital**

|                                                                          | 2013<br>£      | 2012<br>£      |
|--------------------------------------------------------------------------|----------------|----------------|
| Allotted, called up and fully paid<br>500,002 Ordinary shares of £1 each | <u>500,002</u> | <u>500,002</u> |

**17. Reserves**

|                               | Profit and loss<br>account<br>£ |
|-------------------------------|---------------------------------|
| At 1 January 2013             | 841,296                         |
| Profit for the financial year | 204,700                         |
|                               | <u>1,045,996</u>                |
| At 31 December 2013           | <u>1,045,996</u>                |

**18. Reconciliation of movement in shareholders' funds**

|                                      | 2013<br>£        | 2012<br>£        |
|--------------------------------------|------------------|------------------|
| Opening shareholders' funds          | 1,341,298        | 1,522,052        |
| Profit/(loss) for the financial year | 204,700          | (180,754)        |
|                                      | <u>1,545,998</u> | <u>1,341,298</u> |
| Closing shareholders' funds          | <u>1,545,998</u> | <u>1,341,298</u> |

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

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

|                                                            | 2013<br>£     | 2012<br>£        |
|------------------------------------------------------------|---------------|------------------|
| Operating profit/(loss)                                    | 244,595       | (223,367)        |
| Amortisation of intangible fixed assets                    | 250           | -                |
| Depreciation of tangible fixed assets                      | 335,452       | 333,054          |
| Loss/(profit) on disposal of tangible fixed assets         | 3,952         | (5,000)          |
| (Increase)/decrease in stocks                              | (31,581)      | 98,888           |
| (Increase)/Decrease in debtors                             | (355,771)     | 157,831          |
| Decrease in creditors                                      | (98,731)      | (556,662)        |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>98,166</b> | <b>(195,256)</b> |

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

|                                                        | 2013<br>£        | 2012<br>£       |
|--------------------------------------------------------|------------------|-----------------|
| <b>Returns on investments and servicing of finance</b> |                  |                 |
| Interest paid                                          | (32,645)         | (36,739)        |
| <b>Taxation</b>                                        |                  |                 |
| Corporation tax repaid/(paid)                          | -                | 40,946          |
| <b>Capital expenditure and financial investment</b>    |                  |                 |
| Purchase of intangible fixed assets                    | (2,000)          | -               |
| Purchase of tangible fixed assets                      | (112,403)        | (56,594)        |
| Sale of tangible fixed assets                          | 3,606            | 12,336          |
| <b>Net cash outflow from capital expenditure</b>       | <b>(110,797)</b> | <b>(44,258)</b> |
| <b>Financing</b>                                       |                  |                 |
| Repayment of loans                                     | -                | (253,921)       |
| Repayment of finance leases                            | (27,241)         | (42,183)        |
| Movements on invoice discounting                       | 384,686          | 590,354         |
| <b>Net cash inflow from financing</b>                  | <b>357,445</b>   | <b>294,250</b>  |

**Thos Storey Fabrications Limited**

**Notes to the Financial Statements  
for the year ended 31 December 2013**

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

|                          | 1 January<br>2013<br>£ | Cash flow<br>£  | Other<br>non-cash<br>changes<br>£ | 31 December<br>2013<br>£ |
|--------------------------|------------------------|-----------------|-----------------------------------|--------------------------|
| Cash at bank and in hand | 3,492                  | 186,468         | -                                 | 189,960                  |
| Bank overdraft           | (125,701)              | 125,701         | -                                 | -                        |
|                          | <u>(122,209)</u>       | <u>312,169</u>  | <u>-</u>                          | <u>189,960</u>           |
| <b>Debt:</b>             |                        |                 |                                   |                          |
| Finance leases           | (80,786)               | 27,241          | (41,611)                          | (95,156)                 |
| Invoice discounting      | (1,007,813)            | (384,686)       | -                                 | (1,392,499)              |
|                          | <u>(1,210,808)</u>     | <u>(45,276)</u> | <u>(41,611)</u>                   | <u>(1,297,695)</u>       |

**22. Capital commitments**

At 31 December 2013 the company had capital commitments as follows:

|                                                               | 2013<br>£      | 2012<br>£ |
|---------------------------------------------------------------|----------------|-----------|
| Contracted for but not provided in these financial statements | <u>180,419</u> | <u>-</u>  |

**23. 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 £20,721 (2011 - £120,000).

**24. Operating lease commitments**

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

|                       | Land and buildings |           | Other         |           |
|-----------------------|--------------------|-----------|---------------|-----------|
|                       | 2013<br>£          | 2012<br>£ | 2013<br>£     | 2012<br>£ |
| <b>Expiry date:</b>   |                    |           |               |           |
| Within 1 year         | 400,000            | 400,000   | 8,524         | 9,222     |
| Between 2 and 5 years | <u>-</u>           | <u>-</u>  | <u>25,989</u> | <u>-</u>  |

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## **Thos Storey Fabrications Limited**

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### **Notes to the Financial Statements for the year ended 31 December 2013**

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#### **25. Related party transactions**

During the year the company has paid rental charges to Thos Storey Property Limited of £400,000 (2012: £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 £Nil (2012: £40,000) in respect of these transactions.

The company was owed £1,440 (2012: £Nil) by Thos Storey Property Limited at the year end in respect of other transactions.

Included within debtors: amounts owed by group companies is an amount of £19,171 (2012: £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 (2012: £8,601) owed by Hallco 1430 Limited. Mr F Ellis and Mr J Huggins are also directors of Hallco 1430 Limited.

#### **26. Post balance sheet events**

On 17 February 2014, the ultimate parent company, Hallco 1431 Limited, transferred 37,500 of its 500,002 shares held in the company, to the new directors appointed on that date, being M Walton, J Lynch and A Ramsdale.

#### **27. Ultimate parent undertaking and controlling party**

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