

REGISTERED NUMBER: SC159622 (Scotland)

THISTLE WINDOWS & CONSERVATORIES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

TUESDAY



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FOR THE YEAR ENDED 31 AUGUST 2013**

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THISTLE WINDOWS & CONSERVATORIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2013**

DIRECTORS:

Edward Nicol Robson
Ian James Bruce

REGISTERED OFFICE:

Unit A
Woodside Road
Bridge of Don
ABERDEEN
AB23 8EF

REGISTERED NUMBER:

SC159622 (Scotland)

AUDITORS:

Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

The directors present their report with the financial statements of the company for the year ended 31 August 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturers and installers of windows and conservatories.

REVIEW OF BUSINESS

The results for the company show a pre-tax profit of £346,095 (2012 - £64,782) on turnover of £7.5M (2012 - £7.3M).

The directors consider the results for the year to be satisfactory, reflecting the strong market for the company's services.

The windows and conservatories market continues to be competitive in the North East of Scotland. However the company is confident that it can maintain its profitable trading position going forward.

The key business risks and uncertainties affecting the company are considered to relate to the local effects of global issues in the financial markets.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

DIVIDENDS

An interim dividend of £3 per share was paid on 31 August 2013. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2013 will be £30,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2012 to the date of this report.

Edward Nicol Robson
Ian James Bruce

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Johnston Carmichael LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Edward Nicol Robson - Director

29 November 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THISTLE WINDOWS & CONSERVATORIES LIMITED

We have audited the financial statements of Thistle Windows & Conservatories Limited for the year ended 31 August 2013 on pages six to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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 August 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THISTLE WINDOWS & CONSERVATORIES 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, 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.

Niall A Farquharson CA (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

29 November 2013

THISTLE WINDOWS & CONSERVATORIES LIMITED (REGISTERED NUMBER: SC159622)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £	2012 £
TURNOVER		7,482,241	7,311,462
Cost of sales		5,595,425	5,755,524
GROSS PROFIT		1,886,816	1,555,938
Administrative expenses		1,508,668	1,425,344
		378,148	130,594
Other operating income		1,946	2,107
OPERATING PROFIT	3	380,094	132,701
Interest payable and similar charges	4	33,999	67,919
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		346,095	64,782
Tax on profit on ordinary activities	5	76,761	41,502
PROFIT FOR THE FINANCIAL YEAR		269,334	23,280

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

THISTLE WINDOWS & CONSERVATORIES LIMITED (REGISTERED NUMBER: SC159622)**BALANCE SHEET
31 AUGUST 2013**

		2013		2012	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		1,108,996		1,112,550
CURRENT ASSETS					
Stocks	8	427,518		344,165	
Debtors	9	472,721		514,036	
Cash at bank and in hand		301,261		410	
		<u>1,201,500</u>		<u>858,611</u>	
CREDITORS					
Amounts falling due within one year	10	<u>1,339,089</u>		<u>1,206,516</u>	
NET CURRENT LIABILITIES			<u>(137,589)</u>		<u>(347,905)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			971,407		764,645
CREDITORS					
Amounts falling due after more than one year	11		(710,873)		(774,218)
PROVISIONS FOR LIABILITIES	15		<u>(30,773)</u>		<u>-</u>
NET ASSETS/(LIABILITIES)			<u>229,761</u>		<u>(9,573)</u>

The notes form part of these financial statements

THISTLE WINDOWS & CONSERVATORIES LIMITED (REGISTERED NUMBER: SC159622)

BALANCE SHEET - continued
31 AUGUST 2013

	Notes	2013	2012
		£	£
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Revaluation reserve	17	314,359	319,278
Profit and loss account	17	(94,598)	(338,851)
SHAREHOLDERS' FUNDS	19	<u>229,761</u>	<u>(9,573)</u>

The financial statements were approved by the Board of Directors on 29 November 2013 and were signed on its behalf by:



Edward Nicol Robson - Director



Ian James Bruce - Director

The notes form part of these financial statements

THISTLE WINDOWS & CONSERVATORIES LIMITED (REGISTERED NUMBER: SC159622)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	669,058	191,713
Returns on investments and servicing of finance	2	(33,999)	(67,919)
Taxation		-	4,422
Capital expenditure and financial investment	2	(55,860)	(15,207)
Equity dividends paid		(30,000)	-
		549,199	113,009
Financing	2	(141,350)	(214,862)
Increase/(decrease) in cash in the period		407,849	(101,853)
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		407,849	(101,853)
Cash outflow from decrease in debt and lease financing		117,350	116,628
Change in net debt resulting from cash flows		525,199	14,775
New finance leases		(58,810)	(36,595)
Movement in net debt in the period		466,389	(21,820)
Net debt at 1 September		(735,881)	(714,061)
Net debt at 31 August		(269,492)	(735,881)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	380,094	132,701
Depreciation charges	120,757	116,076
(Profit)/loss on disposal of fixed assets	(2,533)	1,881
(Increase)/decrease in stocks	(83,353)	153,208
Decrease in debtors	30,403	95,830
Increase/(decrease) in creditors	223,690	(307,983)
Net cash inflow from operating activities	669,058	191,713

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest paid	(22,648)	(56,647)
Interest element of hire purchase payments	(11,351)	(11,272)
Net cash outflow for returns on investments and servicing of finance	(33,999)	(67,919)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(63,360)	(31,796)
Sale of tangible fixed assets	7,500	12,000
Sale of investment property	-	4,589
Net cash outflow for capital expenditure and financial investment	(55,860)	(15,207)
Financing		
Loan repayments in year	(46,509)	(44,553)
Capital repayments in year	(70,841)	(72,075)
Amount withdrawn by directors	(24,000)	(98,234)
Net cash outflow from financing	(141,350)	(214,862)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/12 £	Cash flow £	Other non-cash changes £	At 31/8/13 £
Net cash:				
Cash at bank and in hand	410	300,851		301,261
Bank overdraft	(106,998)	106,998		-
	<u>(106,588)</u>	<u>407,849</u>		<u>301,261</u>
Debt:				
Hire purchase	(123,846)	70,841	(58,810)	(111,815)
Debts falling due within one year	(44,554)	-	-	(44,554)
Debts falling due after one year	<u>(460,893)</u>	<u>46,509</u>	<u>-</u>	<u>(414,384)</u>
	<u>(629,293)</u>	<u>117,350</u>	<u>(58,810)</u>	<u>(570,753)</u>
Total	<u><u>(735,881)</u></u>	<u><u>525,199</u></u>	<u><u>(58,810)</u></u>	<u><u>(269,492)</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

Turnover

Turnover represents the net income received and receivable from the sale and installation of windows, conservatories and related products.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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 items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Long term contracts

Contracts with a shorter duration than one year are accounted for as long term contracts on the basis that these contracts are sufficiently material to the activity of the period that not to record turnover and attributable profit would lead to a distortion of results.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Full provision is made for losses on all contracts in the year in which they are first foreseen.

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 liabilities.

2. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	2,405,438	2,527,696
Social security costs	230,795	258,975
Other pension costs	41,510	23,592
	<u>2,677,743</u>	<u>2,810,263</u>

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

	2013	2012
Direct labour	76	70
Administration	25	20
	<u>101</u>	<u>90</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013**

3. OPERATING PROFIT

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

	2013	2012
	£	£
Hire of plant and machinery	181,756	197,948
Other operating leases	75,242	86,293
Depreciation - owned assets	68,985	67,861
Depreciation - assets on hire purchase contracts	51,772	48,215
(Profit)/loss on disposal of fixed assets	(2,533)	1,881
Auditors' remuneration	9,000	8,250
Auditors' remuneration for non audit work	2,975	10,740
	<u>227,614</u>	<u>194,400</u>
Directors' remuneration	227,614	194,400
Directors' pension contributions to money purchase schemes	<u>35,400</u>	<u>17,900</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director for the year ended 31 August 2013 is as follows:

	2013
	£
Emoluments etc	147,702
Pension contributions to money purchase schemes	<u>33,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	336	2,972
Bank loan interest	22,312	24,755
Tax interest & penalties	-	28,920
Hire purchase	11,351	11,272
	<u>33,999</u>	<u>67,919</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	68,059	49,075
Tax from earlier periods	-	12,730
Total current tax	68,059	61,805
Deferred tax	8,702	(20,303)
Tax on profit on ordinary activities	76,761	41,502

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	346,095	64,782
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	69,219	12,956
Effects of:		
Expenses not deductible for tax purposes	4,182	13,422
Capital allowances in excess of depreciation	(8,702)	(606)
Utilisation of tax losses	-	19,943
Adjustments to tax charge in respect of previous periods	-	12,730
Depreciation of non qualifying assets	3,360	3,360
Current tax charge	68,059	61,805

6. DIVIDENDS

	2013 £	2012 £
Ordinary shares shares of £1 each		
Interim	30,000	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 September 2012	840,000	85,382	73,404	1,042,071	2,040,857
Additions	-	-	-	122,170	122,170
Disposals	-	-	-	(15,700)	(15,700)
At 31 August 2013	840,000	85,382	73,404	1,148,541	2,147,327
DEPRECIATION					
At 1 September 2012	33,600	64,645	51,800	778,262	928,307
Charge for year	16,800	5,186	3,504	95,267	120,757
Eliminated on disposal	-	-	-	(10,733)	(10,733)
At 31 August 2013	50,400	69,831	55,304	862,796	1,038,331
NET BOOK VALUE					
At 31 August 2013	789,600	15,551	18,100	285,745	1,108,996
At 31 August 2012	806,400	20,737	21,604	263,809	1,112,550

Cost or valuation at 31 August 2013 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2005	55,949	-	-	-	55,949
Valuation in 2007	200,000	-	-	-	200,000
Valuation in 2010	(10,000)	-	-	-	(10,000)
Cost	594,051	85,382	73,404	1,148,541	1,901,378
	840,000	85,382	73,404	1,148,541	2,147,327

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

7. TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued it would have been included at the following historical cost:

	2013 £	2012 £
Cost	594,051	594,051
Aggregate depreciation	118,810	106,929

The freehold property was valued on an open market basis on 8 September 2010 by Rydens, Chartered Surveyors.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 September 2012	253,595
Additions	84,770
Transfer to ownership	(52,950)
At 31 August 2013	285,415
DEPRECIATION	
At 1 September 2012	108,951
Charge for year	51,772
Transfer to ownership	(30,612)
At 31 August 2013	130,111
NET BOOK VALUE	
At 31 August 2013	155,304
At 31 August 2012	144,644

8. STOCKS

	2013 £	2012 £
Stocks	81,635	89,027
Work-in-progress	345,883	255,138
	427,518	344,165

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	345,094	372,213
Other debtors	112,994	116,278
Tax	-	10,912
Prepayments and accrued income	14,633	14,633
	<u>472,721</u>	<u>514,036</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 12)	44,554	151,552
Hire purchase contracts (see note 13)	65,326	60,521
Trade creditors	620,397	577,539
Tax	35,076	-
Social security and other taxes	74,457	47,000
VAT	180,041	169,424
Directors' current accounts	16,888	40,888
Accrued expenses	302,350	159,592
	<u>1,339,089</u>	<u>1,206,516</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Bank loans (see note 12)	414,384	460,893
Hire purchase contracts (see note 13)	46,489	63,325
Shareholders loan	250,000	250,000
	<u>710,873</u>	<u>774,218</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	106,998
Bank loan < 1 year	44,554	44,554
	<u>44,554</u>	<u>151,552</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

12. LOANS - continued

	2013 £	2012 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>46,509</u>	<u>46,509</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>367,875</u>	<u>414,384</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2013 £	2012 £
Net obligations repayable:		
Within one year	65,326	60,521
Between one and five years	<u>46,489</u>	<u>63,325</u>
	<u>111,815</u>	<u>123,846</u>

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2013 £	2012 £
Expiring:		
Within one year	65,000	42,500
Between one and five years	<u>5,000</u>	<u>5,000</u>
	<u>70,000</u>	<u>47,500</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013**

14. SECURED DEBTS

The following secured debts are included within creditors:

	2013	2012
	£	£
Bank overdraft	-	106,998
Bank loans	458,938	505,447
Hire purchase contracts	111,815	123,846
	<u>570,753</u>	<u>736,291</u>

The bank borrowings are secured by a standard security over the freehold property, a bond and floating charge over the company's assets.

15. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>30,773</u>	<u>-</u>
		Deferred tax
		£
Provided during year		8,702
Utilised during year		<u>22,071</u>
Balance at 31 August 2013		<u>30,773</u>

The deferred tax provision comprises the excess of tax allowances over depreciation charged.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2013	2012
Number:	Class:	Nominal value:	£	£
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

17. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 September 2012	(338,851)	319,278	(19,573)
Profit for the year	269,334		269,334
Dividends	(30,000)		(30,000)
Depreciation of revalued asset	4,919	(4,919)	-
At 31 August 2013	<u>(94,598)</u>	<u>314,359</u>	<u>219,761</u>

18. RELATED PARTY DISCLOSURES

The company operates under the joint control of the Directors. Ultimate control is exercised by Mr Robson who is the majority shareholder.

Edward Nicol Robson
Director and majority shareholder

Mr Robson has advanced monies to the company. £250,000, of the total sum advanced was part of the company being refinanced and is subordinated to the company's bankers, Clydesdale Bank plc. This amount is therefore in creditors due after more than one year.

	2013 £	2012 £
Amount due to related party at the balance sheet date	<u>266,888</u>	<u>290,888</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	269,334	23,280
Dividends	(30,000)	-
Net addition to shareholders' funds	<u>239,334</u>	<u>23,280</u>
Opening shareholders' funds	(9,573)	(32,853)
Closing shareholders' funds	<u>229,761</u>	<u>(9,573)</u>