

COMPANY REGISTRATION NUMBER SC287764

A M PHILLIP TRUCKTECH LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2013



FOURM

Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

A M PHILLIP TRUCKTECH LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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A M PHILLIP TRUCKTECH LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	G K Phillip W R Gibb T S Hally G Tasker J C Davidson M Gibbons A Cormack A M Phillip G W Phillip
Company secretary	A M Phillip
Registered office	Muiryfaulds Forfar DD8 1XP
Auditor	FourM Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	The Royal Bank of Scotland plc 133 Albert Street Dundee DD4 6PR
Solicitors	MacHardy Alexander & Whyte, W.S. 71 Castle Street Forfar Angus DD8 3AG

A M PHILLIP TRUCKTECH LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their Strategic Report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal operational activities of A.M. Phillip Trucktech Limited continues to be the sale of new and used vans, trucks and minibuses, combined with the associated provision of a vast range of support services including parts supply and delivery and servicing of vehicles.

The company turnover has risen by 0.7% to £42.5m (2012 - £42.2m). Vehicle sales turnover has remained similar to 2012 at £29.1m while service sales have risen by 2% and parts sales by 3% compared to 2012. The market continues to be highly competitive for all areas of the company's business with margins in vehicle sales, parts and servicing departments reducing in comparison to 2012. The directors are satisfied with the company's performance in the face of a continuing competitive market, particularly in the area of local authority tenders.

PRINCIPAL RISKS AND UNCERTAINTIES

LIQUIDITY RISK

The company aims to mitigate liquidity risk by managing cash generated by its operations and having access to adequate working capital borrowing facilities. Cash resources are formally monitored weekly to ensure funds are always available to meet company requirements.

CREDIT RISK

The company undertakes periodic assessments of its external debtors in order to ensure that credit is not extended if there is any likelihood of default. The amount of exposure to individual customers is subject to a limit, and this is reviewed regularly by the credit control department and reporting to the directors in order to minimise any potential bad debts.

INTEREST RATE RISK

The Company may make use of bank borrowings to finance its operations during peak trading periods. Due to current cash resources, the Directors do not deem it necessary at this time to hedge against interest rate fluctuations.

FINANCIAL PERFORMANCE INDICATORS

The Company measures its ongoing performance at every activity level against annual budgets, manufacturer composite information and certain key performance indicators, including working capital controls. These are reviewed at monthly management meetings at each depot.

RESULTS FOR THE YEAR

The profit for the year, after taxation, amounted to £97,303. The Directors do not recommend the payment of a dividend for the year.

DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS OVER THE YEAR

The company continued with its principal activities based around the commercial vehicle sales and after sales industries.

POSITION AT THE YEAR END

The company continued to perform well at the year end and the directors are confident that this will continue.

A M PHILLIP TRUCKTECH LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

FUTURE DEVELOPMENTS

The company intends to continue to focus on its activities in the motor vehicle industry and does not envisage any significant changes to the operations of the company over the next 12 months.

The company has to undergo significant capital expenditure on its showroom at the Forfar depot in order to enhance its standards in relation to the Ford Motor Company franchise. This will amount to £200,000 in the 4th quarter of 2014.

In January 2014, the company was appointed a Fiat Professional Vehicles authorised dealer for our depots at Dundee, Aberdeen and Edinburgh. The directors felt that the new franchise would dovetail with our existing franchises and provide us with the ability to retail vehicles in new markets.

Signed by order of the directors



A M PHILLIP
Company Secretary

Approved by the directors on 26 September 2014

A M PHILLIP TRUCKTECH LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £97,303. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

G K Phillip
W R Gibb
T S Hally
G Tasker
J C Davidson
M Gibbons
A Cormack
A M Phillip
G W Phillip

STRATEGIC REPORT

The company, in accordance with section 414C(11) of the Companies Act 2006, has chosen to include information regarding the principal risks and uncertainties facing the company and a fair review of the company's business in the directors' Strategic Report.

AUDITOR

FourM are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Muirfaulds
Forfar
DD8 1XP

Signed by order of the directors



A M PHILLIP
Company Secretary

Approved by the directors on 26 September 2014

A M PHILLIP TRUCKTECH LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, 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 year.

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 UK 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.

A M PHILLIP TRUCKTECH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
A M PHILLIP TRUCKTECH LIMITED
YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of A M Phillip Trucktech Limited for the year ended 31 December 2013 on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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.

A M PHILLIP TRUCKTECH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
A M PHILLIP TRUCKTECH LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2013

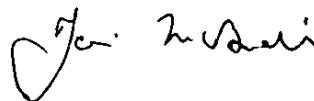
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



IAIN McBRIDE MA CA (Senior Statutory Auditor)

For and on behalf of

FOURM

Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

26 September 2014

A M PHILLIP TRUCKTECH LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER	2	42,491,166	42,200,062
Cost of sales		37,458,669	36,775,997
GROSS PROFIT		5,032,497	5,424,065
Distribution costs		661,805	663,098
Administrative expenses		4,072,218	4,507,751
OPERATING PROFIT	3	298,474	253,216
Interest payable and similar charges	6	169,746	183,730
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		128,728	69,486
Tax on profit on ordinary activities	7	31,425	10,381
PROFIT FOR THE FINANCIAL YEAR		97,303	59,105

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 12 to 22 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	502,493	465,549
CURRENT ASSETS			
Stocks	9	10,792,737	10,336,278
Debtors	10	5,353,772	3,523,812
Cash at bank and in hand		1,059,895	541,689
		17,206,404	14,401,779
CREDITORS: Amounts falling due within one year	12	15,684,056	12,875,940
NET CURRENT ASSETS		1,522,348	1,525,839
TOTAL ASSETS LESS CURRENT LIABILITIES		2,024,841	1,991,388
CREDITORS: Amounts falling due after more than one year	13	296,071	359,921
		1,728,770	1,631,467
CAPITAL AND RESERVES			
Called-up equity share capital	18	9,250	9,250
Capital redemption reserve	19	700,000	600,000
Profit and loss account	20	1,019,520	1,022,217
SHAREHOLDERS' FUNDS	21	1,728,770	1,631,467

These accounts were approved by the directors and authorised for issue on 26 September 2014, and are signed on their behalf by:



G K PHILLIP

Company Registration Number: SC287764

The notes on pages 12 to 22 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	966,644	487,981
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(163,381)	(178,887)
Interest element of hire purchase	<u>(6,365)</u>	<u>(4,843)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(169,746)	(183,730)
TAXATION	(22,557)	(77,620)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(216,116)	(177,641)
Receipts from sale of fixed assets	<u>15,208</u>	<u>8,580</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(200,908)	(169,061)
CASH INFLOW BEFORE FINANCING	<u>573,433</u>	<u>57,570</u>
FINANCING		
Redemption of shares classed as financial liabilities	(100,000)	(100,000)
Capital element of hire purchase	<u>44,773</u>	<u>(24,810)</u>
NET CASH OUTFLOW FROM FINANCING	(55,227)	(124,810)
INCREASE/(DECREASE) IN CASH	<u>518,206</u>	<u>(67,240)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2013 £	2012 £
Operating profit	298,474	253,216
Depreciation	177,242	179,129
Profit on disposal of fixed assets	(13,278)	(5,487)
(Increase)/decrease in stocks	(456,459)	1,023,850
(Increase)/decrease in debtors	(1,832,370)	234,327
Increase/(decrease) in creditors	<u>2,793,035</u>	<u>(1,197,054)</u>
Net cash inflow from operating activities	<u>966,644</u>	<u>487,981</u>

The notes on pages 12 to 22 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013	2012
	£	£
Increase/(decrease) in cash in the period	518,206	(67,240)
Net cash outflow from redemption of shares classed as financial liabilities	100,000	100,000
Cash outflow in respect of hire purchase	(44,773)	24,810
	<u>573,433</u>	<u>57,570</u>
Change in net funds	573,433	57,570
Net funds at 1 January 2013	8,318	(49,252)
Net funds at 31 December 2013	<u>581,751</u>	<u>8,318</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2013	Cash flows	At 31 Dec 2013
	£	£	£
Net cash:			
Cash in hand and at bank	541,689	518,206	1,059,895
Debt:			
Debt due within 1 year	(100,000)	—	(100,000)
Debt due after 1 year	(300,000)	100,000	(200,000)
Hire purchase agreements	(133,371)	(44,773)	(178,144)
	<u>(533,371)</u>	<u>55,227</u>	<u>(478,144)</u>
Net funds	<u>8,318</u>	<u>573,433</u>	<u>581,751</u>

The notes on pages 12 to 22 form part of these financial statements.

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The directors confirm that, after making appropriate enquiries, they have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the company continues to adopt the going concern basis in preparing these Financial Statements.

Turnover

Turnover represents the invoiced amounts for the sale, repair and servicing of motor vehicles, stated net of value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	15% to 25% per annum on cost
Fixtures & Fittings	-	15% to 25% per annum on cost
Motor Vehicles	-	25% per annum on cost

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

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

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the company.

An analysis of turnover is given below:

	2013 £	2012 £
United Kingdom	42,491,166	42,200,062

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation of owned fixed assets	112,543	114,343
Depreciation of assets held under hire purchase agreements	64,699	64,786
Profit on disposal of fixed assets	(13,278)	(5,487)
Auditor's remuneration		
- as auditor	<u>15,400</u>	<u>15,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Number of administrative staff	46	46
Number of sales and service staff	139	140
	<u>185</u>	<u>186</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	4,837,145	4,757,632
Social security costs	476,686	472,680
Staff pension costs	71,040	67,062
Directors' pension costs	14,685	12,299
	<u>5,399,556</u>	<u>5,309,673</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	297,107	245,185
Value of company pension contributions to money purchase schemes	14,685	12,299
	<u>311,792</u>	<u>257,484</u>

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

5. DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	68,155	67,227
Value of company pension contributions to money purchase schemes	3,785	2,564
	<u>71,940</u>	<u>69,791</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Finance charges	6,365	4,843
Other similar charges payable	163,381	178,887
	<u>169,746</u>	<u>183,730</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2012 - 24%)	36,458	28,068
Over/under provision in prior year	(512)	-
Total current tax	35,946	28,068
Deferred tax:		
Origination and reversal of timing differences	(4,521)	(17,687)
Tax on profit on ordinary activities	<u>31,425</u>	<u>10,381</u>

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2012 - 24%).

	2013	2012
	£	£
Profit on ordinary activities before taxation	128,728	69,486
Profit on ordinary activities by rate of tax	29,607	16,677
Depreciation for period in excess of capital allowances	5,258	12,801
Non equalised proceeds	2,899	-
Tax chargeable at higher rates	405	627
Marginal rate relief	(1,711)	(2,800)
Adjustments to tax charge in respect of previous periods	(512)	-
Disallowable items	-	763
Total current tax (note 7(a))	<u>35,946</u>	<u>28,068</u>

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2013	642,980	128,217	491,577	1,262,774
Additions	36,888	4,385	174,843	216,116
Disposals	-	-	(60,018)	(60,018)
At 31 December 2013	<u>679,868</u>	<u>132,602</u>	<u>606,402</u>	<u>1,418,872</u>
DEPRECIATION				
At 1 January 2013	424,893	83,837	288,495	797,225
Charge for the year	57,915	10,678	108,649	177,242
On disposals	-	-	(58,088)	(58,088)
At 31 December 2013	<u>482,808</u>	<u>94,515</u>	<u>339,056</u>	<u>916,379</u>
NET BOOK VALUE				
At 31 December 2013	<u>197,060</u>	<u>38,087</u>	<u>267,346</u>	<u>502,493</u>
At 31 December 2012	<u>218,087</u>	<u>44,380</u>	<u>203,082</u>	<u>465,549</u>

Hire purchase agreements

Included within the net book value of £502,493 is £225,305 (2012 - £175,800) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £64,699 (2012 - £64,786).

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

9. STOCKS

	2013	2012
	£	£
Vehicles & equipment	9,482,587	8,939,456
Work in progress	237,045	150,701
Parts	1,073,105	1,246,121
	<u>10,792,737</u>	<u>10,336,278</u>

Vehicles and equipment exclude items on consignment from manufacturers, where title passes at the earlier of the date of sale or 120 days from date of consignment. After an initial interest free period, finance stocking charges are charged on all vehicle consignment stock. To include consignment stock at the year end would have the effect of increasing stock and trade creditors by £1,354,847 (2012 - £850,108).

10. DEBTORS

	2013	2012
	£	£
Trade debtors	4,239,906	2,317,125
Corporation tax repayable	—	6,931
Other debtors	1,091,658	1,182,069
Deferred taxation (note 11)	22,208	17,687
	<u>5,353,772</u>	<u>3,523,812</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2013	2012
	£	£
Included in debtors (note 10)	<u>22,208</u>	<u>17,687</u>

The movement in the deferred taxation account during the year was:

	2013	2012
	£	£
Balance brought forward	17,687	-
Profit and loss account movement arising during the year	4,521	17,687
Balance carried forward	<u>22,208</u>	<u>17,687</u>

A M PHILLIP TRUCKTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

11. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2013 £	2012 £
Excess of depreciation over taxation allowances	22,208	17,687
	<u>22,208</u>	<u>17,687</u>

12. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	12,691,235	11,392,201
Amounts owed to group undertakings	1,966,130	1,053,280
Other creditors including taxation and social security:		
Corporation tax	6,458	—
Other taxation and social security	405,695	114,312
Shares classed as financial liabilities	100,000	100,000
Hire purchase agreements	82,073	73,450
	<u>594,226</u>	<u>287,762</u>
Accruals and deferred income	432,465	142,697
	<u>15,684,056</u>	<u>12,875,940</u>

Included in Trade creditors are amounts due to FCE Bank plc and Iveco Limited in respect of stock purchases which are secured by bonds and floating charges over the whole property and undertaking, as well as a security over certain new vehicles stocks. The amount due to FCE Bank plc and Iveco Limited respectively, at the year end date was £4,713,508 (2012 - £4,256,089) and £6,361,711 (2012 - £6,002,350).

All of the securities granted by the company are the subjects of a specific ranking agreement.

13. CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Other creditors:		
Hire purchase agreements	96,071	59,921
Shares classed as financial liabilities	200,000	300,000
	<u>296,071</u>	<u>359,921</u>

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14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2013 £	2012 £
Amounts payable within 1 year	87,422	78,362
Amounts payable between 2 to 5 years	103,859	66,601
	<u>191,281</u>	<u>144,963</u>
Less interest and finance charges relating to future periods	(13,137)	(11,592)
	<u>178,144</u>	<u>133,371</u>
Hire purchase agreements are analysed as follows:		
Current obligations	82,073	73,450
Non-current obligations	96,071	59,921
	<u>178,144</u>	<u>133,371</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2013 £	2012 £
Operating leases which expire:		
Within 2 to 5 years	<u>369,000</u>	<u>348,600</u>

16. CONTINGENCIES

Along with the ultimate parent company, A.M. Phillip Limited, and a fellow subsidiary, A M Phillip Agritech Limited, the company has provided the group's bank with an unlimited inter company guarantee for all sums.

The total amount due by A.M. Phillip Limited group to Royal Bank of Scotland plc at 31 December 2013 was £2,503,697 (2012 - £2,365,874).

17. RELATED PARTY TRANSACTIONS

The company was under the control of its parent company, A.M. Phillip Limited, throughout the current and previous year.

During the year, the company was charged for management services provided by its parent company. The total charges were £1,125,255 (2012 - £1,116,648).

In addition, the company is due to pay an amount of £1,966,130 (2012 - £1,053,280) to group companies as a result of transactions undertaken in the normal course of trading. This amount has no set repayments terms and does not attract interest.

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18. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £0.01 each	925,000	9,250	925,000	9,250
Preference shares (2012 - 400,000) of £1 each	300,000	300,000	400,000	400,000
	<u>1,225,000</u>	<u>309,250</u>	<u>1,325,000</u>	<u>409,250</u>

Amounts presented in equity:

925,000 Ordinary shares of £0.01 each

2013	2012
£	£
<u>9,250</u>	<u>9,250</u>

Amounts presented in liabilities:

300,000 Preference shares (2012 - 400,000) of £1 each

2013	2012
<u>300,000</u>	<u>400,000</u>

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18. SHARE CAPITAL *(continued)*

The main rights attached to each class of share are as follows:

Dividends

The profits of the company available for distribution shall be applied first in paying to the holders of the preference shares a cumulative net cash dividend (Preference Dividend) of an amount equal to 2% above the base rate on 1 January of the preceding year of £1 per preference share per annum, to be payable annually within 28 days of the end of each financial period of the company.

Where the company has insufficient profits available for distribution and is thereby prohibited from paying dividends, the preference dividend shall be a debt due by the company and be payable in priority to any other dividend. No dividends have been paid in the year to 31 December 2013.

Return of Capital

On a return of assets on liquidation or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied:

first, in paying the holders of the preference shares a sum equal to the aggregate of (a) the amount paid up or credited as paid up on each of the preference shares held by them, and (b) an amount equal to any arrears and accruals of dividend thereon to be calculated down to the date of the return of capital, in priority to any repayment to any other shareholders; second, in paying to the holders of the ordinary shares a sum equal to the aggregate of (a) and amount paid up or credited as paid up on each of the ordinary shares held by them, and (b) an amount equal to any arrears and accruals of dividend thereon to be calculated down to the date of the return of capital; and third, in distributing the balance of such assets among the holders of the ordinary shares rateably according to the amounts paid up or credited as paid up on the shares held by them.

Voting

The preference shares shall entitle the holders thereof to receive notice of and to attend all general meetings of the members of the company and to receive copies of all circulars sent to holders of shares or debentures in the company but shall not entitle the holders by virtue of their holdings thereof to vote at any such meeting unless the preference dividend payable shall be more than six months in arrears of its payment date, in which event the preference shares shall entitle a holder present in person or by proxy at a general meeting, on a show of hands, to one vote and on a poll, to one vote for every such share of which he is the holder.

Redemption

The preference shares are due for redemption in blocks of £100,000 each on the 31st December each year, commencing on 31 December 2007 until 31 December 2016 at a redemption rate of £1 per share. If the company is prohibited from redeeming the preference shares remaining in issue on the due date for redemption, the company shall redeem those preference shares as soon as redemption becomes permissible. 100,000 preference shares were redeemed at 31 December 2013.

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19. CAPITAL REDEMPTION RESERVE

	2013	2012
	£	£
Balance brought forward	600,000	500,000
Transfer from the Profit and Loss Account	100,000	100,000
	<u>700,000</u>	<u>600,000</u>

20. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	1,022,217	1,063,112
Profit for the financial year	97,303	59,105
Transfer to capital redemption reserve	(100,000)	(100,000)
Balance carried forward	<u>1,019,520</u>	<u>1,022,217</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	97,303	59,105
Opening shareholders' funds	1,631,467	1,572,362
Closing shareholders' funds	<u>1,728,770</u>	<u>1,631,467</u>

22. ULTIMATE PARENT COMPANY

The ultimate parent company is A.M. Phillip Limited, a company registered in Scotland. The group accounts are available from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.