

Company Registration No. 00314850 (England and Wales)

**A. Andrews and Sons (Marbles and Tiles) Limited**

**Directors' Report And Financial Statements**

**For The Year Ended 31 December 2013**

TUESDAY



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# **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

## **COMPANY INFORMATION**

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**Directors**

Mr R C Horton  
Mr D M Clough  
Mr M Wilson

**Secretary**

Mr R C Horton

**Company number**

00314850

**Registered office**

324-330 Meanwood Road  
Leeds  
LS7 2JE

**Auditors**

Garbutt & Elliott LLP  
33 Park Place  
Leeds  
LS1 2RY

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# **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

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# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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### Review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face. The business continues to provide terrazzo, ceramic and marble services to the construction industry. At the year end, the net assets of the company totalled £8,006,288.

The company's turnover has again been achieved by constricting operating margins to consolidate and, where available, expand its existing market share. The majority is derived from the continued expansion of the major supermarket groups. The anticipated operating profit and profit before tax are in line with directors' expectations and these have not been achieved without formidable value engineering to counter the continued reduced margins imposed by a fiercely competitive market place.

The company operates as a link in the supply chain and continues to adapt to the changing times. Turnover and margin are, to a large degree, dependent upon clients investing in the construction sector. As the overall level of investment decreases in the industry as a whole, competition increases within the areas where business is available and maintaining turnover and margin becomes ever challenging.

We consider that the key performance indicators; turnover, gross margin and return on capital employed have communicated the continued strength of the company in a continually depressed market sector. The net assets of the company have remained above £8m after paying the annual 2012 dividend.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means they are not subject to a price risk or liquidity risk.



Mr R C Horton

Director

12/6/14

# **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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

### **Principal activities**

The principal activity of the company is installing terrazzo, ceramic and natural stone floor and wall finishes.

### **Results and dividends**

The results for the year are set out on page 6.

The directors recommend a final ordinary dividend of £10 per Ordinary share and 'A' to 'E' Ordinary share (2012 - £10 per Ordinary share).

The directors recommend that the retained profit (before dividends) of £299,700 is taken to reserves.

### **Market value of land and buildings**

The directors are of the opinion that the current market value of the land and buildings for current use is in excess of the net book value but, as a valuation has not been obtained, they are unable to quantify the excess.

### **Future developments**

The directors, where economically viable, will adhere to the planned strategies and react to market changes to ensure the continued stability and strength of the company, enabling it to take advantage of the opportunities as they occur in a continuing economically challenging marketplace.

The continued development of the company in the market place remains a key focus of the directors to maintain where possible its position in a challenging economy, whilst ensuring that the focus on quality and service is not compromised by price.

### **Directors**

The following directors have held office since 1 January 2013:

Mr R C Horton  
Mr D M Clough  
Mr M Wilson

### **Auditors**

The auditors, Garbutt & Elliott LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

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### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr R C Horton

Director

12/6/14

# **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

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We have audited the financial statements of A. Andrews and Sons (Marbles and Tiles) Limited for the year ended 31 December 2013 set out on pages 6 to 19. 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 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 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 Directors' Responsibilities Statement set out on pages 2 - 3, 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 Annual 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF A. ANDREWS AND SONS (MARBLES AND TILES) 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.



**Mr Richard Green (Senior Statutory Auditor)**  
**for and on behalf of Garbutt & Elliott LLP**

16 June 2014

**Chartered Accountants**  
**Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY



# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	9,939,387	9,135,579
Cost of sales		(8,199,724)	(7,198,530)
<b>Gross profit</b>		<b>1,739,663</b>	<b>1,937,049</b>
Administrative expenses		(1,536,299)	(1,952,577)
Other operating income		30,560	23,717
<b>Operating profit</b>	<b>3</b>	<b>233,924</b>	<b>8,189</b>
Investment income	4	241,090	20,459
Other interest receivable and similar income	4	26,761	43,768
Amounts written off investments	5	(174,307)	(26,000)
<b>Profit on ordinary activities before taxation</b>		<b>327,468</b>	<b>46,416</b>
Tax on profit on ordinary activities	6	(27,768)	(33,971)
<b>Profit for the year</b>	<b>17</b>	<b>299,700</b>	<b>12,445</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

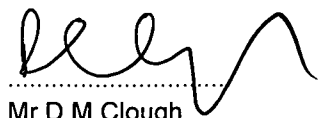
There are no recognised gains and losses other than those passing through the profit and loss account.

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

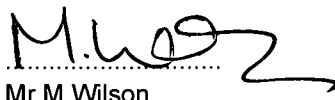
## BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	9	1,054,866		900,091	
Investments	10	2,895,005		3,063,382	
		<u>3,949,871</u>		<u>3,963,473</u>	
<b>Current assets</b>					
Stocks	11	860,718		598,276	
Debtors: amounts falling due within one year	12	4,982,017		5,517,077	
Debtors: amounts falling due after more than one year	12	-		108,600	
Cash at bank and in hand		2,518,632		1,889,972	
		<u>8,361,367</u>		<u>8,113,925</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,304,950)</u>		<u>(4,073,851)</u>	
<b>Net current assets</b>		<u>4,056,417</u>		<u>4,040,074</u>	
<b>Total assets less current liabilities</b>		<u>8,006,288</u>		<u>8,003,547</u>	
<b>Capital and reserves</b>					
Called up share capital	15	6,017		6,017	
Other reserves	17	10,464		10,464	
Profit and loss account	17	7,989,807		7,987,066	
<b>Shareholders' funds</b>	16	<u>8,006,288</u>		<u>8,003,547</u>	

Approved by the Board and authorised for issue on 12/6/14



Mr D M Clough  
Director



Mr M Wilson  
Director

Company Registration No. 00314850

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	£	2013 £	£	2012 £
<b>Net cash inflow/(outflow) from operating activities</b>		910,185		(726,266)
<b>Returns on investments and servicing of finance</b>				
Interest received	26,761		43,768	
Dividends received	4,472		4,359	
Dividends received from participating interests	239,388		26,000	
<b>Net cash inflow for returns on investments and servicing of finance</b>		270,621		74,127
<b>Taxation</b>		(12,894)		(36,029)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(260,310)		(142,027)	
Payments to acquire investments	(195,450)		(190,273)	
Receipts from sales of tangible assets	26,717		29,459	
Receipts from sales of investments	186,750		197,233	
<b>Net cash outflow for capital expenditure</b>		(242,293)		(105,608)
<b>Equity dividends paid</b>		(296,959)		(116,392)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		628,660		(910,168)
<b>Increase/(decrease) in cash in the year</b>		628,660		(910,168)

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

<b>1</b>	<b>Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>	<b>2013</b>	<b>2012</b>		
		<b>£</b>	<b>£</b>		
	Operating profit	233,924	8,189		
	Depreciation of tangible assets	90,202	115,674		
	Profit on disposal of tangible assets	(11,384)	(9,976)		
	(Increase)/decrease in stocks	(262,442)	321,048		
	Decrease/(increase) in debtors	643,660	(1,201,754)		
	Increase in creditors within one year	216,225	40,553		
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>910,185</b>	<b>(726,266)</b>		
<b>2</b>	<b>Analysis of net funds</b>	<b>1 January 2013</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 December 2013</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash:				
	Cash at bank and in hand	1,889,972	628,660	-	2,518,632
	Bank deposits	-	-	-	-
	<b>Net funds</b>	<b>1,889,972</b>	<b>628,660</b>	<b>-</b>	<b>2,518,632</b>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2013</b>	<b>2012</b>		
		<b>£</b>	<b>£</b>		
	Increase/(decrease) in cash in the year	628,660	(910,168)		
	<b>Movement in net funds in the year</b>	<b>628,660</b>	<b>(910,168)</b>		
	Opening net funds	1,889,972	2,800,140		
	<b>Closing net funds</b>	<b>2,518,632</b>	<b>1,889,972</b>		

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Nil (see below)
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	10% and 20% straight line
Motor vehicles	20% straight line

The freehold property is maintained to a high standard and depreciation is not provided on the property as in the directors opinion, the residual value is equal to the carrying value in the accounts. This accounting treatment is not in accordance with FRS 15. The directors are of the opinion that to comply with the standard would not show a true and fair view of the company's financial position. The applicable annual charge based on a 50 year economic useful life is £8,800.

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

#### 1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 1 Accounting policies (Continued)

#### 1.11 Group accounts

Group accounts have not been prepared as the subsidiary is dormant and not material to the group.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2013 £	2012 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	90,202	115,674
	Operating lease rentals	37,463	36,233
	Auditors' remuneration (including expenses and benefits in kind)	8,000	8,000
	and after crediting:		
	Profit on disposal of tangible assets	(11,384)	(9,976)
		<u>          </u>	<u>          </u>
4	Investment income	2013 £	2012 £
	Income from participating interests	239,388	26,000
	Income from other fixed asset investments	1,702	(5,541)
	Bank interest	26,761	43,768
		<u>          </u>	<u>          </u>
		267,851	64,227
		<u>          </u>	<u>          </u>
5	Amounts written off investments	2013 £	2012 £
	Amounts written off fixed asset investments:		
	- permanent diminution in value	174,307	26,000
		<u>          </u>	<u>          </u>

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	25,364	11,598
	Adjustment for prior years	2,404	22,373
	<b>Total current tax</b>	<u>27,768</u>	<u>33,971</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>327,468</u>	<u>46,416</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	<u>65,494</u>	<u>9,283</u>
	Effects of:		
	Non deductible expenses	732	6,277
	Depreciation add back	18,040	23,135
	Capital allowances	(41,620)	(21,025)
	Adjustments to previous periods	2,404	22,373
	Dividends and distributions received	(48,772)	(6,072)
	Other tax adjustments	31,490	-
		<u>(37,726)</u>	<u>24,688</u>
	<b>Current tax charge for the year</b>	<u>27,768</u>	<u>33,971</u>
7	<b>Dividends</b>	<b>2013 £</b>	<b>2012 £</b>
	Ordinary interim paid	<u>296,959</u>	<u>116,392</u>

The directors are proposing a final dividend in respect of the financial year ending 31 December 2013 of £10 per Ordinary share and 'A' to 'E' Ordinary share (2012 - £10 per Ordinary share).

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2013 & at 31 December 2013	30,000
<b>Amortisation</b>	
At 1 January 2013 & at 31 December 2013	30,000
<b>Net book value</b>	
At 31 December 2013	-
At 31 December 2012	-

### 9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2013	505,622	674,064	193,896	574,851	1,948,433
Additions	28,562	46,885	36,205	148,658	260,310
Disposals	-	-	-	(150,233)	(150,233)
At 31 December 2013	534,184	720,949	230,101	573,276	2,058,510
<b>Depreciation</b>					
At 1 January 2013	-	470,636	143,319	434,387	1,048,342
On disposals	-	-	-	(134,900)	(134,900)
Charge for the year	-	34,842	14,040	41,320	90,202
At 31 December 2013	-	505,478	157,359	340,807	1,003,644
<b>Net book value</b>					
At 31 December 2013	534,184	215,471	72,742	232,469	1,054,866
At 31 December 2012	505,622	203,428	50,577	140,464	900,091



# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Fixed asset investments

	Listed investments £	Shares in participating interests £	Shares in group undertakings £	Total £
<b>Cost</b>				
At 1 January 2013	1,515,917	499,000	1,074,465	3,089,382
Additions	186,750	-	8,700	195,450
Disposals	(189,520)	-	-	(189,520)
At 31 December 2013	1,513,147	499,000	1,083,165	3,095,312
<b>Provisions for diminution in value</b>				
At 1 January 2013	-	26,000	-	26,000
Charge for the year	-	174,307	-	174,307
At 31 December 2013	-	200,307	-	200,307
<b>Net book value</b>				
At 31 December 2013	1,513,147	298,693	1,083,165	2,895,005
At 31 December 2012	1,515,917	473,000	1,074,465	3,063,382
	<b>Market value £</b>			<b>Market value £</b>
At 31 December 2013	1,738,580			1,738,580
At 31 December 2012	1,649,537			1,649,537

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
A Andrews Trustee Limited	England	Ordinary	100.00
<b>Participating interests</b>			
Kengate Terrazzo Limited	England	Ordinary	50.00
Kengate Holdings Limited	England	Ordinary	50.00

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2013 £	Profit/(loss) for the year 2013 £
A Andrews Trustee Limited	Dormant	1	-
Kengate Terrazzo Limited	Dormant	2	(222)
Kengate Holdings Limited	Holding company	597,384	135,000

### 11 Stocks and work in progress

	2013 £	2012 £
Work in progress	660,594	371,611
Finished goods and goods for resale	200,124	226,665
	<u>860,718</u>	<u>598,276</u>

### 12 Debtors

	2013 £	2012 £
Trade debtors	3,886,529	4,380,898
Other debtors	1,042,133	1,162,982
Prepayments and accrued income	53,355	81,797
	<u>4,982,017</u>	<u>5,625,677</u>

Amounts falling due after more than one year and included in the debtors above are:

	2013 £	2012 £
Other debtors	-	108,600

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	2,647,362	2,438,122
Corporation tax	25,364	10,490
Other taxes and social security costs	561,399	487,911
Other creditors	1,040,138	1,040,138
Accruals and deferred income	30,687	97,190
	<u>4,304,950</u>	<u>4,073,851</u>

### 14 Pension and other post-retirement benefit commitments Defined contribution

The company operates a defined contribution 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.

	2013 £	2012 £
Contributions payable by the company for the year	<u>108,391</u>	<u>96,951</u>

15 Share capital	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
6,017 Ordinary shares of £1 each	<u>6,017</u>	<u>6,017</u>

On 19 July 2013 the company passed a resolution, reclassifying 5 'C' Ordinary Shares of £1 each into 5 'G' Ordinary Shares of £1 each, and 5 'D' Ordinary Shares of £1 each into 5 'H' Ordinary Shares of £1 each. All shares rank pari passu with all existing shares in issue.

16 Reconciliation of movements in shareholders' funds	2013 £	2012 £
Profit for the financial year	299,700	12,445
Dividends	(296,959)	(116,392)
	<u>2,741</u>	<u>(103,947)</u>
Net addition to/(depletion in) shareholders' funds		
Opening shareholders' funds	<u>8,003,547</u>	<u>8,107,494</u>
Closing shareholders' funds	<u>8,006,288</u>	<u>8,003,547</u>

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 17 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2013	10,464	7,987,066
Profit for the year	-	299,700
Dividends paid	-	(296,959)
Balance at 31 December 2013	10,464	7,989,807
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 January 2013 & at 31 December 2013	10,464	

### 18 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Between two and five years	32,843	-
In over five years	-	32,843
	32,843	32,843

### 19 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	39,561	359,207
Company pension contributions to defined contribution schemes	60,164	56,228
Pensions to former directors	20,236	20,111
	119,961	435,546

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2012 - 3).

# A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Contracts, stores and distribution	63	68
Administration	29	28
	<u>92</u>	<u>96</u>

#### Employment costs

	2013 £	2012 £
Wages and salaries	2,492,812	2,620,362
Social security costs	246,984	277,386
Other pension costs	128,627	117,062
	<u>2,868,423</u>	<u>3,014,810</u>

### 21 Control

In the opinion of the directors, there is no controlling party.

### 22 Related party relationships and transactions

#### Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2013 £	2012 £
Mr D M Clough	63,797	170
Mr M Wilson	72,325	255
Mr R C Horton	64,371	-
	<u>200,493</u>	<u>425</u>

# **A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **22 Related party relationships and transactions**

**(Continued)**

#### **Employee Benefit Trust (EBT)**

In 1999, an EBT was set up by the company in order to benefit its present and future employees.

The trustee of the EBT is A Andrews Trustee Limited, a 100% subsidiary of the company. In accordance with FRS 5 and UITF 13, the purchase of shares in the company by the EBT is shown in the balance sheet as a fixed asset.

At the balance sheet date, the EBT owed the company £1,040,138 (2012 - £1,040,138), which is included within Debtors; other debtors.

#### **Quiligotti Terrazzo Tiles Limited (Quiligotti)**

Quiligotti is a subsidiary of QTL Holdings Limited, which is a subsidiary of Kengate Holdings Limited. Kengate Holdings Limited is jointly owned by A. Andrews and Sons (Marbles and Tiles) Limited and DMC Rail Limited. During the year, the company made sales to, and purchases, from Quiligotti amounting to £33,588 (2012 - £72,118) and £635,492 (2012 - £748,561) respectively. At the balance sheet date, Quiligotti owed the company £nil (2012 - £108,600), which is included within Debtors; other debtors, and was owed £93,051 (2012 - £77,573) by A. Andrews and Sons (Marbles and Tiles) Limited, which is included in Creditors; amounts due in less than one year, trade creditors. A Andrews and Sons (Marbles and Tiles) Limited has agreed to provide security of £67,500 (2012 - £nil) over a loan taken by Quiligotti during the year.

#### **Kengate Holdings Limited**

During the year, the company received dividends amounting to £236,808 (2012 - £nil) from Kengate Holdings Limited, a company in which it controls 50% of the share capital.

#### **Kengate Terrazzo Limited**

During the year, the company received dividends amounting to £2,580 (2012 - £26,000) from Kengate Terrazzo Limited, a company in which it controls 50% of the share capital.