Company Registration No. 01172728 (England and Wales)

PAUL MURRAY PLC

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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PAUL MURRAY PLC

COMPANY INFORMATION

Directors	P T Murray K J Murray N B Hayton S C Coatham M Cox C Murray G L Robertson T Eastwood M J Murray
Secretary	S C Coatham
Company number	01172728
Registered office	School Lane Chandlers Ford Eastleigh Hampshire SO53 4YN
Auditors	Baker Tilly UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

PAUL MURRAY PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Principal activities and business review
The principal activity of the company during the year was the importing, distribution, wholesaling and packing of health, beauty and nursery products.

In the year the company achieved sales of £16,325,712 (2013 £18,109,647) a decrease of 9.8% on the previous year. This decrease is however largely due to a change in the company's relationship with its largest supplier. On 1 September 2014, the company became an agent of this supplier and, from that date, all sales made of its products were made as an agent and thus included in the company's turnover only to the extent of commission earned on those sales. This resulted in a decrease in reported turnover for the year and to the company's stock, trade debtors and trade creditors which did, however, result in improved cash flow. The sales total including the agency sales were £17,300,023.

The directors continue to adopt a going concern basis in preparing the financial statements.

Principal risks and uncertainties

The company continues to source a significant amount of its stock from the Far East and is active in maintaining margins by managing the cost of stock and stock levels. The movement of sterling against major world currencies continues to be a significant concern for the company and in 2014 the overall trend lines for the US dollar and the euro were disadvantageous to the company. At the end of the year, the directors decided that, in view of the likely volatility in the US dollar rates in 2015, the company would be best protected by entering into forward currency contracts to cover a significant part of its US dollar risk in 2015.

The directors will continue to seek to expand the company's product range and customer base to ensure the company remains in a strong position to capitalise on its investment in the business operational framework, to take advantage of market improvements and to withstand any external economic pressures.

Key performance indicators ("KPIs")

The key financial highlights of the company's activities are:

	2014	2013	2012	2011	2010
Turnover	16,325,712	18,109,647	16,369,066	11,769,421	9,778,661
Gross profit margin	30.9%	30.9%	31.9%	34.7%	36.7%
Profit before tax	947,357	1,210,043	1,006,689	559,736	301,064

The company's ongoing strategies are to improve turnover, to protect and increase its share of the market together with protecting margins. In 2014 the company consolidated its position as a leading supplier of health, beauty and nursery products to pharmacy, the High Street, online and other markets and the directors consider it is now on course to take full advantage of that position and the agency contract referred to above in 2015.

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for, and 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 statements concerned is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between long term loans and the use of overdrafts at floating rates of interest.

The interest rate on the loans from financial institutions is variable but monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed, in respect of credit and cash flow risk, by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

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

Policy on the payment of creditors

Payment is generally made by the company to its creditors in accordance with agreed terms of business. It is the policy of the company that all invoices issued by suppliers are paid within 30 days following the end of the month in which the invoices are received. In the case of certain overseas suppliers, the terms of business with the company are such that payments may be made at an earlier time. The total amount of trade creditors as at 31 December 2014 represents 19 days (2013 - 34 days) as a proportion of the amount invoiced by suppliers during the year ended on that date. It is not the company's policy to follow any code or standard on payment practice.

On behalf of the board

....
P T Murray
Director
17.4.15

PAUL MURRAY PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends
The company's trading profit for the year, after taxation, was £734,981 (2013 profit £924,910).

Particulars of dividends paid are detailed in note 8 to the financial statements.

Future developments
The company has had marked success over the last few years in distributing UK branded goods to its customers. Albeit that this leads to a reduction in overall gross profit margins in percentage terms, they add to the profitability of the company. The company is also looking to increase the distribution of its own brands, which contribute significantly to the company's profitability.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P T Murray
K J Murray
N B Hayton
S C Coatham
M Cox
C Murray
G L Robertson
T Eastwood
M J Murray

Auditors
Baker Tilly UK Audit LLP are deemed to be reappointed under section 487(2) of the companies Act 2006.

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.

Strategic report
In accordance with the Companies Act 2006, s414C(11), information in respect of business activities and risk are shown within the Strategic Report on pages 1 and 2.

On behalf of the board

....
P T Murray
Director
17.4.15

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAUL MURRAY PLC

We have audited the financial statements set out on pages 6 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

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 2014 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 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.

Baker Tilly UK Audit LLP.

Michaela Johns (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP , Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY
21.4.15

PAUL MURRAY PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	16,325,712	18,109,647
Cost of sales		(11,277,218)	(12,511,844)
Gross profit		5,048,494	5,597,803
Distribution costs		(2,781,966)	(2,877,092)
Administrative expenses		(1,278,271)	(1,440,438)
Operating profit		988,257	1,280,273
Interest payable and similar charges	3	(40,900)	(70,230)
Profit on ordinary activities before taxation	4	947,357	1,210,043
Tax on profit on ordinary activities	7	(212,376)	(285,133)
Profit for the financial year	19	734,981	924,910

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

PAUL MURRAY PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
Profit for the financial year	734,981	924,910
Unrealised (deficit) / surplus on revaluation of properties	(65,858)	206,500
Total recognised gains and losses relating to the year	669,123	1,131,410

Note of historical cost profits and losses

	2014 £	2013 £
Profit on ordinary activities before taxation	947,357	1,210,043
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	3,987	(116)
Historical cost profit on ordinary activities before taxation	951,344	1,209,927
Historical cost profit for the year retained after taxation, extraordinary items and dividends	436,489	711,820

Company Registration No. 01172728

PAUL MURRAY PLC

BALANCE SHEET
AS AT 31 DECEMBER 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		101,073		116,623
Tangible assets	10		1,671,342		1,760,764
Investments	11		1		1
			1,772,416		1,877,388
Current assets					
Stocks	12	2,641,150		4,251,553	
Debtors	13	1,970,183		3,594,758	
Cash at bank and in hand		223,308		164,433	
		4,834,641		8,010,744	
Creditors: amounts falling due within one year	14	(1,744,091)		(5,276,192)	
Net current assets			3,090,550		2,734,552
Total assets less current liabilities			4,862,966		4,611,940
Creditors: amounts falling due after more than one year	15		(492,985)		(608,603)
Net assets			4,369,981		4,003,337
Capital and reserves					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		525,210		595,055
Profit and loss account	19		3,744,771		3,308,282
Shareholders' funds	20		4,369,981		4,003,337

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 17.4.15 and are signed on its behalf by:

....

P T Murray

Director

PAUL MURRAY PLC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	24	2,371,297	843,914
Returns from investment and servicing of finance	24	(40,900)	(70,230)
Taxation		(269,140)	(276,858)
Capital expenditure and financial investment	24	(186,909)	(202,638)
Equity dividends		(302,479)	(212,974)
Cash inflow before management of liquid resources and financing		1,571,869	81,214
Financing	24	(108,461)	(102,950)
Increase/(decrease) in cash in the year		1,463,408	(21,736)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	2014 £	2013 £
Increase/(decrease) in cash in the year		1,463,408	(21,736)
Net cash inflow from movement in debt		108,461	102,950
Change in net debt resulting from cash flows		1,571,869	81,214
Movement in net debt in the year		1,571,869	81,214
Opening net debt		(2,110,243)	(2,191,457)
Closing net debt	24	(538,374)	(2,110,243)

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards. The going concern basis of accounting has been applied, this is considered to be appropriate by the directors as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Consolidation
In the opinion of the directors, the subsidiary undertaking is not material for the purpose of giving a true and fair view. The company has therefore taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts. These accounts present information about the company as an individual undertaking and not about its group.

Turnover
The turnover shown in the profit & loss account relates to the amounts receivable for the sale of non-pharmaceutical products, surgical goods, cosmetics, fragrances, and toiletries exclusive of Value Added Tax. Revenue is recognised when the risks and rewards related to the product have transferred to the customer, which is at the point the product is dispatched.

During the year, the company entered into an agreement with a supplier to act as their agent in the supply of their goods. Commission is receivable in respect of sales made and recognised within turnover shown in the profit and loss account. Revenue is recognised at the point of dispatch of the product.

Goodwill
Goodwill on acquisitions, being the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of the net assets acquired, is capitalised and amortised over its useful economic life on a straight line basis.

Amortisation
Amortisation is calculated as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Goodwill	20 years straight line

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost, being purchase price together with any incidental costs of acquisition, less accumulated depreciation, except for freehold land & buildings which are held at valuation. Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold property	2% straight line
Equipment	25% straight line
Fixtures and fittings	25% reducing balance and 33.33% straight line
Motor vehicles	25% reducing balance

1 Accounting policies (Continued)

The company has adopted a policy of revaluation in respect of freehold land and buildings. Freehold land is not depreciated.

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer is made from the revaluation reserve to the profit and loss reserve.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Leasing

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.

Investments

Fixed asset investments are stated at cost, being purchase price, less any provision for permanent diminution in value.

Stock

Stocks are valued at the lower of cost, and net realisable value. Cost is determined using the weighted average cost basis and provision is made for obsolete and slow moving items.

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 in accordance with the rules of the fund. The assets of the scheme are held separately from these of the company in an independently administered fund.

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 tax or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax assets are recognised only to the extent that the directors consider it 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 recognised have not been discounted.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1 Accounting policies (Continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. 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 and profit on ordinary activities before taxation

	Turnover 2014	2013
	£	£
Class of business		
Sale of goods	16,027,280	18,109,647
Commission	298,432	-
	16,325,712	18,109,647

Geographical market

	2014	2013
	£	£
United Kingdom	15,708,279	17,322,729
Europe	513,580	675,269
Rest of the World	103,853	111,649
	16,325,712	18,109,647

3 Interest payable and similar charges	2014	2013
	£	£
On bank loans and overdrafts	40,900	70,230

4 Profit on ordinary activities before taxation	2014	2013
	£	£
Profit on ordinary activities before taxation is stated after charging/ (crediting):		
Amortisation of intangible assets	15,550	15,551
Depreciation of tangible fixed assets		
- owned	207,980	196,137
Loss on disposal of tangible assets	2,493	-
Operating lease rentals		
- Plant and machinery	146,634	131,008
- Other assets	118,182	118,182

4 Profit on ordinary activities before taxation

	2014	2013
	£	£
Auditors' remuneration		
Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services were as follows		
Audit services		
- statutory audit of financial statements	18,200	17,300
Non audit services		
- for other services	3,550	2,750
	21,750	20,050

5 *Employees*

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

	2014 Number	2013 Number
Number of operations staff	55	55
Number of administrative staff	11	12
Number of directors	9	9
	75	76

Employment costs	2014 £	2013 £
Wages and salaries	2,347,612	2,457,422
Social security costs	221,699	332,827
Other pension costs	49,026	108,610
	2,618,337	2,898,859

6 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	549,291	840,994
Company contributions to money purchase pension schemes	12,807	19,933
	562,098	860,927

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2013 - 7).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2014	2013
Remuneration for qualifying services	142,404	170,526

7 Tax on profit on ordinary activities

	2014	2013
	£	£
Current tax		
U.K. corporation tax	195,362	269,140
Adjustment in respect of prior years	-	(4,511)
Total current tax	195,362	264,629
Deferred tax		
Origination and reversal of timing differences	17,014	20,504
Total tax on profit on ordinary activities	212,376	285,133

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (21%). The differences are explained below:

	2014	2013
Profit on ordinary activities before taxation	947,357	1,210,043
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.00%)	203,587	278,310
Effects of:		
Expenses not deductible for tax purposes	1,022	5,921
Capital allowances in excess of depreciation	9,597	(15,350)
Tax chargeable at lower rates	(2,169)	(3,546)
Other short term timing differences	(16,675)	(706)
	(8,225)	(13,681)
Current tax charge for the year	195,362	264,629

8 Dividends

	2014	2013
	£	£
Interim dividends paid on ordinary shares	302,479	212,974

9 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2014 & at 31 December 2014	311,009
Amortisation	
At 1 January 2014	194,386
Charge for the year	15,550
At 31 December 2014	209,936
Net book value	
At 31 December 2014	101,073
At 31 December 2013	116,623

10 Tangible fixed assets

	Freehold property	Equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2014	1,437,404	515,676	936,440	128,528	3,018,048
Additions	5,649	33,093	84,091	69,270	192,103
Revaluation	(143,053)	-	-	-	(143,053)
Disposals	-	-	(68,875)	(19,436)	(88,311)
At 31 December 2014	1,300,000	548,769	951,656	178,362	2,978,787
Depreciation					
At 1 January 2014	48,361	418,043	686,399	104,481	1,257,284
Revaluation	(77,195)	-	-	-	(77,195)
On disposals	-	-	(68,875)	(11,749)	(80,624)
Charge for the year	28,834	43,238	123,467	12,441	207,980
At 31 December 2014	-	461,281	740,991	105,173	1,307,445
Net book value					
At 31 December 2014	1,300,000	87,488	210,665	73,189	1,671,342
At 31 December 2013	1,389,043	97,633	250,041	24,047	1,760,764

10 Tangible fixed assets (Continued)

Comparable historical cost for tangible fixed assets included at valuation:

	Freehold property £
At cost	1,242,354
Aggregate depreciation	(431,651)
Net book value	
At 31 December 2014	810,703
At 31 December 2013	829,901

Freehold properties were revalued to £1,300,000 during 2014 by Primmer Olds LLP, Chartered Surveyors, on the basis of open market value for existing use. This has resulted in a decrease in value of £65,858.

11 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2014 & at 31 December 2014	11,000
Provisions for diminution in value	
At 1 January 2014 & at 31 December 2014	10,999
Net book value	
At 31 December 2014	1
At 31 December 2013	1

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	%
Subsidiary undertakings			
Miner's International Limited	England and Wales	Ordinary shares	100.00

11 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 2014 £	Profit/(loss) for the year 2014 £
Miner's International Limited	Dormant	1	-

The subsidiary is not material for the purpose of giving a true and fair view. The company has therefore taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts.

12 Stocks

	2014 £	2013 £
Finished goods and goods for resale	2,641,150	4,251,553

13 Debtors

	2014 £	2013 £
Trade debtors	1,771,345	3,184,703
Other debtors	30,315	223,269
Prepayments and accrued income	152,217	153,466
Deferred tax asset (see note 16)	16,306	33,320
	1,970,183	3,594,758

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	268,697	1,666,073
Trade creditors	507,241	1,844,768
Amounts owed to group undertakings	1	1
Corporation tax	195,362	269,140
Other taxation and social security costs	298,235	322,400
Accruals and deferred income	474,555	1,173,810
	1,744,091	5,276,192

Bank loans and overdrafts are secured by a debenture, and a first legal charge over the company's freehold land and buildings.

The bank loan expires on the 17 January 2023 and interest is charged per annum at 2.65% above the Bank of England base rate.

A balance of £158,194 (2013 - 1,305,016) owing to Barclays Bank PLC, in relation to invoice discounting facilities, is secured on the debtors to which it relates. This amount is included within bank overdrafts.

15 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Bank loans	492,985	608,603

Included in the above are the following:

Analysis of debt maturity
Amounts payable:

	2014 £	2013 £
In more than one year but not more than two years	113,292	106,641
In more than two years but not more than five years	357,320	340,753
In five years or more	22,373	161,209
	492,985	608,603

Bank loans are secured by a debenture, and a first legal charge over the company's freehold land and buildings.

The bank loan expires on the 17 January 2023 and interest is charged per annum at 2.65% above the Bank of England base rate.

16 Provisions for liabilities

The deferred tax asset (included in debtors, note 13) is made up as follows:

	2014
	£
Balance at 1 January 2014	(33,320)
Profit and loss account	17,014
Balance at 31 December 2014	(16,306)

	2014	2013
	£	£
Accelerated capital allowances	4,557	3,088
Other timing differences	(20,863)	(36,408)
	(16,306)	(33,320)

17 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The pension cost charge represents the amounts payable by the company to the fund. Contributions of £11,245 (2013 - £12,055) were due at the balance sheet date and are included within accruals.

	2014	2013
	£	£
Contributions payable by the company for the year	49,026	108,610

18 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
49,538 Ordinary £1 shares - Class A shares of £1 each	49,538	49,538
18,500 Ordinary £1 shares - Class B shares of £1 each	18,500	18,500
31,962 Ordinary £1 shares - Class C shares of £1 each	31,962	31,962
	100,000	100,000

Each share is entitled to one vote in any circumstance. All classes of shares rank equally on a winding up of the company. Dividends on each class of share are voted separately. If any share of the A or B class is sold or ownership transferred, the share becomes a C ordinary share.

19 Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2014	595,055	3,308,282
Profit for the year	-	734,981
Transfer from revaluation reserve to profit and loss account	(3,987)	3,987
Dividends paid	-	(302,479)
Revaluation during the year	(65,858)	-
Balance at 31 December 2014	525,210	3,744,771

20 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	734,981	924,910
Dividends	(302,479)	(212,974)
	432,502	711,936
Other recognised gains and losses	(65,858)	206,500
Net addition to shareholders' funds	366,644	918,436
Opening shareholders' funds	4,003,337	3,084,901
Closing shareholders' funds	4,369,981	4,003,337

21 Commitments under operating leases

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	63,157	40,037
Between two and five years	118,182	118,182	150,387	111,919
	118,182	118,182	213,544	151,956

22 Transactions with directors

During the year, dividends were issued to directors with Class B shares and Class C shares of £216,697 (2013 - £158,182) and £82,782 (2013 - £54,792) respectively.

All dividends were paid during the year.

23 Control

The company is controlled by P T Murray and K J Murray, directors of the company, by virtue of their majority shareholding.

24 Notes to the cash flow statement

Reconciliation of operating profit to net cash outflow from operating activities	**2014**	**2013**
	£	**£**
Operating profit	988,257	1,280,273
Depreciation of tangible assets	207,980	196,137
Amortisation of intangible assets	15,550	15,551
Loss on disposal of tangible assets	2,493	-
Decrease/(increase) in stocks	1,610,403	(392,285)
Decrease/(increase) in debtors	1,607,561	(317,271)
(Decrease)/Increase in creditors	(2,060,947)	61,509
Net cash inflow from operating activities	2,371,297	843,914

Analysis of cash flows for headings netted in the cash flow statement

	2014	**2013**
	£	**£**
Returns on investments and servicing of finance		
Interest paid	(40,900)	(70,230)
Net cash outflow for returns on investments and servicing of finance	(40,900)	(70,230)
Capital expenditure and financial investment		
Purchase of tangible assets	(192,103)	(203,371)
Receipts from sale of tangible assets	5,194	733
Net cash outflow from capital expenditure & financial investment	(186,909)	(202,638)
Financing		
Repayments of long term loans	(108,461)	(102,950)
Net cash outflow from financing	(108,461)	(102,950)

24 Notes to the cash flow statement (Continued)

Analysis of net debt

	1 January 2014	Cash flow	Non cash movements	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	164,433	58,875	-	223,308
Bank overdrafts	(1,562,727)	1,404,533	-	(158,194)
	(1,398,294)	1,463,408	-	65,114
Debt:				
Debts falling due within one year	(103,346)	103,346	(110,503)	(110,503)
Debts falling due after one year	(608,603)	5,115	110,503	(492,985)
	(711,949)	108,461	-	(603,488)
Net debt	(2,110,243)	1,571,869	-	(538,374)

25 Related party relationships and transactions

At the year end £1 (2013 - £1) was owed to the subsidiary company, Miner's International Limited. This is included within amounts owed to group undertakings.