

Abbreviated Accounts
for the Year Ended 31 December 2013
for
J G Paxton & Sons Limited

TUESDAY



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for the Year Ended 31 December 2013**

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J G Paxton & Sons Limited
Company Information
for the Year Ended 31 December 2013

DIRECTORS:

W J Paxton
Mrs C P Paxton
P J Tallentire

SECRETARY:

W J Paxton

REGISTERED OFFICE:

Abbey Road
Pity Me
Co. Durham
DH1 5DQ

REGISTERED NUMBER:

01696152 (England and Wales)

AUDITORS:

J. N. Straughan & Co.
Statutory Auditors
Fram Well House
Framwelgate
Durham
Co. Durham
DH1 5SU

**Strategic Report
for the Year Ended 31 December 2013**

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

REVIEW OF BUSINESS

2013 was a very trying year for our company. The problem of excessive stocks of second hand machinery caused by Government meddling with the Capital Investment Allowance in 2012 impacted detrimentally on our cash flow for the first quarter. Additionally many of our customers began the year concerned over the state of their crops due to the consistent bad weather and they were reluctant to commit to new machinery. Other customers suffered significant livestock losses due to the bad weather and also had to commit to buying other items such as feed rather than machinery to prevent further losses to their livestock.

Despite the problems we were still able to post a positive figure in terms of profit which was pleasing as many other similar companies will have struggled to do so.

Our major brands continued to improve in terms of quality and profitability and because of this we were able to retain and grow our market share. Our service and parts departments continued to succeed and this is in the face of manufacturers continuing to squeeze warranty procedures.

We also completed a major renovation of our newly acquired premises at Bentham. This renovation has equipped Bentham Depot for years to come and we were delighted with the performance of that Depot in its first full year of being part of our company.

Looking ahead we feel better placed to have a really successful 2014. We are more streamlined and focused on key areas and have actively reduced our machinery stock holding to improve our cash flow. We have also secured extra funding via a bank switch which will be finalised in April 2014.

The Company's key financial performance indicators for the year were:

	2013	2012	% Movement
Turnover	19,241,326	19,015,059	1.01%
Operating Profit	123,600	233,986	(47.18)%
Profit after Taxation	49,748	138,706	(64.13)%
Shareholders' Funds	4,324,779	4,275,031	1.16%

PRINCIPAL RISKS AND UNCERTAINTIES

With the weather and world grain prices being our chief risks we are confident that we can use our experience to overcome any challenges that may come our way.

Price Risk, Credit Risk, Liquidity Risk and Cash Flow Risk.

We operate in a difficult market sector and our biggest risk to cash flow is if we do not control unsold new stock and also the level of trade in stock. Manufacturers are themselves constrained by cash flow and so are more determined than ever to press for payments on due dates. Basic policies of targeting and securing sales in advance guard against such risk. We also have invested in our computer system to minimise parts stock holding without availability to customers of parts being affected.

We police debtors thoroughly to prevent unnecessary exposure. Constant monitoring and reviewing keeps everything under control.

ON BEHALF OF THE BOARD:



W J Paxton - Secretary

13 June 2014

**Report of the Directors
for the Year Ended 31 December 2013**

The directors present their report with the accounts of the company for the year ended 31 December 2013.

DIVIDENDS

No dividends have been distributed for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

W J Paxton
Mrs C P Paxton
P J Tallentire

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, J. N. Straughan & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



W J Paxton - Secretary

13 June 2014

**Report of the Independent Auditors to
J G Paxton & Sons Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to nineteen, together with the full financial statements of J G Paxton & Sons Limited for the year ended 31 December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Mr WH Sawyer (Senior Statutory Auditor)
for and on behalf of J. N. Straughan & Co.
Statutory Auditors
Fram Well House
Framwelgate
Durham
Co: Durham
DH1 5SU



13 June 2014

**Profit and Loss Account
for the Year Ended 31 December 2013**

	Notes	2013 £	2012 £
TURNOVER			
Continuing operations		19,241,326	17,877,981
Acquisitions		-	1,137,078
		<u>19,241,326</u>	<u>19,015,059</u>
Cost of sales	2	<u>17,184,550</u>	<u>17,085,153</u>
GROSS PROFIT	2	<u>2,056,776</u>	<u>1,929,906</u>
Net operating expenses	2	<u>1,933,176</u>	<u>1,695,920</u>
OPERATING PROFIT	4	<u>123,600</u>	<u>233,986</u>
Continuing operations		123,600	203,940
Acquisitions		-	30,046
		<u>123,600</u>	<u>233,986</u>
Interest payable and similar charges	5	<u>62,510</u>	<u>49,403</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>61,090</u>	<u>184,583</u>
Tax on profit on ordinary activities	6	<u>11,342</u>	<u>45,877</u>
PROFIT FOR THE FINANCIAL YEAR		<u>49,748</u>	<u>138,706</u>

TOTAL RECOGNISED GAINS AND LOSSES

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

Abbreviated Balance Sheet
31 December 2013

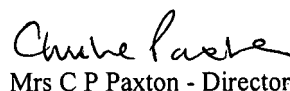
	Notes	2013	2012
		£	£
FIXED ASSETS			
Intangible assets	7	80,801	85,053
Tangible assets	8	3,724,653	3,473,963
		<u>3,805,454</u>	<u>3,559,016</u>
CURRENT ASSETS			
Stocks	9	3,384,384	5,262,559
Debtors	10	1,009,624	1,273,317
Cash in hand		1,350	1,350
		<u>4,395,358</u>	<u>6,537,226</u>
CREDITORS			
Amounts falling due within one year	11	3,285,779	5,009,874
NET CURRENT ASSETS		<u>1,109,579</u>	<u>1,527,352</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,915,033</u>	<u>5,086,368</u>
CREDITORS			
Amounts falling due after more than one year	12	(541,265)	(756,773)
PROVISIONS FOR LIABILITIES	16	(48,989)	(54,564)
NET ASSETS		<u>4,324,779</u>	<u>4,275,031</u>
CAPITAL AND RESERVES			
Called up share capital	17	100,000	100,000
Share premium	18	5,316	5,316
Profit and loss account	18	4,219,463	4,169,715
SHAREHOLDERS' FUNDS	21	<u>4,324,779</u>	<u>4,275,031</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 13 June 2014 and were signed on its behalf by:



W J Paxton - Director



Mrs C P Paxton - Director



P J Tallentire - Director

The notes form part of these abbreviated accounts

**Cash Flow Statement
for the Year Ended 31 December 2013**

		2013	2012
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	923,255	(12,457)
Returns on investments and servicing of finance	2	(62,510)	(49,403)
Taxation		(49,945)	(59,154)
Capital expenditure	2	(371,721)	(716,004)
		439,079	(837,018)
Financing	2	(218,935)	609,425
Increase/(decrease) in cash in the period		<u>220,144</u>	<u>(227,593)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		220,144	(227,593)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>243,935</u>	<u>(609,425)</u>
Change in net debt resulting from cash flows		464,079	(837,018)
New HP Contract		<u>(22,999)</u>	<u>-</u>
Movement in net debt in the period		441,080	(837,018)
Net debt at 1 January		<u>(1,878,784)</u>	<u>(1,041,766)</u>
Net debt at 31 December		<u><u>(1,437,704)</u></u>	<u><u>(1,878,784)</u></u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating profit	123,600	233,986
Depreciation charges	144,915	134,309
Loss/(profit) on disposal of fixed assets	3,368	(746)
Decrease/(increase) in stocks	1,878,175	(1,657,557)
Decrease in debtors	263,693	515,817
(Decrease)/increase in creditors	(1,490,496)	761,734
Net cash inflow/(outflow) from operating activities	923,255	(12,457)

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest paid	(56,571)	(39,751)
Interest element of hire purchase payments	(5,939)	(9,652)
Net cash outflow for returns on investments and servicing of finance	(62,510)	(49,403)
Capital expenditure		
Purchase of intangible fixed assets	-	(86,495)
Purchase of tangible fixed assets	(379,776)	(631,475)
Sale of tangible fixed assets	8,055	1,966
Net cash outflow for capital expenditure	(371,721)	(716,004)
Financing		
New loans in year	-	850,000
Loan repayments in year	(170,000)	(209,809)
Capital repayments in year	(73,935)	(30,766)
Amount introduced by directors	25,000	-
Net cash (outflow)/inflow from financing	(218,935)	609,425

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.13 £	Cash flow £	Other non-cash changes £	At 31.12.13 £
Net cash:				
Cash at bank and in hand	1,350	-		1,350
Bank overdraft	(925,018)	220,144		(704,874)
	<u>(923,668)</u>	<u>220,144</u>		<u>(703,524)</u>
Debt:				
Hire purchase	(147,616)	73,935	(22,999)	(96,680)
Debts falling due within one year	(170,000)	-	-	(170,000)
Debts falling due after one year	<u>(637,500)</u>	<u>170,000</u>	<u>-</u>	<u>(467,500)</u>
	<u>(955,116)</u>	<u>243,935</u>	<u>(22,999)</u>	<u>(734,180)</u>
Total	<u>(1,878,784)</u>	<u>464,079</u>	<u>(22,999)</u>	<u>(1,437,704)</u>

4. ACQUISITION OF BUSINESS

2012: Capital Expenditure includes Purchase of Intangible Fixed Assets £86,495 and Purchase of Tangible Fixed Assets £456,928 relating to the acquisition of a further Case dealership at Bentham, North Yorkshire.

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2012, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

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

Freehold property	- 2% on cost
Leasehold Property Improvements	- Period of Lease
Long leasehold	- 2% on cost
Plant and machinery	- 20% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 10% on reducing balance
Motor vehicles	- 25% on reducing balance

In accordance with generally accepted accounting principles, depreciation is not provided on Payments on Account.

Stocks

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

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

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

Pension costs and other post-retirement benefits

The company contributes to personal pension schemes in respect of certain employees. Contributions are charged to the Profit and Loss Account as incurred.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

2. ANALYSIS OF OPERATIONS

	Continuing £	2013 Acquisitions £	Total £
Cost of sales	<u>17,184,550</u>	<u>-</u>	<u>17,184,550</u>
Gross profit	<u>2,056,776</u>	<u>-</u>	<u>2,056,776</u>
Net operating expenses:			
Administrative expenses	1,958,916	-	1,958,916
Other operating income	(25,740)	-	(25,740)
	<u>1,933,176</u>	<u>-</u>	<u>1,933,176</u>

	Continuing £	2012 Acquisitions £	Total £
Cost of sales	<u>16,148,044</u>	<u>937,109</u>	<u>17,085,153</u>
Gross profit	<u>1,729,937</u>	<u>199,969</u>	<u>1,929,906</u>
Net operating expenses:			
Administrative expenses	1,579,496	169,973	1,749,469
Other operating income	(53,499)	(50)	(53,549)
	<u>1,525,997</u>	<u>169,923</u>	<u>1,695,920</u>

3. STAFF COSTS

	2013 £	2012 £
Wages and salaries	1,667,870	1,495,267
Social security costs	167,357	152,974
Other pension costs	82,112	58,613
	<u>1,917,339</u>	<u>1,706,854</u>

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

	2013	2012
Office and Management	11	13
Sales, Fitters and Wagon Driver	40	38
Stores	15	13
	<u>66</u>	<u>64</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

4. **OPERATING PROFIT**

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

	2013	2012
	£	£
Depreciation - owned assets	119,640	110,384
Depreciation - assets on hire purchase contracts	21,022	22,483
Loss/(profit) on disposal of fixed assets	3,368	(746)
Goodwill amortisation	4,252	1,442
Auditors' Remuneration	10,500	10,500
Other operating leases	38,000	38,000
	<u>158,992</u>	<u>167,676</u>
Directors' remuneration	158,992	167,676
Directors' pension contributions to money purchase schemes	9,682	6,851
	<u>168,674</u>	<u>174,527</u>

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

Money purchase schemes	2	2
	<u>2</u>	<u>2</u>

5. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2013	2012
	£	£
Bank interest	29,886	24,629
Bank loan interest	26,685	15,122
Hire purchase	5,939	9,652
	<u>62,510</u>	<u>49,403</u>

6. **TAXATION**

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	16,917	49,945
Deferred tax	(5,575)	(4,068)
Tax on profit on ordinary activities	<u>11,342</u>	<u>45,877</u>

UK corporation tax has been charged at 20% (2012 - 20%).

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

6. TAXATION - continued

Factors affecting the tax charge

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

	2013 £	2012 £
Profit on ordinary activities before tax	<u>61,090</u>	<u>184,583</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012 - 24.500%)	14,203	45,223
Effects of: Depreciation in excess of capital allowances	4,699	13,030
Application of Small Companies rate of Corporation Tax	<u>(1,985)</u>	<u>(8,308)</u>
Current tax charge	<u>16,917</u>	<u>49,945</u>

7. INTANGIBLE FIXED ASSETS

Goodwill
£**COST**

At 1 January 2013
and 31 December 2013

86,495**AMORTISATION**

At 1 January 2013
Amortisation for year

1,442
4,252

At 31 December 2013

5,694**NET BOOK VALUE**

At 31 December 2013

80,801

At 31 December 2012

85,053

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

8. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Property Improvements £	Long leasehold £
COST			
At 1 January 2013	2,572,353	174,329	514,229
Additions	240,987	3,151	-
At 31 December 2013	2,813,340	177,480	514,229
DEPRECIATION			
At 1 January 2013	155,734	16,318	82,406
Charge for year	28,407	248	8,090
Eliminated on disposal	-	-	-
At 31 December 2013	184,141	16,566	90,496
NET BOOK VALUE			
At 31 December 2013	2,629,199	160,914	423,733
At 31 December 2012	2,416,619	158,011	431,823

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2013	314,095	202,084	603,948	4,381,038
Additions	4,546	33,200	120,891	402,775
Disposals	-	(9,268)	(25,856)	(35,124)
At 31 December 2013	318,641	226,016	698,983	4,748,689
DEPRECIATION				
At 1 January 2013	186,911	124,414	341,292	907,075
Charge for year	21,733	13,429	68,755	140,662
Eliminated on disposal	-	(8,204)	(15,497)	(23,701)
At 31 December 2013	208,644	129,639	394,550	1,024,036
NET BOOK VALUE				
At 31 December 2013	109,997	96,377	304,433	3,724,653
At 31 December 2012	127,184	77,670	262,656	3,473,963

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

8. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2013	108,000	98,595	206,595
Additions	-	22,999	22,999
At 31 December 2013	108,000	121,594	229,594
DEPRECIATION			
At 1 January 2013	38,700	16,818	55,518
Charge for year	10,800	10,222	21,022
At 31 December 2013	49,500	27,040	76,540
NET BOOK VALUE			
At 31 December 2013	58,500	94,554	153,054
At 31 December 2012	69,300	81,777	151,077

Hire Purchase creditors are secured on related assets.

9. STOCKS

	2013 £	2012 £
Finished Goods for Resale	3,384,384	5,262,559

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	864,448	987,711
Other debtors	114,227	84,156
VAT	-	51,430
Prepayments	30,949	150,020
	1,009,624	1,273,317

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts (see note 13)	874,874	1,095,018
Hire purchase contracts (see note 14)	69,878	66,283
Trade creditors	1,880,903	3,474,043
Tax	16,917	49,945
Social Security and Other Taxation	32,714	47,643
VAT	188,428	-
Other creditors	408	232
Payments received on account	86,135	134,225
Directors' current accounts	27,376	2,376
Accrued expenses	108,146	140,109
	3,285,779	5,009,874

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Bank loans (see note 13)	467,500	637,500
Hire purchase contracts (see note 14)	26,802	81,333
Accruals and deferred income	46,963	37,940
	<u>541,265</u>	<u>756,773</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due within one year or on demand:		
Bank overdrafts	704,874	925,018
Bank loans	170,000	170,000
	<u>874,874</u>	<u>1,095,018</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>170,000</u>	<u>170,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>297,500</u>	<u>467,500</u>

The Company meets its day to day working capital requirements through an overdraft facility with National Westminster Bank plc, which is repayable on demand. The Company expects to operate within the facility currently agreed. This view is based on the company's forecasts and takes account of recent discussions with its bankers. Inherently, however, there can be no certainty in relation to those views.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2013	2012
	£	£
Gross obligations repayable:		
Within one year	75,692	72,118
Between one and five years	29,339	88,859
	<u>105,031</u>	<u>160,977</u>
Finance charges repayable:		
Within one year	5,814	5,835
Between one and five years	2,537	7,526
	<u>8,351</u>	<u>13,361</u>
Net obligations repayable:		
Within one year	69,878	66,283
Between one and five years	26,802	81,333
	<u>96,680</u>	<u>147,616</u>

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

	Land and buildings	
	2013	2012
	£	£
Expiring:		
In more than five years	<u>38,000</u>	<u>38,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2013	2012
	£	£
Bank overdrafts	704,874	925,018
Bank loans	637,500	807,500
Hire purchase contracts	96,680	147,616
	<u>1,439,054</u>	<u>1,880,134</u>

National Westminster Bank plc hold a first legal mortgage dated September 2004 over a 3 acre site at Abbey Road, Pity Me, Durham, a first legal charge/mortgage over 0.8 acres of land at the Lionheart Industrial Estate, Alnwick and its associated assets together with a first legal charge/mortgage over land and property at Mewith Lane, Bentham, Lancaster and its associated assets.

The final element of security held by National Westminster Bank plc is an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the Company.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

16. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>48,989</u>	<u>54,564</u>
		Deferred tax £
Balance at 1 January 2013		54,564
Credit to profit and loss account during year		<u>(5,575)</u>
Balance at 31 December 2013		<u>48,989</u>

The above deferred tax provision relates wholly to the origination and reversal of timing differences.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2013 £	2012 £
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>

18. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2013	4,169,715	5,316	4,175,031
Profit for the year	<u>49,748</u>		<u>49,748</u>
At 31 December 2013	<u>4,219,463</u>	<u>5,316</u>	<u>4,224,779</u>

19. PENSION COMMITMENTS

Defined Contribution Scheme

The company contributes to personal pensions in respect of certain employees and the amounts payable for the year amounted to £82,112 (2012 - £58,613).

At the end of the financial year, amounts accrued in respect of employee contributions were £4,190 (2012 £4,705).

20. RELATED PARTY DISCLOSURES

During the Year the Company rented premises at Northallerton from the pension fund of Mr W J Paxton. The amount of rent charged to the profit and loss account during the year was £38,000 (2012 £38,000).

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013**

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	49,748	138,706
Net addition to shareholders' funds	49,748	138,706
Opening shareholders' funds	4,275,031	4,136,325
Closing shareholders' funds	4,324,779	4,275,031