

**COMPANY SHOP LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**Company Registration Number 1927437**



**COMPANY SHOP LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

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**COMPANY SHOP LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 30 SEPTEMBER 2013**

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**Principal activity**

The principal activity of the company during the year was that of wholesalers and reproducers of food products.

**Business review**

During the course of the year the company grew by 40% in terms of turnover.

At the year end the company had shareholders' funds of £6,323,000 including distributable profits of £5,826,000. The directors therefore believe the company's position to be satisfactory.

**Risks and uncertainties**

The directors have assessed the main risks facing the company as being increased competition from supermarkets selling cheaper food and overstocking. The directors believe that their growth strategy, and focus on selling and customer service, will help mitigate these risks and hope to see continued growth and satisfactory trading results in the coming year.

**Food donations**

Company Shop delivers significant environmental and social benefits; providing good food to low income workers.

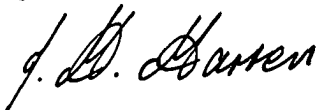
During 2013, we decided we wanted to do more and started to see if we could match the food surpluses generated within the UK Grocery Supply Chain with people who need that food the most.

To achieve this Company Shop created a new division within its business, Community Shop, to bring our stores from behind factory gates into areas of complex deprivation. Community Shop now exists as a wholly owned subsidiary of Company Shop.

Community Shop follows the same business model, and stocks similar products as Company Shop, but also has an additional goal. Open to individuals in receipt of Council Tax relief and living in a specific postcode area, Community Shop provides those who are struggling, but want to do better, with access to low-cost food and support to help them address the issues pushing them towards food poverty.

The pilot store opened in Goldthorpe in December 2013 and has been positively received within the community and by industry and national media. Company Shop intend to open a second pilot store in the Spring of 2014 in London and have aspirations to open 20 stores nationally in time - delivering over 20 million meals and supporting over 10,000 members

Signed on behalf of the directors



Mr J Marren

Director

Approved by the directors on ..... 2/5/14 .....

**COMPANY SHOP LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 30 SEPTEMBER 2013**

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The directors present their report and the financial statements of the company for the year ended 30 September 2013.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,758,000. The directors have not recommended a dividend.

**Financial risk management objectives and policies**

The company finances its operations through a mixture of retained profits, and where necessary to fund expansion or capital expenditure programmes through bank borrowings. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus of funds;
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flow expected to arise from the company's trading activities.

Hedge accounting is not used by the company.

As all the company's funds are invested in sterling bank deposit accounts and its borrowings are all obtained from standard bank loan accounts and using standard overdraft facilities, there is no price risk exposure.

The company's funds are held primarily in short term variable rate deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

**Directors**

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

Mr J Marren  
Mr L Wood  
Mr M A Game

**Directors' responsibilities**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

**COMPANY SHOP LIMITED**  
**DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2013**

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- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

In so far as the directors are, individually, aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disabled employees**

In line with the policy on equal opportunities, the company endeavours to fulfill its responsibilities towards disabled persons. Active consideration is given to the employment of disabled persons and all such vacancies are advised to the appropriate Job Centre to assist in this matter.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Employee involvement**

The company recognises the importance of employee involvement in increasing employees' understanding of the organisation, utilising their talents, enabling them to influence decisions and thereby encouraging commitment to the goals of the organisation.

The company believes that such involvement will improve efficiency and quality, increase job satisfaction and encourage an environment of co-operation.

In recognition of the importance of employee involvement, the company has devoted considerable time and effort to ensuring that employees are well informed about those aspects of its business which affect them.

Through such employee involvement, success of the company will be ensured by effective team work leading to a consequential sharing of the rewards by all employees.

#### **Strategic report**

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

# COMPANY SHOP LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2013

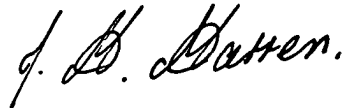
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### Auditor

Baker Tilly Audit Limited ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Registered office:  
Wentworth Way  
Tankersley  
Barnsley  
South Yorkshire  
S75 3DH

Signed on behalf of the directors



Mr J Marren

Director

Approved by the directors on ..... 21/5/14

## COMPANY SHOP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO COMPANY SHOP LIMITED

#### UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts set out on pages 6 to 18, together with the financial statements of Company Shop Limited for the year ended 30 September 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 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 for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

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.

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 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.

Christopher Moss, Senior Statutory Auditor  
For and on behalf of

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Sumner House  
St Thomas's Road  
Chorley  
Lancashire  
PR7 1HP

Prior to 30 September 2013 Baker Tilly UK Audit LLP was named RSM Tenon Audit Limited.

Date: 8/5/14

**COMPANY SHOP LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 £000	2012 £000
<b>Turnover</b>		27,620	19,765
Cost of Sales and Other operating income		(12,081)	(8,352)
Distribution costs		(1,157)	(811)
Administrative expenses		(12,116)	(9,629)
<b>Operating profit</b>	2	<u>2,266</u>	<u>973</u>
Interest payable and similar charges	5	(41)	(2)
<b>Profit on ordinary activities before taxation</b>		<u>2,225</u>	<u>971</u>
Tax on profit on ordinary activities	6	(467)	(305)
<b>Profit for the financial year</b>		<u><u>1,758</u></u>	<u><u>666</u></u>

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

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit of £1,758,000 attributable to the shareholders for the year ended 30 September 2013 (2012 - profit of £666,000).

The notes on pages 10 to 18 form part of these abbreviated accounts.



**COMPANY SHOP LIMITED**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**YEAR ENDED 30 SEPTEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Reported profit on ordinary activities before taxation	2,225	971
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>12</u>	<u>12</u>
Historical cost profit on ordinary activities before taxation	<u>2,237</u>	<u>983</u>
Historical cost profit for the year		
After taxation	<u>1,770</u>	<u>678</u>

The notes on pages 10 to 18 form part of these abbreviated accounts.

**COMPANY SHOP LIMITED**

Registered Number 1927437

**ABBREVIATED BALANCE SHEET****30 SEPTEMBER 2013**

	Note	£000	2013 £000	£000	2012 £000
<b>Fixed assets</b>					
Tangible assets	8		10,913		8,507
<b>Current assets</b>					
Stocks	9	1,621		1,432	
Debtors	10	1,188		1,095	
Cash at bank and in hand		57		142	
		<u>2,866</u>		<u>2,669</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(7,237)</u>		<u>(6,392)</u>	
<b>Net current liabilities</b>			(4,371)		(3,723)
<b>Total assets less current liabilities</b>			<u>6,542</u>		<u>4,784</u>
<b>Provisions for liabilities</b>					
Deferred taxation	13		<u>(219)</u>		<u>(219)</u>
			<u>6,323</u>		<u>4,565</u>
<b>Capital and reserves</b>					
Called-up share capital	17		50		50
Revaluation reserve	18		447		459
Profit and loss account	19		5,826		4,056
<b>Shareholders' funds</b>	20		<u>6,323</u>		<u>4,565</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 21.11.13, and are signed on their behalf by:

Mr M A Game  
Director

The notes on pages 10 to 18 form part of these abbreviated accounts.

**COMPANY SHOP LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2013**

	Note	£000	2013 £000	£000	2012 £000
<b>Net cash inflow from operating activities</b>	21		3,525		2,348
<b>Returns on investments and Servicing of finance</b>					
Interest paid		(41)		(2)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(41)		(2)
<b>Taxation</b>			(122)		(329)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(2,725)		(4,515)	
Receipts from sale of fixed assets		—		56	
<b>Net cash outflow from capital expenditure</b>			(2,725)		(4,459)
<b>Equity dividends paid</b>			—		(453)
<b>Cash inflow/(outflow) before financing</b>			637		(2,895)
<b>Financing</b>					
New bank loans		600		2,185	
Repayment of bank loans		(1,635)		—	
<b>Net cash (outflow)/inflow from financing</b>			(1,035)		2,185
<b>Decrease in cash</b>	21		(398)		(710)

The notes on pages 10 to 18 form part of these abbreviated accounts.

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

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**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.

**Turnover**

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer. This occurs when the customer takes possession of the stock.

**Fixed assets**

All fixed assets are recorded at cost or valuation. Cost includes the directly attributable costs of bringing the asset into working condition for its intended use.

**Depreciation**

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

Freehold Property	- 2% straight line
Plant & Machinery	- 10% reducing balance
Motor Vehicles	- 25% reducing balance
Office Furnishing & Equipment	- 10% reducing balance / 25% - 33% straight line

Assets under construction and land are not depreciated.

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.

**Stocks**

Stocks are valued at the lower of invoiced cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is defined as the purchased invoice price.

**Operating lease agreements**

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

**Pension costs**

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

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

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**1. Accounting policies (continued)**

**Deferred taxation**

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

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

**Financial instruments**

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

**2. Operating profit**

Operating profit is stated after charging:

	<b>2013</b>	<i>2012</i>
	<b>£000</b>	<i>£000</i>
Depreciation of owned fixed assets	319	202
Loss on disposal of fixed assets	–	41
Auditors remuneration	14	14
Operating lease costs:		
-Other	137	140
	<u>137</u>	<u>140</u>

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

**3. Particulars of employees**

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

	<b>2013</b>	<b>2012</b>
	<b>No</b>	<b>No</b>
Number of distribution staff	305	238
Number of management staff	78	53
	<u>383</u>	<u>291</u>

The aggregate payroll costs of the above were:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	6,970	5,387
Social security costs	327	260
Other pension costs	178	71
	<u>7,475</u>	<u>5,718</u>

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent of those of the company. The total contributions in the period amounted to £178,000 (2012: £71,000).

**4. Directors' remuneration**

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

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Remuneration receivable	834	622
Value of company pension contributions to money purchase schemes	10	5
	<u>844</u>	<u>627</u>

**Remuneration of highest paid director:**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Total remuneration (excluding pension contributions)	331	228
Value of company pension contributions to money purchase schemes	5	3
	<u>336</u>	<u>231</u>

The number of directors on whose behalf the company made pension contributions was as follows:

	<b>2013</b>	<b>2012</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<u>2</u>	<u>2</u>

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

**5. Interest payable and similar charges**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank borrowing	41	2

**6. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
In respect of the year:		
UK Corporation tax	476	242
Over provision in prior year	(9)	(1)
	<u>467</u>	<u>241</u>

Deferred tax:

Origination and reversal of timing differences	-	64
Tax on profit on ordinary activities	<u>467</u>	<u>305</u>

**(b) Factors affecting current tax charge**

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

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	<u>2,225</u>	<u>971</u>
Profit on ordinary activities by rate of tax	512	233
Effects of:		
Expenses not allowable for tax purposes	52	50
Difference between depreciation and capital allowances	(97)	(44)
Difference in tax rates	11	10
Capital items in revenue expenditure	(2)	-
Small companies relief	-	(7)
Over provision in prior year	(9)	(1)
Total current tax (note 6(a))	<u>467</u>	<u>241</u>

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

**6. Taxation on ordinary activities (continued)**

**(c) Factors that may affect future tax charges**

A reduction in the UK Corporation Tax rate from 24% to 23% was substantively enacted on 17 July 2012. This will reduce the company's future tax charge accordingly and the deferred tax liability at 31 March 2013 has been calculated at this reduced rate.

During the year it was announced that the UK Corporation Tax rate will reduce to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These additional reductions in the UK Corporation Tax rate had not been substantively enacted at the balance sheet date and as such no further adjustment to current or deferred tax has been made for the year ended 31 March 2013. It has not yet been possible to quantify the full anticipated effect of future tax reductions, although this will further reduce the company's future current tax charge accordingly.

**7. Dividends**

**Equity dividends**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Paid during the year:		
Dividends on ordinary shares	—	<u>453</u>

Dividends paid on ordinary shares amounted to £nil per share (2012: £9.06 per share).

**8. Tangible fixed assets**

	<b>Freehold Property £000</b>	<b>Plant &amp; Machinery £000</b>	<b>Motor Vehicles £000</b>	<b>Office Furnishing &amp; Equipment £000</b>	<b>Assets under con- struction £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>						
At 1 Oct 2012	2,046	1,688	19	2,684	5,207	11,644
Additions	—	343	—	955	1,427	2,725
Transfers	6,634	—	—	—	(6,634)	—
At 30 Sep 2013	<u>8,680</u>	<u>2,031</u>	<u>19</u>	<u>3,639</u>	<u>—</u>	<u>14,369</u>
<b>Depreciation</b>						
At 1 Oct 2012	348	1,300	12	1,477	—	3,137
Charge for the year	28	56	2	233	—	319
At 30 Sep 2013	<u>376</u>	<u>1,356</u>	<u>14</u>	<u>1,710</u>	<u>—</u>	<u>3,456</u>
<b>Net book value</b>						
At 30 Sep 2013	<u>8,304</u>	<u>675</u>	<u>5</u>	<u>1,929</u>	<u>—</u>	<u>10,913</u>
At 30 Sep 2012	<u>1,698</u>	<u>388</u>	<u>7</u>	<u>1,207</u>	<u>5,207</u>	<u>8,507</u>



**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

**8. Tangible fixed assets (continued)**

Until 30 September 1999 the policy of the company was to revalue freehold properties. At 30 September 2000 the company adopted the transitional provisions of FRS 15 'Tangible Fixed Assets', whereby previous valuations were retained and not updated. It is now the company policy not to revalue these fixed assets. The last full external valuation was undertaken by Smiths Chartered Surveyors in April 2000 on the basis of depreciated replacement cost.

The historical cost of freehold buildings included above at valuation of £1,448,000 was £844,820 (2012: £844,820) and the aggregate depreciation thereon would have been £395,871 (2012: £378,975).

**9. Stocks**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Packing materials	67	67
Goods for resale	1,554	1,365
	<u>1,621</u>	<u>1,432</u>

**10. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	225	225
Other debtors	906	798
Prepayments and accrued income	57	72
	<u>1,188</u>	<u>1,095</u>

The debtors above include the following amounts falling due after more than one year:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Other debtors	<u>123</u>	<u>12</u>

**11. Creditors: Amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	1,652	2,374
Trade creditors	3,907	2,837
Corporation tax	599	254
Other taxation and social security	115	90
Other creditors	170	82
Accruals and deferred income	794	755
	<u>7,237</u>	<u>6,392</u>

The bank loans are secured by a first legal charge over the land and buildings at New Road, Tankersley, freehold land at Maple Road, Wentworth Industrial Estate, and freehold land and buildings at Wentworth Way, Wentworth Industrial Estate.

**COMPANY SHOP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2013**

**12. Creditors - capital instruments**

Creditors include finance capital which is due for repayment as follows:

	<b>2013</b>	<i>2012</i>
	<b>£000</b>	<i>£000</i>
Amounts repayable:		
In one year or less or on demand	<u>1,652</u>	<u>2,374</u>

**13. Deferred taxation**

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

	<b>2013</b>	<i>2012</i>
	<b>£000</b>	<i>£000</i>
At 1 Oct 2012	219	155
Profit and loss account movement arising during the year	<u>-</u>	<u>64</u>
At 30 Sep 2013	<u>219</u>	<u>219</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<b>2013</b>	<i>2012</i>
	<b>£000</b>	<i>£000</i>
Excess of taxation allowances over depreciation on fixed assets	<u>219</u>	<u>219</u>
	<u>219</u>	<u>219</u>

**14. Derivatives**

The company has no financial instruments that fall to be classed as derivatives.

**15. Commitments under operating leases**

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>2013</b>		<i>2012</i>	
	<b>Land and buildings £000</b>	<b>Other Items £000</b>	<i>Land and buildings £000</i>	<i>Other Items £000</i>
Operating leases which expire:				
Within 1 year	-	75	-	-
Within 2 to 5 years	-	41	-	122
After more than 5 years	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>39</u>	<u>116</u>	<u>-</u>	<u>122</u>

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**16. Transactions with directors**

Included within other debtors is £457,180 (2012: £nil) owed by Mr J Marren, a director. The maximum overdrawn balance during the year was £457,180 (2012: £261,774). The movements relate to advances, withdrawals and dividends.

Also included within other debtors is £331 (2012: £412 creditor) owed by Mr L Wood. The maximum overdrawn balance during the year was £331 (2012: £nil). The movements relate to advances and withdrawals.

**17. Share capital**

**Allotted, called up and fully paid:**

	<b>2013</b>		<b>2012</b>	
	<b>No</b>	<b>£000</b>	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>

**18. Revaluation reserve**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	459	471
Transfer to the Profit and Loss Account on realisation	(12)	(12)
Balance carried forward	<u>447</u>	<u>459</u>

**19. Profit and loss account**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	4,056	3,831
Profit for the financial year	1,758	666
Equity dividends	—	(453)
Transfer from revaluation reserve	12	12
Balance carried forward	<u>5,826</u>	<u>4,056</u>

**20. Reconciliation of movements in shareholders' funds**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	1,758	666
Equity dividends	—	(453)
Transfer from revaluation reserve	12	12
Transfer to profit and loss account	(12)	(12)
Net addition to shareholders' funds	<u>1,758</u>	<u>213</u>
Opening shareholders' funds	<u>4,565</u>	<u>4,352</u>
Closing shareholders' funds	<u>6,323</u>	<u>4,565</u>

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**21. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Operating profit	2,266	973
Depreciation	319	202
Loss on disposal of fixed assets	—	41
Increase in stocks	(189)	(251)
Increase in debtors	(93)	(515)
Increase in creditors	1,222	1,898
Net cash inflow from operating activities	<u>3,525</u>	<u>2,348</u>

**Reconciliation of net cash flow to movement in net debt**

	<b>2013</b>		<b>2012</b>
	<b>£000</b>		<b>£000</b>
Decrease in cash in the period	(398)		(710)
Net cash outflow from/(inflow) from bank loans	<u>1,035</u>		<u>(2,185)</u>
Change in net debt	<u>637</u>		<u>(2,895)</u>
Net debt at 1 October 2012	(2,232)		663
Net debt at 30 September 2013	<u>(1,595)</u>		<u>(2,232)</u>

**Analysis of changes in net debt**

	<b>At</b>		<b>At</b>
	<b>1 October</b>		<b>30</b>
	<b>2012</b>	<b>Cash flows</b>	<b>September</b>
	<b>£000</b>	<b>£000</b>	<b>2013</b>
Net cash:			<b>£000</b>
Cash in hand and at bank	142	(85)	57
Overdrafts	(189)	(313)	(502)
	<u>(47)</u>	<u>(398)</u>	<u>(445)</u>
Debt:			
Debt due within 1 year	(2,185)	1,035	(1,150)
Net debt	<u>(2,232)</u>	<u>637</u>	<u>(1,595)</u>