

**Registration number 3326979**

**Axminster Power Tool Centre Limited**  
**Directors' report and financial statements**  
**for the year ended 30 April 2007**

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## **Axminster Power Tool Centre Limited**

### **Company information**

Directors	Mr B G Styles Mr I V Styles Mrs K J Styles Mrs M A Styles Mr S M Berryman Mr I F Huntley Mr A J Parkhouse Mr A N Thomas Mr N F Dicks Mr M P Trimble Mr A V Styles	(Resigned 31/05/06)       (Appointed 11/09/06) (Appointed 18/04/07)
Secretary	Mr A N Thomas	
Company number	3326979	
Registered office	Unit 10 Weycroft Avenue Axminster Devon EX13 5PH	
Auditors	Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG	
Bankers	HSBC Plc Ground Floor, Stratus House Emperor Way, Exeter Business Park Exeter EX1 3QS	
Solicitors	Foot Anstey Sargent Senate Court Southernhay Gardens Exeter EX1 1NT	

## **Axminster Power Tool Centre Limited**

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## **Axminster Power Tool Centre Limited**

### **Directors' report for the year ended 30 April 2007**

The directors present their report and the financial statements for the year ended 30 April 2007

The company's principal activity continued to be that of selling power and hand tools and workshop accessories.

#### **Review of the business and future developments**

This year has seen the company successfully increase sales and profits from 2006 during a period when foreign currency movements eroded margins. Aggressive moves were made to open new product lines in the face of a contracting Home DIY market, with industrial machinery in particular making significant contributions. Web based sales also continue to exceed targets on a monthly basis and the website remains an important attraction to new and existing customers. The move to a 6 monthly catalogue publication proved an immediate success and the second tier publications have been revised with favourable impact.

A formal strategic plan was developed to take the company through the coming 5-year period of growth. Expansion plans in a number of new trading areas have been formulated to run alongside the development of existing markets. Many of these are scheduled to begin trade in the coming months.

Staff training has been expanded and a rollout program from directors down implemented in tandem with a third party trainer. Staff areas have been improved with a brand new canteen and breakout area opening over the New Year.

The company prides itself in its attention to environmental matters and is fully compliant with all regulatory requirements.

Sales growth is the key KPI at present as the company seeks to take advantage of operational resources and potential. Total sales in 2007 were £23,868,686 that represents an increase of 6.8% over 2006. The growth reverses the decline seen in 2006 of 6.1% from 2005.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £276,923. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

The directors do not recommend payment of a final dividend.

#### **Financial risk management objectives and policies**

The company is exposed to market risks arising from its international operations. The company has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year-end in the major financial risks faced by the company. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies are regularly reviewed. The company's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources and various items, such as trade debtors and trade creditors that arise directly from its operations. The company also enters into derivative transactions (principally currency call options and forward foreign currency contracts). The purpose of such transactions is to hedge certain interest rate and currency risks arising from the company's operations and its sources of finance.

The company occasionally enters into SWAPs for its cash deposits denominated in foreign currencies, for a fixed period of time at known rates of exchange. This minimises interest charges at a minimal level of risk.

## **Axminster Power Tool Centre Limited**

### **Directors' report for the year ended 30 April 2007**

... continued

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits and bank and other borrowings. The company borrows in the desired currencies principally at floating rates of interest

The company reviews deposits and borrowings by currency at Board meetings

#### **Liquidity risk**

The company seeks a balance between certainty of funding and a flexible, cost-effective borrowings structure. The company's policy is to ensure that, as a minimum, all projected net borrowing needs are covered by committed facilities arranged and provided by the Board

The principal source of funds to the company is committed bank debt. A mix of term loans and revolving credit facilities are used to obtain the desired currency and maturity profile.

#### **Foreign currency risk**

The company sources a significant proportion of its product from overseas and makes payment for those purchases primarily in US dollars and Euros. The company does not have significant transactional foreign currency cash flow exposure. However, those that do arise are generally hedged with forward contracts. The company is targeting foreign operations as an area for significant growth with an eye to offsetting purchase currency requirements

#### **Commodity risk**

The company's operating performance is affected by price fluctuations in stainless steel, nickel alloy, copper, aluminium, plastic, timber and other commodities. The company seeks to minimise the effects of changing prices through economies of purchasing and inventory management, resulting in cost reductions and productivity improvements as well as selling price increases to maintain reasonable profit margins

#### **Market price risk**

The Company regularly monitors its interest rate and currency risk by reviewing the effect on profit before tax over various periods of a range of possible changes in interest rates and exchange rates.

## **Axminster Power Tool Centre Limited**

### **Directors' report for the year ended 30 April 2007**

..... continued

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary £1 shares</b>	
	<b>30/04/07</b>	<b>01/05/06 or date of appointment</b>
Mr B G Styles	-	-
Mr I V Styles	-	-
Mrs K J Styles	-	-
Mrs M A Styles	-	-
Mr S M Berryman	-	-
Mr I F Huntley (Resigned 31/05/06)	-	-
Mr A J Parkhouse	-	-
Mr A N Thomas	-	-
Mr N F Dicks	-	-
Mr M P Trimble (Appointed 11/09/06)	-	-
Mr A V Styles (Appointed 18/04/07)	-	-

Mr B G Styles, Mr I V Styles, Mrs K J Styles and Mrs M A Styles are also directors of the company's ultimate holding company, Styles & Brown Limited. Their interest in the shares of the holding company are disclosed in the financial statements of that company. None of the directors had a beneficial interest in Axminster Power Tool Centre Limited at the year end.

#### **Charitable and political contributions**

During the year the group contributed £4,129 to charities.

#### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Axminster Power Tool Centre Limited**

**Directors' report  
for the year ended 30 April 2007**

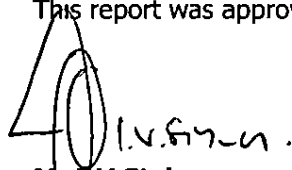
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The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 10.9.07 and signed on its behalf by

  
**Mr J V Styles**  
**Director**

## **Axminster Power Tool Centre Limited**

### **Independent auditors' report to the shareholders of Axminster Power Tool Centre Limited**

We have audited the financial statements of Axminster Power Tool Centre Limited for the year ended 30 April 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and the auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

#### **Basis of audit opinion**

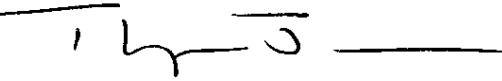
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

  
**Thompson Jenner**  
**Chartered Accountants and**  
**Registered Auditors**

13 February 2008

**1 Colleton Crescent**  
**Exeter**  
**Devon**  
**EX2 4DG**



**Axminster Power Tool Centre Limited**

**Profit and loss account  
for the year ended 30 April 2007**

		<b>Continuing operations</b>	
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	23,927,143	22,344,218
Cost of sales		(14,806,854)	(13,505,444)
<b>Gross profit</b>		9,120,289	8,838,774
Distribution costs		(844,483)	(867,285)
Administrative expenses		(7,442,464)	(7,347,615)
Other operating income		15,200	83,533
<b>Operating profit</b>	<b>3</b>	848,542	707,407
Interest payable and similar charges	<b>4</b>	(405,574)	(444,111)
<b>Profit on ordinary activities before taxation</b>		442,968	263,296
Tax on profit on ordinary activities	<b>7</b>	(166,045)	(85,860)
<b>Profit on ordinary activities after taxation</b>		276,923	177,436
<b>Profit for the year</b>		276,923	177,436

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 9 to 21 form an integral part of these financial statements.**

**Axminster Power Tool Centre Limited**

**Balance sheet  
as at 30 April 2007**

		<b>2007</b>		<b>2006</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>8</b>		2,918,803		4,381,300
<b>Current assets</b>					
Stocks	<b>9</b>	6,781,737		5,905,586	
Debtors	<b>10</b>	1,167,695		836,052	
Cash at bank and in hand		1,528,438		276,347	
		<u>9,477,870</u>		<u>7,017,985</u>	
<b>Creditors: amounts falling due within one year</b>	<b>11</b>	<u>(8,773,249)</u>		<u>(5,752,630)</u>	
<b>Net current assets</b>			<u>704,621</u>		<u>1,265,355</u>
<b>Total assets less current liabilities</b>			3,623,424		5,646,655
<b>Creditors: amounts falling due after more than one year</b>	<b>12</b>		(994,601)		(3,257,877)
<b>Provisions for liabilities</b>	<b>14</b>		<u>(70,241)</u>		<u>(107,119)</u>
<b>Net assets</b>			<u>2,558,582</u>		<u>2,281,659</u>
<b>Capital and reserves</b>					
Called up share capital	<b>15</b>		100,000		100,000
Profit and loss account			2,458,582		2,181,659
<b>Equity shareholders' funds</b>	<b>16</b>		<u>2,558,582</u>		<u>2,281,659</u>

The financial statements were approved by the Board on 10.9.07

and signed on its behalf by

  
**Mr B G Styles**  
**Director**

**The notes on pages 9 to 21 form an integral part of these financial statements.**

**Axminster Power Tool Centre Limited**

**Cash flow statement  
for the year ended 30 April 2007**

	Notes	2007 £	2006 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		848,542	707,407
Depreciation		512,243	491,678
(Increase) in stocks		(876,151)	(70,552)
(Increase) / decrease in debtors		(331,643)	420,548
Increase / (decrease) in creditors		832,675	(469,513)
Profit on sale of fixed assets		21,470	(3,782)
<b>Net cash inflow from operating activities</b>		<u>1,007,136</u>	<u>1,075,786</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		1,007,136	1,075,786
Returns on investments and servicing of finance	21	(405,574)	(444,111)
Taxation	21	(25,622)	(70,895)
Capital expenditure	21	928,784	(388,265)
		<u>1,504,724</u>	<u>172,515</u>
Financing	21	(1,546,574)	(207,366)
<b>Increase in cash in the year</b>		<u>(41,850)</u>	<u>(34,851)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 22)</b>			
<b>Increase in cash in the year</b>		(41,850)	(34,851)
Cash inflow from increase in debts and lease financing		1,546,574	207,366
Change in net debt resulting from cash flows		1,504,724	172,515
New finance leases and hire purchase contracts		-	(450,000)
<b>Movement in net funds in the year</b>		<u>1,504,724</u>	<u>(277,485)</u>
<b>Net debt at 1 May 2006</b>		<u>(6,845,294)</u>	<u>(6,567,809)</u>
<b>Net debt at 30 April 2007</b>		<u>(5,340,570)</u>	<u>(6,845,294)</u>

## **Axminster Power Tool Centre Limited**

### **Notes to the financial statements for the year ended 30 April 2007**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention

The company has consistently applied all relevant accounting standards.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Land and buildings	-	Straight line over fifty years
Leasehold property improvements	-	Straight line over the life of the lease
Plant and machinery	-	15% straight line
Fixtures & fittings	-	15% straight line
Motor vehicles	-	20% straight line
Computer	-	25% straight line
equipment	-	25% straight line

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

##### **1.5. Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.6. Pensions**

The company operates two defined contribution pension schemes, one for directors and the other for employees, under which the pension costs charged against profits represent the amount of contributions payable to the schemes during the year.

##### **1.7. Deferred taxation**

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

Deferred tax balances are not discounted.

##### **1.8. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

**2. Turnover**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Geographical market</b>		
UK	23,096,987	21,559,845
Europe	727,537	685,005
Rest of the World	102,619	99,368
	<u>23,927,143</u>	<u>22,344,218</u>

**3. Operating profit**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation on tangible assets		
- owned assets	512,243	407,991
- assets held under finance leases and hire purchase contracts	-	83,687
Loss on disposal of tangible fixed assets	21,470	-
Loss on foreign currencies	-	76,064
Operating lease rentals		
- Land and buildings	198,483	213,517
- Office equipment	67,085	39,158
Auditors' remuneration	15,500	13,000
Auditors' remuneration from non-audit work	3,561	7,958
	<u>                    </u>	<u>                    </u>
and after crediting:		
Profit on disposal of tangible fixed assets	-	(3,782)
Profit on foreign currencies	(62,427)	-
	<u>                    </u>	<u>                    </u>

**4. Interest payable and similar charges**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable on loans due within one year	183,674	157,543
On loans repayable between one and two years	192,455	277,964
Hire purchase interest	29,445	8,604
	<u>405,574</u>	<u>444,111</u>

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

.. continued

**5. Employees**

<b>Number of employees</b>	<b>2007</b>	<b>2006</b>
The average monthly numbers of employees (including the directors) during the year were:		
Warehouse and distribution	73	72
Sales	62	73
Management	43	40
	<u>178</u>	<u>185</u>

<b>Employment costs</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,354,655	3,350,326
Social security costs	330,787	331,047
Pension costs	288,805	214,376
	<u>3,974,247</u>	<u>3,895,749</u>

**5.1. Directors' emoluments**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	511,360	510,207
Pension contributions	215,953	142,350
	<u>727,313</u>	<u>652,557</u>

	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>10</u>	<u>7</u>

<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above	-	-
Emoluments and other benefits	108,773	115,282
Pension contributions	76,912	40,000
	<u>185,685</u>	<u>155,282</u>

No director received or became entitled to shares under long-term incentive schemes.

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

**6. Pension costs**

The company operates two defined contribution pension schemes, one for directors and one for employees. The schemes and their assets are held by independent managers. The pension charges represent contributions due from the company and amounted to £288,805 (2006 - £214,376).

At the end of the year, there was a pension creditor outstanding of £59,198

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Current tax</b>		
UK corporation tax	195,325	25,623
Adjustments in respect of previous periods	7,598	1,751
	<u>202,923</u>	<u>27,374</u>
Total current tax charge	<u>202,923</u>	<u>27,374</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(30,043)	58,486
Adjustments in respect of previous periods	(6,835)	-
	<u>(36,878)</u>	<u>58,486</u>
Total deferred tax	<u>(36,878)</u>	<u>58,486</u>
Tax on profit on ordinary activities	<u>166,045</u>	<u>85,860</u>

**Factors affecting tax charge for period**

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	<b>2007 £</b>	<b>2006 £</b>
Profit on ordinary activities before taxation	<u>442,968</u>	<u>263,296</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2006 : 19%)	132,890	50,026
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9,367	2,197
Capital allowances for period in excess of depreciation	30,283	(4,670)
Adjustments to tax charge in respect of previous periods	7,598	1,751
Marginal relief	(2,474)	-
- Pension accrual	17,759	(17,180)
Pension prepayment	7,500	(4,750)
Current tax charge for period	<u>202,923</u>	<u>27,374</u>



**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

continued

<b>8. Tangible fixed assets</b>	<b>Leasehold property improvement</b>	<b>Freehold land and property</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>							
At 1 May 2006	422,563	2,435,021	553,636	1,916,378	92,331	849,010	6,268,939
Additions	-	162,998	23,985	71,756	-	134,983	393,722
Disposals	-	(1,417,399)	(77,779)	(50,041)	-	(3,478)	(1,548,697)
At 30 April 2007	<u>422,563</u>	<u>1,180,620</u>	<u>499,842</u>	<u>1,938,093</u>	<u>92,331</u>	<u>980,515</u>	<u>5,113,964</u>
<b>Depreciation</b>							
At 1 May 2006	15,197	142,186	452,419	619,084	50,781	607,972	1,887,639
On disposals	-	(85,433)	(71,793)	(44,017)	-	(3,478)	(204,721)
Charge for the year	8,450	47,272	40,778	269,323	15,851	130,569	512,243
At 30 April 2007	<u>23,647</u>	<u>104,025</u>	<u>421,404</u>	<u>844,390</u>	<u>66,632</u>	<u>735,063</u>	<u>2,195,161</u>
<b>Net book values</b>							
At 30 April 2007	<u>398,916</u>	<u>1,076,595</u>	<u>78,438</u>	<u>1,093,703</u>	<u>25,699</u>	<u>245,452</u>	<u>2,918,803</u>
At 30 April 2006	<u>407,366</u>	<u>2,292,835</u>	<u>101,217</u>	<u>1,297,294</u>	<u>41,550</u>	<u>241,038</u>	<u>4,381,300</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

<b>Asset description</b>	<b>2007</b>		<b>2006</b>	
	<b>Net</b>	<b>Depreciation</b>	<b>Net</b>	<b>Depreciation</b>
	<b>book value</b>	<b>charge</b>	<b>book value</b>	<b>charge</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Plant and machinery	-	-	14,275	4,445
Equipment	-	-	465,734	79,242
	<u>-</u>	<u>-</u>	<u>480,009</u>	<u>83,687</u>

**9. Stocks**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>6,781,737</u>	<u>5,905,586</u>

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

<b>10. Debtors</b>	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	632,799	333,508
Amount owed by connected companies	124,838	248,768
Other debtors	3,653	-
Directors' accounts	14,162	-
Prepayments and accrued income	392,243	253,776
	<u>1,167,695</u>	<u>836,052</u>

<b>11. Creditors: amounts falling due within one year</b>	<b>2007 £</b>	<b>2006 £</b>
Bank overdraft	4,155,368	2,886,830
Bank loan	1,027,803	200,713
Net obligations under finance leases and hire purchase contracts	-	77,212
Trade creditors	1,782,228	1,392,643
Corporation tax	202,923	25,623
Other taxes and social security costs	470,526	240,101
Directors' accounts	691,236	699,009
Other creditors	60,148	1,433
Accruals and deferred income	383,017	229,066
	<u>8,773,249</u>	<u>5,752,630</u>

The bank loans and overdrafts are secured on the assets of the group and by guarantee limited to £400,000, given by the shareholding directors of the group and various investment properties owned by the shareholding directors

The hire purchase contracts are secured on the assets purchased

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

<b>12. Creditors: amounts falling due after more than one year</b>	<b>2007 £</b>	<b>2006 £</b>
Long term bank loans	994,601	2,810,020
Other long term loans	-	67,500
Net obligations under finance leases and hire purchase contracts	-	380,357
	<u>994,601</u>	<u>3,257,877</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 11)	1,027,803	200,713
Repayable between one and two years	224,387	250,671
Repayable between two and five years	472,796	1,431,489
Repayable in five years or more	297,418	1,195,360
	<u>2,022,404</u>	<u>3,078,233</u>

The bank loans and overdrafts are secured on the assets of the group and by a guarantee limited to £400,000 given by the shareholding directors of the group.

<b>13. Obligations under hire purchase contracts</b>	<b>2007 £</b>	<b>2006 £</b>
Obligations under hire purchase contracts are analysed between amounts payable:		
In the next year	-	77,212
In the second to fifth years inclusive	-	380,357
	<u>-</u>	<u>457,569</u>

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

..... continued

<b>14. Provision for deferred taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	70,241	107,119
Undiscounted Provision for deferred tax	<u>70,241</u>	<u>107,119</u>
 Provision at 1 May 2006	 107,119	
Deferred tax credit in profit and loss account	<u>(36,878)</u>	
Provision at 30 April 2007	<u>70,241</u>	
 <b>15. Share capital</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
1,000,000 shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid equity</b>		
100,000 shares of £1 each	<u>100,000</u>	<u>100,000</u>
 <b>16. Reconciliation of movements in shareholders' funds</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the year	276,923	177,436
Opening shareholders' funds	<u>2,281,659</u>	<u>2,104,223</u>
Closing shareholders' funds	<u>2,558,582</u>	<u>2,281,659</u>

## **Axminster Power Tool Centre Limited**

### **Notes to the financial statements for the year ended 30 April 2007**

..... continued

#### **17. Financial commitments**

At 30 April 2007 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	260	-
Between one and five years	76,298	-
In over five years	237,550	227,550
	<u>314,108</u>	<u>227,550</u>

#### **18. Contingent liabilities**

The company has entered into a guarantee dated 31 July 1997 for £135,000 in favour of HM Customs and Excise.

On 18 September 2002, an unlimited multilateral guarantee given by Axminster Power Tool Centre Limited, its parent company Styles & Brown Limited and its fellow subsidiary Jet Tools and Machinery Limited, to the group's bankers

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

continued

**19. Related party transactions**

The shareholding directors of the group have made the following loans to the company:

	£
Mr B G Styles	549,624
Mrs M A Styles	141,612
Mr I V Styles	-
Mrs K J Styles	-

There are no terms as to the repayment of the loans. Interest is credited on the loans at 3% above bank base rate. The directors have agreed with the group's bankers to postpone repayment of these loans, except by agreement.

During the year, the company sold a property to the pension scheme at a market value of £1,515,750 including VAT. Money received by the year end for the sale was £1,290,000 with the remaining outstanding balance of £225,750 being recorded within debtors due within one year. The property was held in fixed assets with a Net Book Value of £1,331,966 prior to sale and realised a loss on disposal of £41,966.

At the balance sheet date, the company had an outstanding loan due to the pension company of £25,403 (2006: £67,500). This figure is part of creditors due in less than one year.

Advantage has been taken of the FRS 8 exemption not to disclose inter-group transactions as the company is a 100% subsidiary and is included in publicly available consolidated accounts.

**20. Transactions with directors**

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2007	2006	in year
	£	£	£
Mr I V Styles	<u>14,162</u>	<u>-</u>	<u>14,162</u>

**Axminster Power Tool Centre Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

. continued

**21. Gross cash flows**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(405,574)	(444,111)
	<u>          </u>	<u>          </u>
<b>Taxation</b>		
Corporation tax paid	(25,622)	(70,895)
	<u>          </u>	<u>          </u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(393,722)	(398,226)
Receipts from sales of tangible assets	1,322,506	9,961
	<u>          </u>	<u>          </u>
	<u>928,784</u>	<u>(388,265)</u>
<b>Financing</b>		
New long term bank loan	-	379,049
Other new long term loans	-	67,500
New short term bank loan	-	21,319
Other new short term loans	77,252	-
Repayment of long term bank loan	(1,471,341)	-
Repayment of other long term loans	(67,500)	-
Increase/(decrease) in directors' loans due within one year	(7,773)	(590,499)
Capital element of finance leases and hire purchase contracts	(77,212)	(84,735)
	<u>          </u>	<u>          </u>
	<u>(1,546,574)</u>	<u>(207,366)</u>

# Axminster Power Tool Centre Limited

## Notes to the financial statements for the year ended 30 April 2007

.... .. continued

### 22. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	276,347	1,252,091	1,528,438
Overdrafts	(2,886,830)	(1,268,538)	(4,155,368)
	<u>(2,610,483)</u>	<u>(16,447)</u>	<u>(2,626,930)</u>
Debt due within one year	(899,722)	(819,317)	(1,719,039)
Debt due after one year	(2,877,520)	1,882,919	(994,601)
Finance leases and hire purchase contracts	(457,569)	457,569	-
	<u>(4,234,811)</u>	<u>1,521,171</u>	<u>(2,713,640)</u>
<b>Net funds</b>	<u><u>(6,845,294)</u></u>	<u><u>1,504,724</u></u>	<u><u>(5,340,570)</u></u>

### 23. Other commitments

During the year, the company entered into forward exchange contracts totalling £6,155,624 (2006 - £2,806,603), all of which mature within 12 months.

### 24. Ultimate parent undertaking

The company's ultimate parent company is Styles & Brown Limited. The company has no ultimate controlling party.