

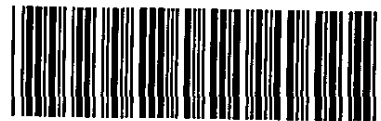
**Axminster Tool Centre Limited (Formerly known as  
Axminster Power Tool Centre Limited)**

**Annual Report**

**Year Ended 30 April 2012**

**Company Registration Number 3326979**

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# **Axminster Tool Centre Limited**

## **Financial Statements**

**Year Ended 30 April 2012**

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## **Axminster Tool Centre Limited**

### **Officers and Professional Advisers**

#### **The Board of Directors**

Mr B G Styles  
Mr I V Styles  
Mrs K J Styles  
Mr A V Styles  
Miss H J Styles  
Mr A J Parkhouse  
Mr A N Thomas  
Mr M J Brown  
Mr M P Trimble  
Mrs J Boulton  
Mr D C McLeod

#### **Company Secretary**

Mr A N Thomas

#### **Auditor**

Francis Clark LLP  
Chartered Accountants  
& Statutory Auditor  
Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

#### **Bankers**

HSBC plc  
Ground Floor  
Stratus House  
Emperor Way  
Exeter Business Park  
EXETER  
EX1 3QS

#### **Solicitors**

Foot Anstey LLP  
Senate Court  
Southernhay Gardens  
Exeter  
EX1 1NT

## **Axminster Tool Centre Limited**

### **The Directors' Report**

#### **Year Ended 30 April 2012**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2012

#### **Principal Activities and Business Review**

The principal activity of the company is that of selling power and hand tools and workshop accessories

This financial year saw successful trading results by the company when compared against competitor retrenchment. The latest store, in Warrington, progresses in line with the excellent growth of the other 'new' stores, and the company remains committed to further openings in line with the strategic plan.

A significant commitment to increase public awareness of the company was made during the year and continues in 2012/13 with the company's first foray into television advertising. National newspaper drops commenced in November (also for the first time) and helped sustain sales.

Margins remain under pressure due to a shifting sales mix, a depressed economy stifles investment in 'large-ticket' items and places increased emphasis on power tools.

#### *Development and performance of the business*

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover	<b>31,492</b>	<b>29,230</b>	<b>27,472</b>	<b>26,980</b>
Turnover Growth - %	<b>8</b>	<b>6</b>	<b>2</b>	<b>-</b>
Gross profit margin - %	<b>39</b>	<b>39</b>	<b>40</b>	<b>40</b>
Profit before tax	<b>419</b>	<b>890</b>	<b>1,064</b>	<b>328</b>

#### *Principal business risks and uncertainties*

The principal business risks and uncertainties facing the company come from the depressed economic climate and competition generally. The company seeks to address these areas by building on its strong brand and reputation, which have been developed over many years, and by continuing to invest in its marketing activities. The company generates sales through a variety of media being internet sales, mail order and shop sales to maximise opportunities from its large customer base of individuals and businesses. Details of financial risks are explained below.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £394,930. The directors have not recommended a dividend.

#### **Financial Risk Management Objectives and Policies**

##### *Financial risk*

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 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 short-term currency hedging contracts, comprise borrowings, cash and liquid resources, trade debtors and trade creditors that arise directly from its operations. The purpose of currency hedging is to match the rate as closely as possible to that assumed when the company's catalogue is priced. Thus reducing the risk of any significant reduction in the budgeted gross profit margin.

## **Axminster Tool Centre Limited**

### **The Directors' Report (*continued*)**

#### **Year Ended 30 April 2012**

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.

The directors review deposits and borrowings by currency at Board meetings.

#### *Interest rate risk*

The company finances its operations through a mixture of retained profits and bank and other borrowings. The company borrows at floating rates of interest and therefore is fully participating in the current low interest rates.

#### *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 products from overseas and makes payments for those purchases primarily in US dollars and Euros. The company endeavours to hedge risks with forward contracts. The company is also targeting foreign operations as an area of 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, where possible, negotiating fixed prices with suppliers over the catalogue products and setting selling prices to maintain reasonable gross profit margins.

### **Directors**

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

Mr B G Styles  
Mr I V Styles  
Mrs K J Styles  
Mrs M A Styles  
Mr A V Styles  
Miss H J Styles  
Mr A J Parkhouse  
Mr A N Thomas  
Mr M J Brown  
Mr M P Trimble  
Mrs J Boulton  
Mr D C McLeod

Miss H J Styles was appointed as a director on 1 July 2011.

Mrs J Boulton was appointed as a director on 1 July 2011.

Mr D C McLeod was appointed as a director on 1 July 2011.

Mrs M A Styles retired as a director on 22 June 2011.

## Axminster Tool Centre Limited

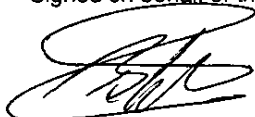
The Directors' Report *(continued)*

Year Ended 30 April 2012

### Donations

During the year, the company made charitable donations of £4,262, of which, £1,083 relates to local charities serving the communities in which the company operates and £3,179 relates to national charities

Signed on behalf of the directors



Mr B G Styles

Director

Approved on 28 August 2012



J. V. Styles

Mr W Styles

Director

## **Axminster Tool Centre Limited**

### **Statement of Directors' Responsibilities**

**Year Ended 30 April 2012**

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

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

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **Axminster Tool Centre Limited**

### **Independent Auditor's Report to the Shareholders of Axminster Tool Centre Limited**

**Year Ended 30 April 2012**

We have audited the financial statements of Axminster Tool Centre Limited for the year ended 30 April 2012 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on Financial Statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on Other Matters Prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Axminster Tool Centre Limited**

Independent Auditor's Report to the Shareholders of Axminster Tool Centre Limited  
(continued)

Year Ended 30 April 2012

### **Matters on Which We are Required to Report by Exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Francis Clark LLP*

PETER SERJEANT (Senior Statutory Auditor)

For and on behalf of

FRANCIS CLARK LLP

Chartered Accountants & Statutory Auditor

Vantage Point

Woodwater Park

Pynes Hill

Exeter

EX2 5FD

*28 August 2012*

## Axminster Tool Centre Limited

### Profit and Loss Account

Year Ended 30 April 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	31,492,339	29,230,362
Cost of sales		(19,255,200)	(17,797,397)
<b>Gross Profit</b>		12,237,139	11,432,965
Distribution costs		(830,377)	(783,392)
Administrative expenses		(10,857,058)	(9,633,135)
Other operating income	3	23,911	12,250
<b>Operating Profit</b>	4	573,615	1,028,688
Interest payable and similar charges	7	(154,290)	(138,695)
<b>Profit on Ordinary Activities Before Taxation</b>		419,325	889,993
Tax on profit on ordinary activities	8	(24,395)	(187,583)
<b>Profit for the Financial Year</b>		<u>394,930</u>	<u>702,410</u>

All of the activities of the company are classed as continuing

The notes on pages 11 to 21 form part of these financial statements

## **Axminster Tool Centre Limited**

### **Statement of Total Recognised Gains and Losses**

**Year Ended 30 April 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year attributable to the shareholders	<b>394,930</b>	702,410
Unrealised profit on revaluation of properties	<b>–</b>	92,308
Total gains and losses recognised since the last annual report	<b><u>394,930</u></b>	<b><u>794,718</u></b>

**The notes on pages 11 to 21 form part of these financial statements**

# Axminster Tool Centre Limited

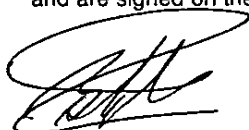
## Balance Sheet

30 April 2012

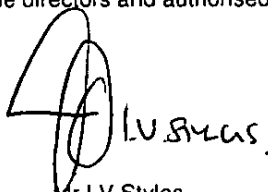
	Note	2012 £	2011 £
<b>Fixed Assets</b>			
Intangible assets	10	30,618	36,147
Tangible assets	11	3,224,270	3,091,178
		<u>3,254,888</u>	<u>3,127,325</u>
<b>Current Assets</b>			
Stocks	12	7,275,766	7,618,335
Debtors	13	2,870,237	2,291,874
Cash in hand		985	1,229
		<u>10,146,988</u>	<u>9,911,438</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>8,655,848</u>	<u>8,590,061</u>
<b>Net Current Assets</b>		<u>1,491,140</u>	<u>1,321,377</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,746,028</u>	<u>4,448,702</u>
<b>Creditors. Amounts falling due after more than one year</b>	15	389,057	449,661
<b>Provisions for Liabilities</b>			
Deferred taxation	17	59,000	96,000
		<u>4,297,971</u>	<u>3,903,041</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	21	100,000	100,000
Revaluation reserve	22	92,308	92,308
Profit and loss account	23	4,105,663	3,710,733
<b>Shareholders' Funds</b>	24	<u>4,297,971</u>	<u>3,903,041</u>

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by

28 August 2012



Mr B G Styles



Mr I V Styles

Company Registration Number 3326979

The notes on pages 11 to 21 form part of these financial statements

# **Axminster Tool Centre Limited**

## **Notes and Accounting Policies**

**Year Ended 30 April 2012**

### **1 Accounting Policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties and in accordance with applicable accounting standards

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent, Styles & Brown Ltd, publishes a consolidated cash flow statement

#### **Turnover**

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided. Income is recognised on the despatch of goods to the customer

#### **Research and development**

Research and development expenditure is written off in the year in which it is incurred

#### **Goodwill**

Goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable

#### **Amortisation**

Amortisation 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

Goodwill - 10 years straight line

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **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	- straight line over 50 years
Leasehold Property	- 2% straight line
Plant, Machinery and Vehicles	- 15% & 25% straight line
Fixtures, Fittings and Office Equipment	- 15% & 25% straight line

# **Axminster Tool Centre Limited**

## **Notes and Accounting Policies**

**Year Ended 30 April 2012**

### **1 Accounting Policies (continued)**

#### **Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Cost includes appropriate attributable overheads and direct expenditure incurred in the normal course of business in bringing goods to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate on the carrying amount.

#### **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.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### **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.

#### **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 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.

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 1 Accounting Policies *(continued)*

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate.

#### 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. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	28,674,041	26,540,322
Europe	2,627,214	2,582,616
Rest of world	191,084	107,424
	<u>31,492,339</u>	<u>29,230,362</u>

### 3 Other Operating Income

	2012 £	2011 £
Rent receivable	<u>23,911</u>	<u>12,250</u>

### 4. Operating Profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation of intangible assets	5,529	5,529
Depreciation of owned fixed assets	478,775	472,175
Depreciation of assets held under hire purchase agreements	5,575	—
Loss/(Profit) on disposal of fixed assets	2,224	(21,571)
Operating lease costs		
- Plant and equipment	186,973	166,286
- Land & buildings	785,579	732,728
Loss on foreign currency	13,852	170,770
Auditor's remuneration - audit of the financial statements	19,000	22,000
Auditor's remuneration - other fees	<u>12,985</u>	<u>15,240</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 4 Operating Profit *(continued)*

	2012 £	2011 £
Auditor's remuneration - audit of the financial statements		
- Francis Clark LLP	19,000	19,000
- Thompson Jenner LLP	–	3,000
	<u>19,000</u>	<u>22,000</u>
Auditor's remuneration - taxation fees		
- Francis Clark LLP	4,250	3,000
- Thompson Jenner LLP	–	–
	<u>4,250</u>	<u>3,000</u>
Auditor's remuneration - other fees		
- Francis Clark LLP	8,735	–
- Thompson Jenner LLP	–	12,240
	<u>8,735</u>	<u>12,240</u>

### 5 Particulars of Employees

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

	2012 No	2011 No
Number of distribution staff	81	75
Number of management staff	51	49
Number of sales staff	100	94
	<u>232</u>	<u>218</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	5,075,561	4,536,000
Social security costs	466,702	435,026
Other pension costs	133,502	145,994
	<u>5,675,765</u>	<u>5,117,020</u>

Pension contributions payable at the balance sheet date totalling £15,017 (2011 £8,341) are included within other creditors



## Axminster Tool Centre Limited

### Notes and Accounting Policies

Year Ended 30 April 2012

#### 6. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Aggregate remuneration	625,964	363,901
Value of company pension contributions to money purchase schemes	27,400	60,200
	<u>653,364</u>	<u>424,101</u>

#### Remuneration of highest paid director:

	2012 £	2011 £
Total remuneration (excluding pension contributions)	<u>131,203</u>	<u>92,033</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>11</u>	<u>9</u>

#### 7 Interest Payable and Similar Charges

	2012 £	2011 £
Interest payable on bank borrowing	134,678	106,042
Finance charges	1,518	–
Other similar charges payable	18,094	32,653
	<u>154,290</u>	<u>138,695</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 8 Taxation on Ordinary Activities

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

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	97,000	236,000
Over/under provision in prior year	(35,605)	(54,050)
Total current tax	61,395	181,950
Deferred tax		
Origination and reversal of timing differences (note 17)		
Capital allowances	(37,000)	5,633
Tax on profit on ordinary activities	<u>24,395</u>	<u>187,583</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 26% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>419,325</u>	<u>889,993</u>
Profit on ordinary activities by rate of tax	109,025	249,198
Expenses not deductible for tax purposes	2,590	1,924
Capital allowances in excess of depreciation for the period	(13,745)	(10,964)
Depreciation of non-qualifying assets	10,948	10,853
Adjustment to tax charge in respect of prior periods	(35,605)	(54,050)
Marginal relief	(15,510)	(10,617)
Chargeable gains	-	(1,731)
Short term timing differences	219	(1,172)
Other	3,473	(1,491)
Total current tax (note 8(a))	<u>61,395</u>	<u>181,950</u>

### 9. Dividends

#### Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>-</u>	<u>250,000</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 10. Intangible Fixed Assets

	Goodwill £
<b>Cost</b>	
At 1 May 2011 and 30 April 2012	<u>55,286</u>
<b>Amortisation</b>	
At 1 May 2011	19,139
Charge for the year	5,529
At 30 April 2012	<u>24,668</u>
<b>Net Book Value</b>	
At 30 April 2012	<u>30,618</u>
At 30 April 2011	<u>36,147</u>

### 11 Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Investment Property £	Plant, Machinery & Vehicles £	Fixtures, Fittings & Office Equipment £	Total £
<b>Cost or Valuation</b>						
At 1 May 2011	157,713	1,841,019	248,713	788,079	3,904,388	6,939,912
Additions	–	53,194	–	169,622	405,475	628,291
Disposals	(2,313)	–	–	(67,853)	–	(70,166)
Transfers	–	(79,667)	–	–	79,667	–
At 30 Apr 2012	<u>155,400</u>	<u>1,814,546</u>	<u>248,713</u>	<u>889,848</u>	<u>4,389,530</u>	<u>7,498,037</u>
<b>Depreciation</b>						
At 1 May 2011	26,408	81,865	–	616,657	3,123,804	3,848,734
Charge for the year	852	36,003	–	58,308	389,187	484,350
On disposals	(2,304)	–	–	(57,013)	–	(59,317)
At 30 Apr 2012	<u>24,956</u>	<u>117,868</u>	<u>–</u>	<u>617,952</u>	<u>3,512,991</u>	<u>4,273,767</u>
<b>Net Book Value</b>						
At 30 Apr 2012	<u>130,444</u>	<u>1,696,678</u>	<u>248,713</u>	<u>271,896</u>	<u>876,539</u>	<u>3,224,270</u>
At 30 Apr 2011	<u>131,305</u>	<u>1,759,154</u>	<u>248,713</u>	<u>171,422</u>	<u>780,584</u>	<u>3,091,178</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 11 Tangible Fixed Assets *(continued)*

#### Revaluation of Investment Properties

The investment properties were revalued to open market value by the directors at 30 April 2011. The directors do not believe the value has materially changed since this date and accordingly no adjustment has been made to the carrying value of investment properties. The historical cost of investment properties is £189,000 (2011: £189,000).

#### Hire purchase agreements

Included within the net book value of £3,224,270 is £39,025 (2011: £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,575 (2011: £Nil).

#### Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>225,900</u>	<u>64,135</u>

### 12. Stocks

	2012 £	2011 £
Finished goods for resale	<u>7,275,766</u>	<u>7,618,335</u>

### 13 Debtors

	2012 £	2011 £
Trade debtors	954,325	936,897
Amounts owed by group undertakings	469,199	335,624
Other debtors	39,852	21,235
Prepayments and accrued income	1,406,861	998,118
	<u>2,870,237</u>	<u>2,291,874</u>

### 14 Creditors. Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	2,200,539	1,885,931
Trade creditors	4,525,125	4,630,800
Corporation tax	97,000	236,000
PAYE and social security	129,519	123,376
VAT	444,346	165,932
Hire purchase agreements	12,678	—
Other creditors	661,750	1,007,441
Accruals and deferred income	584,891	540,581
	<u>8,655,848</u>	<u>8,590,061</u>

The bank overdrafts are secured by way of a fixed and floating charge on the assets of the company. The VAT and PAYE liabilities are secured on the assets of the company in support of a guarantee given by HSBC plc to HMRC up to a maximum of £230,000.

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 15 Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	369,400	449,661
Hire purchase agreements	19,657	—
	<u>389,057</u>	<u>449,661</u>

The bank loans are secured by way of a fixed and floating charge on the assets of the company

### 16. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	14,345	—
Amounts payable between 1 and 2 years	14,345	—
Amounts payable between 3 and 5 years	5,977	—
	<u>34,667</u>	<u>—</u>
Less interest and finance charges relating to future periods	(2,332)	—
	<u>32,335</u>	<u>—</u>
Hire purchase agreements are analysed as follows		
Current obligations	12,678	—
Non-current obligations	19,657	—
	<u>32,335</u>	<u>—</u>

The hire purchase liabilities are secured on the asset to which they relate

### 17. Deferred Taxation

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	96,000	90,367
Profit and loss account movement arising during the year	(37,000)	5,633
Provision carried forward	<u>59,000</u>	<u>96,000</u>

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

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	59,000	96,000
	<u>59,000</u>	<u>96,000</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 18 Derivatives

At the balance sheet date the company had outstanding forward currency purchase commitments totalling £10,961,376 (2011 £6,384,561), all of which mature within 12 months. These are principally denominated in US dollars at an average rate of \$1.615/£1 compared to the year end spot rate of \$1.626/£.

### 19 Commitments under Operating Leases

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	120,700	35,776	120,700	46,259
Within 2 to 5 years	242,500	147,079	147,500	103,628
After more than 5 years	439,874	-	534,874	-
	<u>803,074</u>	<u>182,855</u>	<u>803,074</u>	<u>149,887</u>

### 20. Related Party Transactions

The company has taken advantage of the exemption which is available under Financial Reporting Standard 8 and not disclosed inter-group transactions, as the company is a wholly owned subsidiary of Styles and Brown Limited.

The following transactions occurred with the directors during the year

	Brought forward balance £	Expenditure incurred on their behalf £	Repayments made £	Advances & interest charged £	Total £
B G Styles	517,774	(38,102)	(202,320)	73,367	350,719
M A Styles	71,605	(6,289)	(43,400)	5,376	27,292
I V Styles	40,666	(12,815)	(31,915)	4,064	-
K J Styles	33,680	(5,225)	(32,496)	4,041	-
M N Brown including close family members	73,425	-	(159,985)	133,005	46,445
Total	<u>737,150</u>	<u>(62,431)</u>	<u>(470,116)</u>	<u>219,853</u>	<u>424,456</u>

The above balances are included in other creditors

The company pays interest on these loans at 3% above the HSBC base rate

#### Directors' pension scheme

During the year the company was charged £477,048 (2011 £392,050) in rent by the pension scheme. At the year end the company owed the scheme £190,820 (2011 £nil).

During the prior year the company sold property to the directors' personal pension scheme for a total of £92,500. There have been no transactions of this type during the current year.

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2012

### 21. Share Capital

Allotted, called up and fully paid

	2012 No	£	2011 No	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

### 22. Revaluation Reserve

	2012 £	2011 £
Balance brought forward	92,308	—
Revaluation of fixed assets	—	92,308
Balance carried forward	<u>92,308</u>	<u>92,308</u>

### 23. Profit and Loss Account

	2012 £	2011 £
Balance brought forward	3,710,733	3,258,323
Profit for the financial year	394,930	702,410
Equity dividends	—	(250,000)
Balance carried forward	<u>4,105,663</u>	<u>3,710,733</u>

### 24. Reconciliation of Movements in Shareholders' Funds

	2012 £	2011 £
Profit for the financial year	394,930	702,410
Other net recognised gains and losses	—	92,308
Equity dividends	—	(250,000)
Net addition to shareholders' funds	394,930	544,718
Opening shareholders' funds	3,903,041	3,358,323
Closing shareholders' funds	<u>4,297,971</u>	<u>3,903,041</u>

### 25. Ultimate Parent Company

The company's ultimate parent company is Styles and Brown Limited. The company has no ultimate controlling party. The accounts of Styles and Brown Limited may be obtained from The Company Secretary, Unit 10, Millwey Rise Industrial Estate, Axminster, EX13 5PH.