

# **Axminster Tool Centre Limited**

**Annual Report  
Year Ended 30 April 2014**

**Company Registration Number 3326979**

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# **Axminster Tool Centre Limited**

## **Financial Statements**

**Year Ended 30 April 2014**

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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  
3 Rivergate  
Temple Quay  
Bristol  
BS1 6ER

### **Solicitors**

Foot Anstey LLP  
Senate Court  
Southernhay Gardens  
Exeter  
EX1 1NT

# Axminster Tool Centre Limited

## Strategic Report

Year Ended 30 April 2014

The Strategic Report is designed to replace and enhance reporting previously included in the business review section of the Directors' Report. Its purpose is to inform shareholders and help them assess how the Directors have performed their duty to promote the success of the company during the year under review.

### Business Review

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

The directors are satisfied with growth in turnover and pleased to see gross margin return to its more normal level. Foreign sales grew 9% on 2013 and continues to be a real source of opportunity. The company has continued to invest resources in this area to ensure these opportunities are maximised.

Distribution costs increased as delivery activities are now performed by a separate company and previously certain of these costs were included within administrative expenses which have consequently decreased.

As reported last year, the company undertook a restructuring program and this has contributed to the improved results for the year as set out in the Profit and Loss Account on page 8. The directors expect to build on the improvements made in 2014 over the years ahead.

### Key performance indicators

The key performance indicators of the business are set out below. No further KPI analysis is considered necessary for an understanding of the development, performance and position of the company.

	2014	2013	2012	2011
	£	£	£	£
Turnover	34,303	32,867	31,492	29,230
Turnover growth - %	4	4	8	6
Gros profit margin - %	39	38	39	39
Profit before tax	355	172	419	890

### Principal business risks and uncertainties

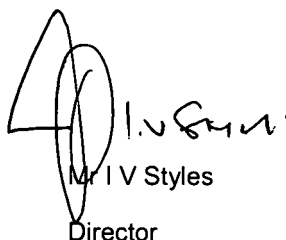
The principal business risks and uncertainties facing the company come from the depressed economic climate and competition generally. The company seeks to address these areas by building on its strong brand and reputation, which have been developed over many years, and by continuing to invest in its 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 in the Directors' Report.

Signed on behalf of the directors



Mr M P Trimble

Director



Mr I V Styles  
Director

Approved by the directors on ...21. Oct 2014

# Axminster Tool Centre Limited

## Directors' Report *(continued)*

### Year Ended 30 April 2014

The directors present their report and the financial statements of the company for the year ended 30 April 2014.

#### **Strategic Report**

A number of disclosures previously incorporated in the Directors' Report are now included in the Strategic Report. These include: business review, key performance indicators and principal risks and uncertainties.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £284,289. Particulars of dividends paid are detailed in note 8 to the financial statements.

#### **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 regularly reviews and agrees policies for managing each of these risks and they are summarised below. 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.

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 regularly 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 borrowing 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, which will reduce the need for forward contracts.

##### *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.

# Axminster Tool Centre Limited

## Directors' Report *(continued)*

Year Ended 30 April 2014

### 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  
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

Each of the persons who is a director at the date of approval of this report confirm that:

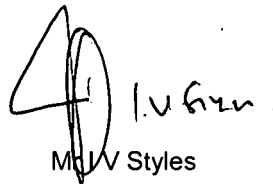
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor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

Signed on behalf of the directors



Mr M P Trimble

Director



Mr I V Styles

Director

Approved on ..... 22 October 2014 .....

# **Axminster Tool Centre Limited**

## **Statement of Directors' Responsibilities**

**Year Ended 30 April 2014**

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

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

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

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

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

# **Axminster Tool Centre Limited**

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

**Year Ended 30 April 2014**

We have audited the financial statements of Axminster Tool Centre Limited for the year ended 30 April 2014 which comprise the Profit and Loss Account, Note of Historical Cost Profits 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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



## Axminster Tool Centre Limited

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

Year Ended 30 April 2014

### 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*

GLENN NICOL (Senior Statutory Auditor)  
For and on behalf of  
FRANCIS CLARK LLP  
Chartered Accountants & Statutory Auditor

Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

*31 October 2014*

# Axminster Tool Centre Limited

## Profit and Loss Account

Year Ended 30 April 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>34,303,075</b>	32,867,326
Cost of sales		<b>(21,051,109)</b>	(20,361,370)
<b>Gross Profit</b>		<b>13,251,966</b>	12,505,956
Distribution costs		<b>(1,818,292)</b>	(1,115,469)
Administrative expenses		<b>(10,988,132)</b>	(11,132,174)
Other operating income		<b>35,333</b>	52,850
<b>Operating Profit</b>	3	<b>480,875</b>	311,163
Attributable to:			
Operating profit before exceptional items		<b>480,875</b>	459,239
Exceptional items	3	<b>-</b>	(148,076)
		<b>480,875</b>	311,163
Interest payable and similar charges	6	<b>(126,142)</b>	(139,481)
<b>Profit on Ordinary Activities Before Taxation</b>		<b>354,733</b>	171,682
Tax on profit on ordinary activities	7	<b>(70,444)</b>	(55,050)
<b>Profit for the Financial Year</b>		<b>284,289</b>	116,632

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

The company has no recognised gains or losses other than the results for the year as set out above.

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

## **Axminster Tool Centre Limited**

### **Note of Historical Cost Profits and Losses**

**Year Ended 30 April 2014**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities before taxation	<b>354,733</b>	171,682
Realisation of gains recognised in previous periods	<b>—</b>	61,542
Historical cost profit on ordinary activities before taxation	<b><u>354,733</u></b>	<b><u>233,224</u></b>
Historical cost profit for the year after taxation	<b><u>284,289</u></b>	<b><u>178,174</u></b>

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

# Axminster Tool Centre Limited

## Balance Sheet


30 April 2014

	Note	2014 £	2013 £
<b>Fixed Assets</b>			
Intangible assets	9	19,560	25,089
Tangible assets	10	3,508,339	3,193,588
		<u>3,527,899</u>	<u>3,218,677</u>
<b>Current Assets</b>			
Stocks	11	9,568,481	7,147,957
Debtors	12	3,029,538	3,185,419
Cash in hand		2,390	596
		<u>12,600,409</u>	<u>10,333,972</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>11,385,202</u>	<u>8,878,205</u>
<b>Net Current Assets</b>		<u>1,215,207</u>	<u>1,455,767</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,743,106</u>	<u>4,674,444</u>
<b>Creditors: Amounts falling due after more than one year</b>	14	130,214	308,841
<b>Provisions for Liabilities</b>			
Deferred taxation	16	94,000	71,000
		<u>4,518,892</u>	<u>4,294,603</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	20	100,000	100,000
Revaluation reserve	21	30,766	30,766
Profit and loss account	22	4,388,126	4,163,837
<b>Shareholders' Funds</b>	23	<u>4,518,892</u>	<u>4,294,603</u>

These accounts were approved by the directors and authorised for issue on 22 October 2014, and are signed on their behalf by:



Mr M P Trimble



Mr 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 2014

### 1. Accounting Policies

#### (a) 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.

#### (b) 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.

#### (c) 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.

#### (d) Research and development

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

#### (e) 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.

#### (f) 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
----------	--------------------------

#### (g) Fixed assets

All fixed assets are initially recorded at cost.

#### (h) 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 (excluding land)	- 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

Land is 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.

# **Axminster Tool Centre Limited**

## **Notes and Accounting Policies**

**Year Ended 30 April 2014**

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

#### **(i) 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.

#### **(j) 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.

#### **(k) 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.

#### **(l) 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.

#### **(m) 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.

#### **(n) 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 2014

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

#### (o) 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.

#### (p) 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:

	2014 £	2013 £
United Kingdom	31,058,288	29,901,362
Europe	2,964,140	2,717,235
Rest of world	280,647	248,729
	<u>34,303,075</u>	<u>32,867,326</u>

### 3. Operating Profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation of intangible assets	5,529	5,529
Depreciation of owned fixed assets	438,623	386,449
Depreciation of assets held under hire purchase agreements	44,328	44,352
Loss/(Profit) on disposal of fixed assets	3,476	(348)
Operating lease costs:		
- Plant and equipment	78,136	160,368
- Other	893,302	863,155
Loss on foreign currency	(699)	58,482
Auditor's remuneration - audit of the financial statements	19,000	19,000
Auditor's remuneration - other fees	3,960	5,145
Exceptional staff costs	-	148,076

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 3. Operating Profit *(continued)*

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>19,000</u>	<u>19,000</u>
Auditor's remuneration - other fees:		
- Taxation services	2,500	3,000
- Other services	<u>1,460</u>	<u>2,145</u>
	<u>3,960</u>	<u>5,145</u>

### 4. Particulars of Employees

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

	2014 No	2013 No
Number of distribution staff	83	71
Number of management staff	54	55
Number of sales staff	107	96
	<u>244</u>	<u>222</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	5,744,990	5,278,253
Social security costs	485,019	486,339
Other pension costs	<u>136,949</u>	<u>128,220</u>
	<u>6,366,958</u>	<u>5,892,812</u>

Pension contributions payable at the balance sheet date totalling £20,069 (2013: £nil) are included within other creditors.

### 5. Directors' Remuneration

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

	2014 £	2013 £
Aggregate remuneration	940,085	710,045
Value of company pension contributions to money purchase schemes	<u>31,058</u>	<u>28,820</u>
	<u>971,143</u>	<u>738,865</u>



# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 5. Directors' Remuneration (*continued*)

#### Remuneration of highest paid director:

	2014 £	2013 £
Total remuneration (excluding pension contributions)	176,981	160,109
Value of company pension contributions to money purchase schemes	1,624	–
	<u>178,605</u>	<u>160,109</u>

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

	2014 No	2013 No
Money purchase schemes	<u>10</u>	<u>11</u>

### 6. Interest Payable and Similar Charges

	2014 £	2013 £
Interest payable on bank borrowing	105,259	108,193
Finance charges	11,367	9,880
Other similar charges payable	9,516	21,408
	<u>126,142</u>	<u>139,481</u>

### 7. Taxation on Ordinary Activities

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

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 24%)	51,000	47,000
Over provision in prior year	(3,556)	(3,950)
Total current tax	<u>47,444</u>	<u>43,050</u>
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	23,000	12,000
Tax on profit on ordinary activities	<u>70,444</u>	<u>55,050</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 7. Taxation on Ordinary Activities *(continued)*

#### (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% (2013 - 24%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>354,733</u>	<u>171,682</u>
Profit on ordinary activities by rate of tax	81,589	41,204
Expenses not deductible for tax purposes	6,357	6,762
Capital allowances in excess of depreciation for the period	(29,650)	(13,713)
Depreciation of non-qualifying assets	-	10,638
Adjustment to tax charge in respect of prior periods	(3,556)	(3,950)
Marginal relief	-	(5,219)
Chargeable gains	-	8,900
Short term timing differences	-	(1,717)
Enhanced relief for R&D expenditure	(3,800)	-
Other adjustments	(3,496)	145
Total current tax (note 7(a))	<u>47,444</u>	<u>43,050</u>

### 8. Dividends

#### Equity dividends

	2014 £	2013 £
Paid		
Equity dividends on ordinary shares	<u>60,000</u>	<u>120,000</u>

### 9. Intangible Fixed Assets

	Goodwill £
<b>Cost</b>	
At 1 May 2013 and 30 April 2014	<u>55,286</u>
<b>Amortisation</b>	
At 1 May 2013	30,197
Charge for the year	5,529
At 30 April 2014	<u>35,726</u>
<b>Net Book Value</b>	
At 30 April 2014	<u>19,560</u>
At 30 April 2013	<u>25,089</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 10. 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 2013	155,400	1,823,558	159,000	1,157,975	4,584,851	7,880,784
Additions	9,385	171,192	–	22,800	605,718	809,095
Disposals	–	(10,624)	–	(1,630)	(13,912)	(26,166)
<b>At 30 Apr 2014</b>	<b>164,785</b>	<b>1,984,126</b>	<b>159,000</b>	<b>1,179,145</b>	<b>5,176,657</b>	<b>8,663,713</b>
<b>Depreciation</b>						
At 1 May 2013	28,064	153,997	–	702,443	3,802,692	4,687,196
Charge for the year	3,108	45,158	–	99,935	334,750	482,951
On disposals	–	(637)	–	(224)	(13,912)	(14,773)
<b>At 30 Apr 2014</b>	<b>31,172</b>	<b>198,518</b>	<b>–</b>	<b>802,154</b>	<b>4,123,530</b>	<b>5,155,374</b>
<b>Net Book Value</b>						
<b>At 30 Apr 2014</b>	<b>133,613</b>	<b>1,785,608</b>	<b>159,000</b>	<b>376,991</b>	<b>1,053,127</b>	<b>3,508,339</b>
At 30 Apr 2013	127,336	1,669,561	159,000	455,532	782,159	3,193,588

#### 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 £155,000 (2013: £155,000).

#### Hire purchase agreements

Included within the net book value of £3,508,339 is £201,345 (2013 - £245,673) 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 £44,328 (2013 - £44,352).

### 11. Stocks

	2014 £	2013 £
Finished goods for resale	<u>9,568,481</u>	<u>7,147,957</u>

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 12. Debtors

	2014	2013
	£	£
Trade debtors	1,130,702	997,243
Amounts owed by group undertakings	411,380	469,199
Other debtors	44,389	12,288
Prepayments and accrued income	1,443,067	1,706,689
	<u>3,029,538</u>	<u>3,185,419</u>

### 13. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	4,011,715	2,530,366
Trade creditors	5,174,645	4,604,624
Amounts owed to group undertakings	446,059	199,809
Corporation tax	51,000	47,000
PAYE and social security	135,216	117,415
VAT	597,301	624,245
Hire purchase agreements	55,510	60,498
Other creditors	377,481	513,779
Accruals and deferred income	536,275	180,469
	<u>11,385,202</u>	<u>8,878,205</u>

The bank loans and overdraft 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 £55,000 (2013: £55,000).

### 14. Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans	25,400	145,400
Hire purchase agreements	104,814	163,441
	<u>130,214</u>	<u>308,841</u>

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

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 15. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	2014 £	2013 £
Amounts payable within 1 year	55,847	60,498
Amounts payable between 1 and 2 years	53,117	55,847
Amounts payable between 3 and 5 years	61,135	114,252
	<u>170,099</u>	<u>230,597</u>
Less interest and finance charges relating to future periods	(9,775)	(6,658)
	<u>160,324</u>	<u>223,939</u>
Hire purchase agreements are analysed as follows:		
Current obligations	55,510	60,498
Non-current obligations	104,814	163,441
	<u>160,324</u>	<u>223,939</u>

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

### 16. Deferred Taxation

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

	2014 £	2013 £
Provision brought forward	71,000	59,000
Profit and loss account movement arising during the year	23,000	12,000
Provision carried forward	<u>94,000</u>	<u>71,000</u>

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

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	94,000	71,000
	<u>94,000</u>	<u>71,000</u>

### 17. Derivatives

At the balance sheet date the company had outstanding forward currency purchase commitments totalling £6,176,309 (2013: £6,285,030), all of which mature within 12 months. These are principally denominated in US dollars at an average rate of \$1.612/£1 compared to the year end spot rate of \$1.688/£1.

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 18. Commitments under Operating Leases

At 30 April 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	134,200	22,612	153,044	84,387
Within 2 to 5 years	229,600	53,534	160,600	73,225
After more than 5 years	515,722	-	490,882	-
	<u>879,522</u>	<u>76,146</u>	<u>804,526</u>	<u>157,612</u>

### 19. 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	196,383	(5,590)	(136,920)	5,753	59,626
M A Styles	38,465	(3,454)	-	1,003	36,014
I V Styles	-	(10,862)	862	10,000	-
K J Styles	-	(7,491)	(2,509)	10,000	-
M N Brown including close family members	33,445	-	(33,445)	-	-
Total	<u>268,293</u>	<u>(27,397)</u>	<u>(172,012)</u>	<u>26,756</u>	<u>95,640</u>

The above balances are included in other creditors.

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

During the year, a property partnership between B.G Styles, M.A Styles, I.V Styles and K.J Styles paid management charges of £35,000 (2013: £35,000) to the company.

#### Directors' pension scheme

During the year the company was charged £455,550 (2013: £477,650) in rent by the pension scheme. At the year end the company owed the scheme £nil (2013: £nil).

During the prior year the company sold a property at its open market value to the scheme for £90,000.

# Axminster Tool Centre Limited

## Notes and Accounting Policies

Year Ended 30 April 2014

### 20. Share Capital

Allotted, called up and fully paid:

	2014 No	£	2013 No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

### 21. Revaluation Reserve

	2014 £	2013 £
Balance brought forward	30,766	92,308
Transfer to the Profit and Loss Account on realisation	–	(61,542)
Balance carried forward	<u>30,766</u>	<u>30,766</u>

### 22. Profit and Loss Account

	2014 £	2013 £
Balance brought forward	4,163,837	4,105,663
Profit for the financial year	284,289	116,632
Equity dividends	(60,000)	(120,000)
Transfer from revaluation reserve	–	61,542
Balance carried forward	<u>4,388,126</u>	<u>4,163,837</u>

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

	2014 £	2013 £
Profit for the financial year	284,289	116,632
Equity dividends	(60,000)	(120,000)
Transfer from revaluation reserve	–	61,542
Transfer to profit and loss account	–	(61,542)
Net addition/(reduction) to shareholders' funds	<u>224,289</u>	<u>(3,368)</u>
Opening shareholders' funds	<u>4,294,603</u>	<u>4,297,971</u>
Closing shareholders' funds	<u>4,518,892</u>	<u>4,294,603</u>

### 24. Parent Undertaking and Controlling Party

The company's immediate and ultimate parent undertaking is Styles and Brown Limited, a company incorporated in England and Wales. Styles and Brown Limited has no ultimate controlling party. The largest and smallest group in which the results of the company are consolidated is that headed by Styles and Brown Limited. The accounts of Styles and Brown Limited may be obtained from The Company Secretary, Unit 10, Millway Rise Industrial Estate, Axminster, EX13 5PH.