

REGISTERED NUMBER: 05622782 (England and Wales)

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
FOR
DOBSON & CROWTHER LIMITED**



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for the Year Ended 31 December 2013**

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DOBSON & CROWTHER LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2013

DIRECTORS:

M J Smith
P Holden

SECRETARY:

N Thomas

REGISTERED OFFICE:

Holyhead Road
Llangollen
LL20 8AE

REGISTERED NUMBER:

05622782 (England and Wales)

AUDITORS:

COLIN GRAY & CO. LIMITED
Chartered Accountants
Registered Auditor
Hardy House
Northbridge Road
Berkhamsted
Hertfordshire
HP4 1EF

**STRATEGIC REPORT
for the Year Ended 31 December 2013**

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

The performance of the business during 2013 reflects the continuing challenges within the envelope market and in the commercial print sector as a whole. The trend towards "on-line" communication continues to impact volumes and the uncertain economic climate has continued to influence the marketing spends of some key customers. This year we have again been at the mercy of the weather in our Horticultural business, with the longer lasting winter meaning a slower start for the retailers, although the business did recover some of the lost ground throughout the summer.

The directors report an 8% fall in turnover to just under £9 million, as a result of these influences and an EBITDA figure of £318,000 for the year.

Looking ahead to 2014, plans are well developed for the business to re-locate into a new purpose built factory with building work already started. This investment demonstrates a strong commitment to the business and will bring significant future benefits. The programme is being funded entirely from the sale of the existing site and as with the current premises, Dobson & Crowther will hold the freehold on the new site. A very challenging but exciting time ahead.

ON BEHALF OF THE BOARD:



N Thomas - Secretary

26 September 2014

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2013**

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

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

M J Smith
P Holden

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

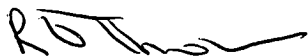
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, COLIN GRAY & CO. LIMITED, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N Thomas - Secretary

26 September 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DOBSON & CROWTHER LIMITED

We have audited the financial statements of Dobson & Crowther Limited for the year ended 31 December 2013 on pages six to seventeen. 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 members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors 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 31 December 2013 and of its loss 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

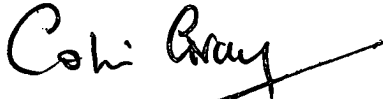
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DOBSON & CROWTHER LIMITED**

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.



Colin Gray (Senior Statutory Auditor)
for and on behalf of COLIN GRAY & CO. LIMITED
Chartered Accountants
Registered Auditor
Hardy House
Northbridge Road
Berkhamsted
Hertfordshire
HP4 1EF

Date: 29th SEPTEMBER, 2014

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2013

	Notes	2013 £	2012 £
TURNOVER	2	8,991,756	9,783,212
Cost of sales		7,280,937	7,810,853
GROSS PROFIT		1,710,819	1,972,359
Selling and distribution expenses		777,602	811,748
Administrative expenses		934,363	1,042,169
		1,711,965	1,853,917
OPERATING (LOSS)/PROFIT	4	(1,146)	118,442
Interest receivable and similar income		-	1,145
		(1,146)	119,587
Interest payable and similar charges	5	350,762	252,470
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(351,908)	(132,883)
Tax on loss on ordinary activities	6	-	229
LOSS FOR THE FINANCIAL YEAR		(351,908)	(133,112)
Deficit brought forward		(202,990)	(69,878)
DEFICIT CARRIED FORWARD		(554,898)	(202,990)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

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

DOBSON & CROWTHER LIMITED (REGISTERED NUMBER: 05622782)

**BALANCE SHEET
31 December 2013**

	Notes	2013	2012
		£	£
FIXED ASSETS			
Intangible assets	7	(53,882)	(66,715)
Tangible assets	8	2,788,435	3,119,983
		<u>2,734,553</u>	<u>3,053,268</u>
CURRENT ASSETS			
Stocks	9	393,326	495,270
Debtors	10	2,901,703	3,298,782
Cash at bank and in hand		320,938	394,701
		<u>3,615,967</u>	<u>4,188,753</u>
CREDITORS			
Amounts falling due within one year	11	4,901,414	5,864,904
NET CURRENT LIABILITIES		<u>(1,285,447)</u>	<u>(1,676,151)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,449,106	1,377,117
CREDITORS			
Amounts falling due after more than one year	12	944,442	520,545
NET ASSETS		<u>504,664</u>	<u>856,572</u>
CAPITAL AND RESERVES			
Called up share capital	16	100,500	100,500
Revaluation reserve	17	959,062	959,062
Profit and loss account		(554,898)	(202,990)
SHAREHOLDERS' FUNDS	18	<u>504,664</u>	<u>856,572</u>

The financial statements were approved by the Board of Directors on 26 September 2014 and were signed on its behalf by:



P Holden - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
for the Year Ended 31 December 2013

	Notes	2013 £	2012 £
Net cash (outflow)/inflow from operating activities	1	(63,563)	580,373
Returns on investments and servicing of finance	2	(350,762)	(251,325)
Taxation		(229)	-
Capital expenditure	2	-	20,848
		<u>(414,554)</u>	<u>349,896</u>
Financing	2	340,791	(717,246)
Decrease in cash in the period		<u>(73,763)</u>	<u>(367,350)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(73,763)	(367,350)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(340,791)</u>	<u>622,244</u>
Change in net debt resulting from cash flows		<u>(414,554)</u>	<u>254,894</u>
Movement in net debt in the period		<u>(414,554)</u>	<u>254,894</u>
Net debt at 1 January		<u>(747,033)</u>	<u>(1,001,927)</u>
Net debt at 31 December		<u>(1,161,587)</u>	<u>(747,033)</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2013

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

	2013 £	2012 £
Operating (loss)/profit	(1,146)	118,442
Depreciation charges	318,715	346,703
Profit on disposal of fixed assets	-	(20,848)
Decrease/(increase) in stocks	101,944	(122,896)
Decrease in debtors	397,079	167,210
(Decrease)/increase in creditors	(880,155)	91,762
Net cash (outflow)/inflow from operating activities	(63,563)	580,373

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	-	1,145
Interest paid	(335,502)	(233,097)
Interest element of hire purchase payments	(15,260)	(19,373)
Net cash outflow for returns on investments and servicing of finance	(350,762)	(251,325)
Capital expenditure		
Sale of tangible fixed assets	-	20,848
Net cash inflow for capital expenditure	-	20,848
Financing		
Loan repayments in year	930,675	(259,516)
Capital repayments in year	(589,884)	(362,730)
Share buyback nominal	-	(24,500)
Share buyback	-	(70,500)
Net cash inflow/(outflow) from financing	340,791	(717,246)

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2013**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	394,701	(73,763)	320,938
	<u>394,701</u>	<u>(73,763)</u>	<u>320,938</u>
Debt:			
Hire purchase	(589,884)	589,884	-
Debts falling due within one year	(255,591)	(282,492)	(538,083)
Debts falling due after one year	(296,259)	(648,183)	(944,442)
	<u>(1,141,734)</u>	<u>(340,791)</u>	<u>(1,482,525)</u>
Total	<u>(747,033)</u>	<u>(414,554)</u>	<u>(1,161,587)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of twelve years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- | | |
|---------------------|--|
| Freehold property | - 5% on cost |
| Plant and machinery | - 20% on cost, 12.5% on cost and 8.33% on cost |

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

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

Foreign currencies

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

Hire purchase and leasing commitments

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

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

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Government grants

The company received a grant for £88,000 in 2008 as a contribution towards the purchase of specific fixed asset expenditure. The amount is disclosed in the financial statements in line with SSAP 4 - Accounting for government grants.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013**

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2013 £	2012 £
United Kingdom	8,928,232	9,760,413
Europe	63,524	22,799
	<u>8,991,756</u>	<u>9,783,212</u>

3. STAFF COSTS

	2013 £	2012 £
Wages and salaries	2,567,739	2,880,925
Social security costs	269,938	297,425
Other pension costs	78,530	101,195
	<u>2,916,207</u>	<u>3,279,545</u>

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

	2013	2012
Directors	2	2
Administration	5	6
Sales, marketing and distribution	10	12
Manufacturing	78	80
	<u>95</u>	<u>100</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2012 - operating profit) is stated after charging/(crediting):

	2013 £	2012 £
Hire of plant and machinery	486	505
Depreciation - owned assets	331,548	189,901
Depreciation - assets on hire purchase contracts	-	169,633
Profit on disposal of fixed assets	-	(20,848)
Goodwill amortisation	(12,833)	(12,833)
Auditors' remuneration	14,340	18,106
Payments made under operating leases	87,450	88,120
	<u>200,422</u>	<u>224,596</u>
Directors' pension contributions to money purchase schemes	3,667	5,500
	<u>204,089</u>	<u>230,096</u>

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

	2013	2012
Money purchase schemes	<u>2</u>	<u>2</u>

DOBSON & CROWTHER LIMITED (REGISTERED NUMBER: 05622782)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013**

4. OPERATING (LOSS)/PROFIT - continued

Information regarding the highest paid director is as follows:

	2013	2012
	£	£
Emoluments etc	114,339	129,682
Pension contributions to money purchase schemes	<u>3,667</u>	<u>4,400</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank loan interest	195,089	27,550
Interest payable for invoice discounting	140,413	205,547
Hire purchase	<u>15,260</u>	<u>19,373</u>
	<u>350,762</u>	<u>252,470</u>

6. TAXATION

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	-	229
	<u>-</u>	<u>229</u>
Tax on loss on ordinary activities	-	229
	<u>-</u>	<u>229</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2013	
and 31 December 2013	<u>(153,994)</u>
AMORTISATION	
At 1 January 2013	(87,279)
Amortisation for year	<u>(12,833)</u>
At 31 December 2013	<u>(100,112)</u>
NET BOOK VALUE	
At 31 December 2013	<u>(53,882)</u>
At 31 December 2012	<u>(66,715)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 January 2013 and 31 December 2013	1,900,000	3,105,599	5,005,599
DEPRECIATION			
At 1 January 2013	236,256	1,649,360	1,885,616
Charge for year	35,943	295,605	331,548
At 31 December 2013	272,199	1,944,965	2,217,164
NET BOOK VALUE			
At 31 December 2013	1,627,801	1,160,634	2,788,435
At 31 December 2012	1,663,744	1,456,239	3,119,983

Included in cost or valuation of land and buildings is freehold land of £1,215,586 (2012 - £1,215,586) which is not depreciated.

Cost or valuation at 31 December 2013 is represented by:

	Freehold property £	Plant and machinery £	Totals £
Valuation in 2008	1,029,562	-	1,029,562
Cost	870,438	3,105,599	3,976,037
	1,900,000	3,105,599	5,005,599

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2013 £	2012 £
Cost	870,438	870,438
Aggregate depreciation	130,149	130,149
Value of land in freehold land and buildings	1,215,586	1,215,586

Freehold land and buildings were valued on an open market basis on 4 September 2008 by Rushton International.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013**

9. STOCKS

	2013	2012
	£	£
Raw materials	158,358	215,757
Work-in-progress	95,587	137,236
Finished goods	117,042	110,813
Machine spares	22,339	31,464
	<u>393,326</u>	<u>495,270</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	2,785,081	3,177,501
Other debtors	12,862	16,799
Prepayments and accrued income	103,760	104,482
	<u>2,901,703</u>	<u>3,298,782</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 13)	538,083	255,591
Hire purchase contracts (see note 14)	-	365,598
Trade creditors	1,566,940	1,755,091
Tax	-	229
Social security and other taxes	441,161	611,245
Other creditors	13,776	16,410
Invoice discounting	2,067,069	2,518,798
Accruals and deferred income	274,385	341,942
	<u>4,901,414</u>	<u>5,864,904</u>

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

	2013	2012
	£	£
Bank loans (see note 13)	944,442	296,259
Hire purchase contracts (see note 14)	-	224,286
	<u>944,442</u>	<u>520,545</u>

The bank loans are repayable between 2 and 6 years.

13. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>538,083</u>	<u>255,591</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013

13. LOANS - continued

	2013 £	2012 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>448,083</u>	<u>255,591</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>40,668</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>496,359</u>	<u>-</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts 2013 £	2012 £
Net obligations repayable:		
Within one year	-	365,598
Between one and five years	-	224,286
	<u>-</u>	<u>589,884</u>

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

	Other operating leases 2013 £	2012 £
Expiring:		
Within one year	21,285	8,535
Between one and five years	87,520	78,914
	<u>108,805</u>	<u>87,449</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2013 £	2012 £
Bank loans	1,482,525	551,850
Hire purchase contracts	-	589,884
Invoice discounting facility	2,067,069	2,518,798
	<u>3,549,594</u>	<u>3,660,532</u>

There is a fixed and floating charge over the assets of the company with regards the invoice discounting agreement with ABN AMRO Commercial Finance PLC.

The bank loans are secured by a debenture over the land & buildings and the plant & machinery.

DOBSON & CROWTHER LIMITED (REGISTERED NUMBER: 05622782)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2013**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2013	2012
Number:	Class:		£	£
63,750	Ordinary A	£1	63,750	63,750
36,750	Ordinary B	£1	36,750	36,750
			<u>100,500</u>	<u>100,500</u>

17. RESERVES

	Revaluation reserve £
At 1 January 2013	959,062
At 31 December 2013	<u>959,062</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Loss for the financial year	(351,908)	(133,112)
Payments to acquire own shares	-	(95,000)
Net reduction of shareholders' funds	<u>(351,908)</u>	<u>(228,112)</u>
Opening shareholders' funds	856,572	1,084,684
Closing shareholders' funds	<u>504,664</u>	<u>856,572</u>

19. DISCLOSURE OF CONTROL

The company is controlled by Mr M J Smith, a director by virtue of his shareholding.