

H.W. COATES (HOLDINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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H.W. COATES (HOLDINGS) LIMITED

COMPANY INFORMATION

DIRECTORS

M H A Coates
G G Coates
T H Coates
G W Ball
R Perry
M G M Coates

COMPANY SECRETARY

R Morris

REGISTERED NUMBER

07107882

REGISTERED OFFICE

Ladywood House
Ladywood Works
Leicester Road
Lutterworth
Leicestershire
LE17 4HD

INDEPENDENT AUDITOR

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
Lyndale House
Ervington Court
Harcourt Way
Meridian Business Park
Leicester
LE19 1WL

H.W. COATES (HOLDINGS) LIMITED

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H.W. COATES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

BUSINESS REVIEW

The principal activity of the company is that of a holding company.

The group is principally engaged in warehousing and distribution. There has been no significant change in the group's activities during the year.

The group experienced a satisfactory year in 2013 which saw an increase in operating profit in comparison to that reported in the previous year.

The Balance Sheet as at the year end continues to be strong.

The group's directors anticipate that financial performance of the group for the ensuing year will continue at a satisfactory level.

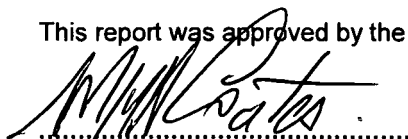
PRINCIPAL RISKS AND UNCERTAINTIES

It is the policy of the Board of Directors to review all financial risks of the group on an ongoing basis.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the business.

This report was approved by the board and signed on its behalf.



M H A Coates
Director

Date: 5th June 2014

H.W. COATES (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £8,268,981 (2012 - £6,568,636).

Particulars of dividends paid are detailed in note 23 to the financial statements.

DIRECTORS

The directors who served during the year were:

M H A Coates
G G Coates
T H Coates
G W Ball
R Perry
M G M Coates

FIXED ASSETS

The directors are of the opinion that the land and buildings (excluding investment land and buildings) included in the balance sheet at £28,162,496 (2012: £25,619,946) are worth considerably more than that figure but the value cannot be determined without a professional valuation.

H.W. COATES (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

DISABLED EMPLOYEES

The group gives full consideration to applications from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees where appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has continued.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



M H A Coates
Director

Date: 5TH JUNE 2014

Ladywood House
Ladywood Works
Leicester Road
Lutterworth
Leicestershire
LE17 4HD

H.W. COATES (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF H.W. COATES (HOLDINGS) LIMITED

We have audited the financial statements of H.W. Coates (Holdings) Limited for the year ended 31 December 2013, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses 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 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 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 members 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, 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 Group's and the parent 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 Group Strategic Report and the Directors' 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 Group's and the parent Company's affairs as at 31 December 2013 and of the Group's 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

H.W. COATES (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF H.W. COATES (HOLDINGS) 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



Robert Nelson BA FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Lyndale House
Ervington Court
Harcourt Way
Meridian Business Park
Leicester
LE19 1WL

Date: 9 / 6 / 14

H.W. COATES (HOLDINGS) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	37,842,378	34,299,309
Cost of sales		<u>(25,922,612)</u>	<u>(23,728,363)</u>
GROSS PROFIT		11,919,766	10,570,946
Administrative expenses		<u>(5,138,783)</u>	<u>(4,517,219)</u>
OPERATING PROFIT	3	6,780,983	6,053,727
EXCEPTIONAL ITEMS			
Exceptional profit on disposal of fixed assets	10	<u>2,996,599</u>	<u>2,250,503</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		9,777,582	8,304,230
Interest receivable	7	96,654	92,394
Interest payable and similar charges	8	(51,451)	(87,104)
Other finance expense	9	<u>(57,000)</u>	<u>(166,000)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,765,785	8,143,520
Tax on profit on ordinary activities	11	<u>(1,405,870)</u>	<u>(1,547,526)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,359,915	6,595,994
Minority interests		<u>(90,934)</u>	<u>(27,358)</u>
PROFIT FOR THE FINANCIAL YEAR	21	<u>8,268,981</u>	<u>6,568,636</u>

All amounts relate to continuing operations.

The notes on pages 12 to 33 form part of these financial statements.

H.W. COATES (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR		8,268,981	6,568,636
Unrealised loss on revaluation of freehold investment property		-	(45,775)
Actuarial gain/(loss) in respect of defined benefit pension scheme	29	1,698,000	(1,608,000)
Deferred tax in respect of defined benefit pension scheme	29	(466,000)	212,000
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		9,500,981	5,126,861

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	9,765,785	8,143,520
Realisation of valuation loss	(1,153,826)	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8,611,959	8,143,520
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	7,115,155	6,568,636

The notes on pages 12 to 33 form part of these financial statements.

H.W. COATES (HOLDINGS) LIMITED
REGISTERED NUMBER: 07107882

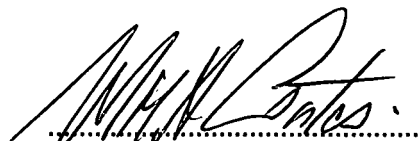
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	12		1,232,856		788,580
Tangible assets	13		58,322,246		52,691,681
			<u>59,555,102</u>		<u>53,480,261</u>
CURRENT ASSETS					
Stocks	15	956,755		842,377	
Debtors	16	8,167,870		7,111,261	
Cash at bank and in hand		7,464,343		8,166,356	
		<u>16,588,968</u>		<u>16,119,994</u>	
CREDITORS: amounts falling due within one year	17	(7,401,448)		(7,327,063)	
NET CURRENT ASSETS			<u>9,187,520</u>		<u>8,792,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>68,742,622</u>		<u>62,273,192</u>
CREDITORS: amounts falling due after more than one year	18		(900,000)		(900,000)
PROVISIONS FOR LIABILITIES					
Deferred tax	19		(11,967)		(131,531)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>67,830,655</u>		<u>61,241,661</u>
Defined benefit pension scheme liability	29		(2,174,000)		(4,160,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>65,656,655</u>		<u>57,081,661</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Revaluation reserve	21		5,787,680		4,633,854
Merger reserve	21		13,121,074		13,121,074
Profit and loss account	21		46,731,602		39,377,447
SHAREHOLDERS' FUNDS	22		<u>65,640,456</u>		<u>57,132,475</u>
MINORITY INTERESTS			<u>16,199</u>		<u>(50,814)</u>
			<u>65,656,655</u>		<u>57,081,661</u>

H.W. COATES (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2013

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M H A Coates
Director

Date: 5th June 2014

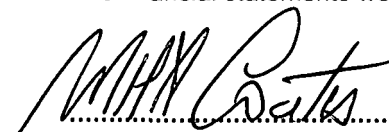
The notes on pages 12 to 33 form part of these financial statements.

H.W. COATES (HOLDINGS) LIMITED
REGISTERED NUMBER: 07107882

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	14	1	1
CURRENT ASSETS			
Debtors	16	5,099	5,099
NET ASSETS		<u>5,100</u>	<u>5,100</u>
CAPITAL AND RESERVES			
Called up share capital	20	100	100
Profit and loss account	21	5,000	5,000
SHAREHOLDERS' FUNDS	22	<u>5,100</u>	<u>5,100</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M H A Coates
Director

Date: 5th June 2014

The notes on pages 12 to 33 form part of these financial statements.

H.W. COATES (HOLDINGS) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	25	6,723,882	6,176,994
Returns on investments and servicing of finance	26	18,282	(10,513)
Taxation	26	(1,076,409)	(1,562,921)
Capital expenditure and financial investment	26	(4,080,831)	450,112
Acquisitions and disposals	26	(507,423)	116,287
Equity dividends paid		(990,000)	(883,000)
CASH INFLOW BEFORE FINANCING		87,501	4,286,959
Financing	26	(789,514)	673,991
(DECREASE)/INCREASE IN CASH IN THE YEAR		(702,013)	4,960,950

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
(Decrease)/increase in cash in the year	(702,013)	4,960,950
Cash inflow/(outflow) from increase/(decrease) in directors' long term loans	789,514	(673,991)
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS	87,501	4,286,959
Debt acquired in subsidiary	-	(900,000)
MOVEMENT IN NET FUNDS IN THE YEAR	87,501	3,386,959
Net funds at 1 January 2013	4,955,451	1,568,492
NET FUNDS AT 31 DECEMBER 2013	5,042,952	4,955,451

The notes on pages 12 to 33 form part of these financial statements.

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and positive goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition on a straight line basis. Negative goodwill on consolidation is capitalised and written off over the estimated useful economic lives of the assets to which it relates. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

The turnover shown in the profit and loss account represents the total value, exclusive of Value Added Tax, of sales made in the year.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Negative goodwill in relation to non-monetary assets acquired has been amortised over its estimated useful economic life of the asset to which it relates.

Amortisation is provided at the following rates:

Goodwill	-	straight line over 20 years
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1% Straight line per annum
Leasehold Property	-	Over life of lease per annum
Plant and equipment	-	10 - 33% straight line per annum
Motor vehicles	-	10% - 25% straight line per annum
Depot and office equipment	-	10% - 33% straight line per annum
Forklift trucks	-	14.3% - 20% straight line per annum

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.6 Investment properties

In accordance with Statement of Standard Accounting Practice No. 19, certain of the group's properties are held for long-term investment and are included in the balance sheet at an estimate of market value based on a multiple of current rental income. The surplus or deficit on annual revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with generally accepted accounting principles set out in Statement of Standard Accounting Practice No. 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt Statement of Standard Accounting Practice No. 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for this financial year would have been reduced by depreciation. However, the amount of depreciation cannot be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.7 Operating leases

Rentals applicable to operating leases where substantially all 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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

The group operates defined contribution stakeholder schemes and defined benefit pension schemes for employees. The defined benefit schemes were closed to new entrants on 1 September 2007 for the H.W. Coates Limited RBS and 31 August 2008 for the Firmin Coates Limited RBS, employees are now offered the opportunity to join a stakeholder scheme.

Defined contribution pension schemes

The costs charged in the financial statements represent contributions paid by the group during the year.

Defined benefit pension schemes

The defined benefit pension schemes are accounted for in accordance with Financial Reporting Standard 17, Retirement Benefits. The assets and liabilities of the schemes are invested and managed independently of the finances of the group, are valued by a qualified actuary, measured on an actuarial basis using a projected unit method and are discounted to their present value.

Pension scheme assets are valued at market value at the balance sheet date. The pension schemes are recognised in full on the balance sheet.

The deferred tax relating to a defined benefit liability is offset against the defined benefit liability and not included with other deferred tax assets or liabilities.

1.11 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains and losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

1.12 Related parties

The Company has taken the exemption, available under Financial Reporting Standard 8, not to disclose transactions with companies directly and indirectly owned by the parent company, H.W. Coates (Holdings) Limited.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the group and were all undertaken in the United Kingdom.

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

3. OPERATING PROFIT

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

	2013 £	2012 £
Amortisation of intangible fixed assets	81,467	62,725
Depreciation of tangible fixed assets	1,613,898	1,510,466
Operating lease rentals- other	468,175	732,680
Profit on disposal of fixed assets	(137,940)	(131,210)
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

	2013 £	2012 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	29,368	39,830
Fees payable to the Company's auditor and its associates in respect of:		
Accountancy	7,301	13,720
Taxation	800	5,909
Payroll	2,680	10,277
	<u> </u>	<u> </u>

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	7,549,519	7,558,960
Social security costs	710,907	665,769
Other pension costs (note 29)	1,398,662	2,048,737
	<u>9,659,088</u>	<u>10,273,466</u>

Other pension costs represent amounts chargeable to the defined contribution pension scheme and amounts charged in respect of the defined benefit pension scheme and does not include amounts charged to finance costs (see note 8) and amounts recognised in the statement of recognised gains and losses.

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

	2013 No.	2012 No.
Drivers and warehousemen	199	185
Managers and office staff	89	91
Working directors	6	5
	<u>294</u>	<u>281</u>

6. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>785,922</u>	<u>662,579</u>
Pension contributions to defined contribution pension schemes	<u>40,384</u>	<u>32,703</u>

During the year retirement benefits were accruing to 3 directors (2012 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £326,049 (2012 - £287,852).

The value of contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £28,382 (2012 - £24,906).

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. INTEREST RECEIVABLE

	2013	2012
	£	£
Interest receivable	96,654	92,394

8. INTEREST PAYABLE

	2013	2012
	£	£
Other similar charges	3,629	250
Directors loan interest	47,822	86,854
	51,451	87,104

9. OTHER FINANCE EXPENSE

	2013	2012
	£	£
Expected return on pension scheme assets	855,000	750,000
Interest on pension scheme liabilities	(912,000)	(916,000)
	(57,000)	(166,000)

10. EXCEPTIONAL ITEMS

	2013	2012
	£	£
Exceptional profit on disposal of fixed assets	2,996,599	2,250,503

Exceptional income of £2,996,599 (2012: £2,250,503) relates to the profit on the sale of land and buildings.

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

11. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,329,858	1,211,724
Adjustments in respect of prior periods	-	9,240
Total current tax	<u>1,329,858</u>	<u>1,220,964</u>
Deferred tax		
Origination and reversal of timing differences (see note 19)	(123,988)	(12,438)
FRS 17 adjustment	200,000	339,000
Total deferred tax	<u>76,012</u>	<u>326,562</u>
Tax on profit on ordinary activities	<u><u>1,405,870</u></u>	<u><u>1,547,526</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>9,765,785</u>	<u>8,143,520</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	2,295,529	2,031,287
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	49,394	7,738
Capital allowances for year in excess of depreciation	(639,485)	(441,330)
Pension adjustments	(221,805)	(361,620)
Utilisation of tax losses	(124,674)	(3,471)
Tax chargeable at lower rates	(1,369)	(1,471)
Under provision in prior year	-	9,240
Taxed investment income	(29,313)	(20,626)
Other short term timing difference carried forward	1,581	1,217
Current tax charge for the year (see note above)	<u><u>1,329,858</u></u>	<u><u>1,220,964</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. INTANGIBLE FIXED ASSETS

Group	Positive goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2013	1,507,910	(669,969)	837,941
Additions	525,743	-	525,743
At 31 December 2013	<u>2,033,653</u>	<u>(669,969)</u>	<u>1,363,684</u>
Amortisation			
At 1 January 2013	281,052	(231,691)	49,361
Charge for the year	101,680	(20,213)	81,467
At 31 December 2013	<u>382,732</u>	<u>(251,904)</u>	<u>130,828</u>
Net book value			
At 31 December 2013	<u>1,650,921</u>	<u>(418,065)</u>	<u>1,232,856</u>
At 31 December 2012	<u>1,226,858</u>	<u>(438,278)</u>	<u>788,580</u>

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. TANGIBLE FIXED ASSETS

Group	Freehold property £	Freehold investment property £	Long leasehold property £	Plant and equipment £	Motor vehicles £
Cost or valuation					
At 1 January 2013	26,038,869	21,844,773	2,865,555	3,395,644	7,023,256
Additions	2,876,241	2,553,145	-	314,387	936,470
Disposals	(177,701)	(1,702,500)	-	(244,530)	(938,045)
On acquisition of subsidiaries	-	-	-	-	26,665
At 31 December 2013	<u>28,737,409</u>	<u>22,695,418</u>	<u>2,865,555</u>	<u>3,465,501</u>	<u>7,048,346</u>
Depreciation					
At 1 January 2013	2,876,055	-	408,423	1,664,877	4,070,122
Charge for the year	212,030	-	27,129	351,314	828,199
On disposals	(83,169)	-	-	(225,343)	(828,743)
At 31 December 2013	<u>3,004,916</u>	<u>-</u>	<u>435,552</u>	<u>1,790,848</u>	<u>4,069,578</u>
Net book value					
At 31 December 2013	<u>25,732,493</u>	<u>22,695,418</u>	<u>2,430,003</u>	<u>1,674,653</u>	<u>2,978,768</u>
At 31 December 2012	<u>23,162,814</u>	<u>21,844,773</u>	<u>2,457,132</u>	<u>1,730,767</u>	<u>2,953,134</u>
Group		Depot and office equipment £	Property in the course of construction £	Forklift trucks £	Total £
Cost or valuation					
At 1 January 2013		27,777	-	1,796,147	62,992,021
Additions		134,007	1,926,112	408,208	9,148,570
Disposals		(36,091)	-	(122,937)	(3,221,804)
On acquisition of subsidiaries		18,347	-	-	45,012
At 31 December 2013		<u>144,040</u>	<u>1,926,112</u>	<u>2,081,418</u>	<u>68,963,799</u>
Depreciation					
At 1 January 2013		(30,611)	-	1,311,474	10,300,340
Charge for the year		45,403	-	158,168	1,622,243
On disposals		(28,529)	-	(115,246)	(1,281,030)
At 31 December 2013		<u>(13,737)</u>	<u>-</u>	<u>1,354,396</u>	<u>10,641,553</u>
Net book value					
At 31 December 2013		<u>157,777</u>	<u>1,926,112</u>	<u>727,022</u>	<u>58,322,246</u>
At 31 December 2012		<u>58,388</u>	<u>-</u>	<u>484,673</u>	<u>52,691,681</u>

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. TANGIBLE FIXED ASSETS (continued)

Land with a value of £7,603,372 (2012: £8,854,161) included in the above is not depreciated.

Cost or valuation at 31 December 2013 is as follows:

	Land and buildings £
Group	
At cost	48,510,702
 Revaluation adjustment	 5,787,680
	<u>54,298,382</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2013 £	2012 £
Group		
Cost	48,510,702	46,115,343
Accumulated depreciation	(3,440,468)	(3,284,478)
 Net book value	 <u>45,070,234</u>	 <u>42,830,865</u>

Freehold investment properties were revalued as at 31 December 2013 at open market value. The valuation was carried out by the directors using a multiple of rents receivable in respect of these properties. The directors are not aware of any material change in value and therefore valuations have not been updated.

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

14. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
H.W. Coates Limited	Ordinary	100 %
The Hazchem Network Limited	Ordinary	84.05 %
Coates Scotland Limited	Ordinary	99.99 %
C&V Data Management Services Limited	Ordinary	90 %
Cube Datastore Limited	Ordinary	100 %
Firmin Coates Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
H.W. Coates Limited	65,814,789	6,850,846
The Hazchem Network Limited	285,251	203,919
Coates Scotland Limited	-	798,755
C&V Data Management Services Limited	(292,969)	582,946
Cube Datastore Limited	38,915	30,908
Firmin Coates Limited	1	-

Company	Group companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	1
Net book value	
At 31 December 2013	1
At 31 December 2012	1

The company acquired its shareholdings in the subsidiary and associated companies as part of a share-for-share transfer during a group reconstruction. The investment represents the nominal value of the shares issued at £0.00001 per share.

All the group companies prepare their accounts to 31 December in the current year.

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

15. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and diesel	956,755	842,377	-	-

16. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	7,061,247	5,701,768	-	-
Amounts owed by group undertakings	-	-	5,000	5,000
Other debtors	228,659	385,941	99	99
Prepayments and accrued income	877,964	1,023,552	-	-
	8,167,870	7,111,261	5,099	5,099

**17. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	1,529,314	1,548,398	-	-
Directors' loan accounts	1,521,391	2,310,905	-	-
Corporation tax	760,863	491,445	-	-
Other taxation and social security	931,863	796,840	-	-
Other creditors	1,020,755	604,787	-	-
Accruals and deferred income	1,637,262	1,574,688	-	-
	7,401,448	7,327,063	-	-

**18. CREDITORS:
Amounts falling due after more than one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other loans	900,000	900,000	-	-

Included with in creditors falling due after more than one year is an amount of £900,000 (2012: £900,000) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	131,531	143,969	-	-
Released during the year (see note 11)	(123,988)	(12,438)	-	-
Deferred tax liability on acquisition	4,424	-	-	-
	<u>11,967</u>	<u>131,531</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	222,312	248,378	-	-
Tax losses available	(224,169)	(133,824)	-	-
Other timing differences	13,824	16,977	-	-
	<u>11,967</u>	<u>131,531</u>	<u>-</u>	<u>-</u>

20. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
10,000,000 Ordinary shares of £0.00001 each	<u>100</u>	<u>100</u>

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

21. RESERVES

Group	Revaluation reserve £	Merger reserve £	Profit and loss account £
At 1 January 2013	4,633,854	13,121,074	39,377,447
Profit for the financial year	-	-	8,268,981
Dividends: Equity capital	-	-	(990,000)
Pension reserve movement	-	-	1,232,000
Transfer between Revaluation reserve and P/L account	1,153,826	-	(1,153,826)
Transfer on acquisition of minority interest	-	-	(3,000)
At 31 December 2013	<u>5,787,680</u>	<u>13,121,074</u>	<u>46,731,602</u>

The closing balance on the Profit and Loss Account reserve includes a £2,174,000 (2012 - £4,160,000) debit, stated after deferred taxation of £578,000 (2012 - £1,244,000), in respect of pension scheme liabilities of the Group defined benefit pension schemes.

A merger reserve was created at the time of the group restructuring in 2010. This reserve is a non-distributable reserve.

Company	Profit and loss account £
At 1 January 2013	5,000
Profit for the financial year	990,000
Dividends: Equity capital	(990,000)
At 31 December 2013	<u>5,000</u>

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Group		
Opening shareholders' funds	57,132,475	52,886,982
Profit for the financial year	8,268,981	6,568,636
Dividends (note 23)	(990,000)	(883,000)
Other recognised gains and losses during the year	1,232,000	(1,441,775)
Transfer from minority interest reserve	(3,000)	1,632
	<u>65,640,456</u>	<u>57,132,475</u>
 Closing shareholders' funds		
	<u><u>65,640,456</u></u>	<u><u>57,132,475</u></u>
 Company		
Opening shareholders' funds	5,100	5,100
Profit for the financial year	990,000	883,000
Dividends (note 23)	(990,000)	(883,000)
	<u>5,100</u>	<u>5,100</u>
 Closing shareholders' funds		
	<u><u>5,100</u></u>	<u><u>5,100</u></u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

The profit for the year dealt with in the accounts of the Company was £990,000 (2012 - £883,000).

23. DIVIDENDS

	2013 £	2012 £
Equity dividend paid by parent entity		
Interim dividends of £0.099 per share	990,000	883,000
	<u>990,000</u>	<u>883,000</u>
 Equity dividend paid by subsidiary		
	2013 £	2012 £
Interim dividend of £42.869 per share paid to Minority Interests	23,921	15,803
Interim dividend of £3.1915 per share paid to Minority Interests	3,000	-
	<u>26,921</u>	<u>15,803</u>

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

24. ACQUISITIONS

	Vendors' book value £	Fair value to the group £
Assets and liabilities acquired		
Tangible fixed assets	45,012	45,012
Debtors	103,891	103,891
Cash at bank	29,327	29,327
Loans and finance leases	(7,550)	(7,550)
Other creditors and provisions	(159,673)	(159,673)
Net assets acquired	11,007	11,007
Satisfied by		
Consideration:		
Cash		536,750
Goodwill arising on consolidation (see note 12)		525,743

The date of acquisition was 26 June 2013, the book value on acquisition has been taken from the 31 May 2013 financial statements as the directors do not consider this to be materially different to the group accounts. The profit and loss account for Cube Datastore Limited for the period from 1 June 2013 to 31 December 2013 has been consolidated in to the group accounts.

25. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	6,780,983	6,053,727
Exceptional items	2,996,599	2,250,503
Amortisation of intangible fixed assets	81,467	62,725
Depreciation of tangible fixed assets	1,622,243	1,510,466
Profit on disposal of tangible fixed assets	(3,134,538)	(2,381,711)
(Increase)/decrease in stocks	(114,378)	755,387
Increase in debtors	(949,970)	(164,583)
Increase/(decrease) in creditors	452,476	(267,520)
Increase in provisions	383,000	355,000
Decrease in net pension liabilities	(1,394,000)	(1,997,000)
Net cash inflow from operating activities	6,723,882	6,176,994

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	96,654	92,394
Interest paid	(51,451)	(87,104)
Dividends paid to minority interests	(26,921)	(15,803)
	<hr/>	<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance	18,282	(10,513)
	<hr/> <hr/>	<hr/> <hr/>
	2013 £	2012 £
Taxation		
Corporation tax	(1,076,409)	(1,562,921)
	<hr/> <hr/>	<hr/> <hr/>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,156,143)	(2,615,841)
Sale of tangible fixed assets	5,075,312	3,065,953
	<hr/>	<hr/>
Net cash (outflow)/inflow from capital expenditure	(4,080,831)	450,112
	<hr/> <hr/>	<hr/> <hr/>
	2013 £	2012 £
Acquisitions and disposals		
Net acquisition of shares in group undertaking	(536,750)	1,697
Cash acquired with subsidiary undertaking	29,327	114,590
	-	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from acquisitions and disposals	(507,423)	116,287
	<hr/> <hr/>	<hr/> <hr/>
	2013 £	2012 £
Financing		
Increase of directors' long term loans	-	673,991
Repayment of directors' long term loans	(789,514)	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from financing	(789,514)	673,991
	<hr/> <hr/>	<hr/> <hr/>

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

27. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2013 £	Cash flow £	31 December 2013 £
Cash at bank and in hand	8,166,356	(702,013)	7,464,343
Debt:			
Directors' current accounts	(2,310,905)	789,514	(1,521,391)
Debts falling due after more than one year	(900,000)	-	(900,000)
Net funds	<u>4,955,451</u>	<u>87,501</u>	<u>5,042,952</u>

28. CAPITAL COMMITMENTS

At 31 December 2013 the Group and Company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Contracted for but not provided in these financial statements	<u>1,073,636</u>	<u>334,637</u>	<u>-</u>	<u>-</u>

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

29. PENSION COMMITMENTS

The group participates in defined contribution stakeholder pension schemes and defined benefit schemes for the benefit of its employees. The assets of the schemes are administered by Trustees in funds independent from the assets of the group.

Defined contribution stakeholder pension schemes

Contributions made during the year were £87,928 (2012: £71,520). This is made up of contributions made by H.W. Coates Limited £64,582 (2012: £52,486), The Hazchem Network Limited £16,103 (2012: £13,158), Coates Scotland Limited £3,714 (2012: £5,876) and C&V Data Management Services Limited £3,529. Contributions totalling £8,234 (2012: £6,289) were payable to the funds at the balance sheet date and are included in creditors.

Defined benefit pension schemes

The defined benefit pension schemes were closed to new entrants on 1 September 2007 for H.W. Coates Limited RBS and 31 August 2008 for Firmin Coates Limited RBS.

Financial reporting standard 17, retirement benefits ("FRS 17")

Calculations used for FRS 17 disclosures have been based on the most recent actuarial valuation which was carried as at 1 September 2012 for H.W. Coates Limited RBS and 6 April 2012 for Firmin Coates Limited RBS.

The group expects to contribute approximately £355,000 to the two defined benefit pension plans in the year ending 31 December 2014.

The amounts recognised in the Balance Sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(21,613,000)	(21,200,000)
Fair value of scheme assets	18,861,000	15,796,000
Deficit in scheme	(2,752,000)	(5,404,000)
Related deferred tax asset	578,000	1,244,000
Net liability	(2,174,000)	(4,160,000)

H.W. COATES (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

29. PENSION COMMITMENTS (continued)

The amounts recognised in profit or loss are as follows:

	2013 £	2012 £
Current service cost	(383,000)	(355,000)
Interest on obligation	(912,000)	(916,000)
Expected return on scheme assets	855,000	750,000
Interest on obligation	(912,000)	(916,000)
Expected return on scheme assets	855,000	750,000
Total	(497,000)	(687,000)
 Actual return on scheme assets	 2,290,000	 276,000

Actuarial gains of £1,698,000 (2012: £1,608,000 losses) have been recognised in the Statement of Total Recognised Gains and Losses. At 31 December 2013 the cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses is £4,009,000.

The deferred tax debited to the Statement of Total Recognised Gains and Losses for the year was £466,000 (2012: £212,000 credited).

The deferred tax debited to the profit and loss account for the year was £200,000 (2012: £339,000).

Movements in the present value of the defined benefit obligation were as follows:

	2013 £	2012 £
Opening defined benefit obligation	21,200,000	18,710,000
Current service cost	383,000	355,000
Interest cost	912,000	916,000
Actuarial (gains)/losses	(263,000)	2,006,000
Benefits paid	(619,000)	(787,000)
Closing defined benefit obligation	21,613,000	21,200,000

Changes in the fair value of scheme assets were as follows:

	2013 £	2012 £
Opening fair value of scheme assets	15,796,000	13,438,000
Expected return on assets	855,000	750,000
Actuarial gains	1,435,000	398,000
Contributions by employer	1,394,000	1,997,000
Benefits paid	(619,000)	(787,000)
	18,861,000	15,796,000

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

29. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Equities	84.00 %	81.00 %
Bonds	11.00 %	12.00 %
Cash	5.00 %	7.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013	2012
Discount rate	4.60 %	4.30 %
Expected return on scheme assets	6.00 %	5.29 %
Rate of increase in pensions in payment	2.60 %	2.50 %
Rate of increase in deferred pensions	2.50 %	2.50 %
Inflation	3.60 %	3.10 %

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligation	(21,613,000)	(21,200,000)	(18,710,000)	(16,877,000)	(6,663,000)
Scheme assets	18,861,000	15,796,000	13,438,000	14,619,000	5,301,000
Deficit	(2,752,000)	(5,404,000)	(5,272,000)	(2,258,000)	(1,362,000)
Experience adjustments on scheme liabilities	263,000	(2,006,000)	420,000	874,000	(47,000)
Experience adjustments on scheme assets	1,435,000	398,000	(1,827,000)	(641,000)	(617,000)

30. OPERATING LEASE COMMITMENTS

At 31 December 2013 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	2012 £	2013 £	Other 2012 £
Group				
Expiry date:				
Within 1 year	31,675	55,011	-	17,333
Between 2 and 5 years	37,400	221,724	-	-
After more than 5 years	45,000	-	-	-

H.W. COATES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

31. RELATED PARTY TRANSACTIONS

Dividends were paid by the company and received in a beneficial capacity by:

	2013 £	2012 £
Directors	623,700	839,733
M H A Coates Trust	247,500	22,075
G G Coates Trust	118,800	21,192

Amounts owed to the Directors at the year end were as follows:

	2013 £	2012 £
M H A Coates & G G Coates	42,753	58,802
M H A Coates	1,024,653	1,696,296
G G Coates	404,408	541,462
T H Coates	1,475	14,345
M G M Coates	48,201	-
Total	1,521,490	2,310,905

Interest amounting to £29,656 (2012: £74,408) has been paid on the above loans during the year.

A balance of £507,447 (2012: £Nil) was owed to Mrs P Coates, the wife of M H A Coates, at the year end in respect of a loan. £9,624 (2012: £Nil) of interest has been paid on this loan for the year.

A balance of £401,613 (2012: £402,823) was owed to Mrs Y Coates, the wife of G G Coates, at the year end in respect of a loan. £7,993 (2012: £12,446) of interest has been paid on this loan for the year.

A balance of £49,132 (2012: £Nil) was owed to Mrs P Y Sanger, the daughter of G G Coates, at the year end in respect of a loan. £456 (2012: £Nil) of interest has been paid on this loan for the year.

A balance of £10,040 (2012: £Nil) was owed to Mrs J E Heazlewood, the daughter of G G Coates, at the year end in respect of a loan. £92 (2012: £Nil) of interest has been paid on this loan for the year.

All transactions are at arm's length.

The directors have taken exemption under Financial Reporting Standard 8 to disclose transactions with subsidiaries of the group.

32. CONTROLLING PARTY

The controlling parties are M H A Coates and G G Coates.