

**Siddall Medequip Limited**

**Directors' report and financial  
statements**

**Registered number 07701613**

**31 December 2012**

MONDAY



\*A2I06EJ4\*

A20

30/09/2013

#499

COMPANIES HOUSE

## Contents

Company Information	1
Directors' Report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Siddall Medequip Limited	5
Consolidated Profit and Loss Account	7
Consolidated Statement of Total Recognised Gains and Losses	8
Consolidated Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes	11

## Company Information

<b>Directors</b>	J E McGee BEng J C Siddall BSc C P Siddall BSc, FRGS J A Firth BA, FCA A J Siddall P R Siddall MBE
<b>Company number</b>	07701613
<b>Registered office</b>	Siddall Business Park Holmfild Halifax West Yorkshire HX2 9TN
<b>Independent Auditor</b>	KPMG LLP St James' Square Manchester M2 6DS
<b>Bankers</b>	National Westminster Bank PLC 3rd Floor 2 Whitehall Quay Leeds West Yorkshire LS1 4HR
<b>Solicitors</b>	Eversheds 1 Bridgewater Place Water Lane Leeds West Yorkshire LS1 5QR

## Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 December 2012

### Principal activities and review of the business

The principal activity of the company is that of a holding company. Siddall Group Limited is an intermediate holding company with two trading subsidiaries, Medequip Assistive Technology Limited and Manage at Home Limited. The principal activity of Medequip Assistive Technology Limited is the purchase, storage, sale, delivery, and collection of medical assistive technology equipment. The principal activity of Manage At Home Limited is the online retail of healthcare products.

The results for the year show an increase in turnover of 23% whilst operating profit increased by £285,000 to £2,866,000. The average number of employees increased by 68 to 396.

The principal risks and uncertainties are considered to be the general economic climate and spending levels within the NHS. Whilst the general economic outlook remains uncertain, the outlook for the group remains positive.

Key performance indicators	31 December 2012	31 December 2011
Return on turnover	3.9%	4.3%
On time deliveries	99.60%	99.12%

Return on turnover is the percentage of operating profit to gross turnover.

On time deliveries is the percentage of deliveries achieved within set contractual targets.

### Policy and practice on payment of creditors

The Company policy and practice on payment of creditors is to make all payments in accordance with agreed credit terms.

### Results and dividends

The consolidated profit and loss account for the year is set out on page 7.

No dividends have been paid or proposed in the year (2011 £2,430,000).

### Prior year adjustment

During the year, it came to light that stocks at 31 December 2011 have been overstated and cost of sales understated by £456,000 and at 31 December 2010 stocks have been overstated and cost of sales understated by £2,138,000. This has been subject to a prior year adjustment in these financial statements, as further explained in note 12.

### Employee involvement

Details of the number of employees and related costs can be found in note 5 to the financial statements. The Company is an equal opportunities employer and considers all applications for employment on the basis of aptitude and merit.

The Company places considerable value on the involvement of all employees and has adopted the practice of keeping all employees informed on matters affecting the performance of the Company and them as employees via a series of formal, face to face monthly team briefings. The importance of training and development of employees is recognised and supported by local management and through the use of external bodies.

Employee health and safety is of paramount importance and a culture of health and safety awareness is maintained throughout the Company. The Company has an exemplary health and safety record and its efforts in this area have been publicly recognised.

## **Directors' report** *(continued)*

### **Disabled persons**

It is Company policy that all personnel have equality of opportunity upon recruitment and during service regardless of gender, race, religion or disability and also to select and train people dependent upon their ability and the Company's requirement for particular skills

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

### **Auditor**

Subsequent to the year end, Saffery Champness resigned as auditors of the Company and KPMG LLP were appointed

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**J A Firth BA FCA**  
*Director*

Sidhul Business Park  
Holmfield  
Halifax  
West Yorkshire  
HX2 9TN

September 2013

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, and
- 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 parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Siddall Medequip Limited**

We have audited the financial statements of Siddall Medequip Limited for the year ended 31 December 2012 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK 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**

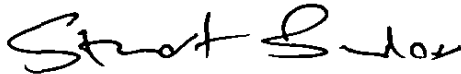
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Siddall Medequip Limited**  
(continued)

**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



**Stuart Burdass (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

22/9/17



**Consolidated Profit and Loss Account**  
*for the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b> <b>£'000</b>	<b>2011</b> (Restated) <b>£'000</b>
<b>Turnover</b>	<b>2</b>	<b>73,335</b>	<b>59,422</b>
<b>Cost of sales</b>		<b>(64,646)</b>	<b>(52,299)</b>
<b>Gross profit</b>		<b>8,689</b>	<b>7,123</b>
Distribution costs	3	(6)	(7)
Administrative expenses	3	(5,817)	(4,421)
Exceptional administrative expense in relation to group reorganisation	3	-	(114)
<b>Operating profit</b>		<b>2,866</b>	<b>2,581</b>
Interest payable and similar charges	6	(387)	(564)
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>2,479</b>	<b>2,017</b>
Tax on profit on ordinary activities	7	(517)	(722)
<b>Profit for the financial year</b>	<b>19, 20</b>	<b>1,962</b>	<b>1,295</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

The notes on pages 11 to 22 form part of these financial statements

**Consolidated Statement of Total Recognised Gains and Losses**  
*for the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b>	2011
		<b>£'000</b>	<b>(Restated)</b> <b>£'000</b>
<b>Profit for the financial year</b>	<i>19</i>	<b>1,962</b>	1,295
Total recognised gains and losses relating to the year		<b>1,962</b>	1,295
Prior year adjustment	<i>12</i>	<b>(1,875)</b>	
<b>Total gains and losses recognised since last annual report</b>		<b>87</b>	

**Consolidated Balance Sheet**  
*at 31 December 2012*

	<i>Note</i>	<b>Group</b> <b>2012</b> £'000	<b>2011</b> (Restated) £'000	<b>Company</b> <b>2012</b> £'000	<b>2011</b> £'000
<b>Fixed assets</b>					
Intangible assets	9	1,147	1,230	-	-
Tangible assets	10	1,366	1,575	-	-
Investments	11	-	-	-	-
		<u>2,513</u>	<u>2,805</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Stocks	12	2,675	3,761	-	-
Debtors	13	9,110	7,027	-	-
Cash at bank and in hand		1,483	25	-	-
		<u>13,268</u>	<u>10,813</u>	<u>-</u>	<u>-</u>
<b>Creditors</b> amounts falling due within one year	14	(10,477)	(10,266)	-	-
<b>Net current assets</b>		<u>2,791</u>	<u>547</u>	<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>5,304</u>	<u>3,352</u>	<u>-</u>	<u>-</u>
<b>Creditors</b> amounts falling due after more than one year	15	(3,041)	(3,051)	-	-
<b>Net assets</b>		<u>2,263</u>	<u>301</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>					
Share capital	18	-	-	-	-
Merger reserves	19	24	24	-	-
Profit and loss account	19	2,239	277	-	-
<b>Shareholders' funds</b>	20	<u>2,263</u>	<u>301</u>	<u>-</u>	<u>-</u>

These financial statements were approved by the Board of Directors on 30 September 2013 and were signed on its behalf by



**P R Siddall MBE**  
 Director

Company registered number 07701613

**Consolidated Cash Flow Statement**  
*for the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b>	<b>2011</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash inflow from operating activities</b>	23	<b>4,187</b>	<b>3,389</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(387)	(564)
<b>Taxation</b>		<b>(1,002)</b>	<b>(844)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible assets		(582)	(801)
Receipts from sales of tangible assets		8	11
<b>Net cash outflow for capital expenditure</b>		<b>(574)</b>	<b>(790)</b>
<b>Equity dividends paid</b>		<b>-</b>	<b>(2,430)</b>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		<b>2,224</b>	<b>(1,239)</b>
<b>Financing</b>			
Repayment of loans		(600)	(5,524)
Receipts from borrowings		30	3,817
Repayment of other long term loans		-	(200)
Capital element of hire purchase contracts		(37)	133
<b>Net cash outflow from financing</b>		<b>(607)</b>	<b>(1,774)</b>
<b>Increase/(decrease) in cash in the year</b>	24, 25	<b>1,617</b>	<b>(3,013)</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### Basis of preparation

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

Under Financial Reporting Standard (FRS) 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its published consolidated financial statements

#### Basis of consolidation

The consolidation of the direct subsidiary companies has been accounted for using merger accounting in accordance with FRS 6, Acquisitions and Mergers, whereby the carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value on consolidation. The difference between the nominal value of the shares issued plus the fair value of any consideration given, and the nominal value of the shares received in exchange is shown as a merger reserve

The group financial statements combine the financial statements of Siddall Medequip Limited, Siddall Group Limited, Medequip Assistive Technology Limited and Manage at Home Limited. The financial statements of the subsidiary companies are prepared to the same accounting date as the parent company. Uniform accounting policies are followed throughout the group. Section 612 of the Companies Act 2006 is utilised wherever applicable.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account

#### Going concern

The directors have reviewed their forecasts including downside risks and sensitivities in conjunction with the present financial condition of the Company. This includes due consideration of the current difficult economic and trading conditions faced by the Company. Based upon this assessment, the directors are satisfied that it is reasonable to prepare the accounts on a going concern basis.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold improvements	-	Over the lease term
Motor Vehicles	-	25% – 33% per annum
Plant and machinery	-	20% – 50% per annum
Rental products	-	20% – 100% per annum
Fixtures, fittings & equipment	-	33% per annum

#### Disposal of tangible fixed assets

The profit or loss on disposal of tangible fixed assets is the difference between the net amount realised and book value. Valuation differences realised on disposal are transferred from the revaluation reserve to the profit and loss account reserve.

#### Goodwill

Goodwill arising on acquisition of subsidiary undertakings or businesses is held on the balance sheet and amortised over the estimated useful life of the acquisition up to a maximum of 20 years and is reviewed annually for impairment.

## Notes (continued)

### 1 Accounting policies (continued)

#### Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant annual rate of charge on the net obligation outstanding in each year. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### Stock

Stocks are stated at the lower of cost and net realisable value.

#### Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised on delivery of goods to the customer, or in the case of service income, completion of the service. Rental income is recognised on a straight line basis over the rental period.

#### Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions to this scheme are charged to the profit and loss account as incurred.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Notes to the profit and loss account

	2012 £'000	2011 £'000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation written of tangible fixed assets	783	583
Amortisation of intangible assets	8	84
Operating lease rentals		
- Motor vehicles	938	729
- Other assets	947	950
Fees payable to the group's auditors for the audit of the company's annual accounts	3	3
Fees payable to the group's auditors for other services		
- audit of accounts of subsidiary undertakings	40	10
- audit of accounts of associated pension scheme	-	1
- other services relating to taxation	5	2
- corporate finance	397	-
	<u>397</u>	<u>-</u>

The 2011 auditor remuneration of £10,000 relates to services provided by the company's previous auditors, Saffery Champness.

In 2011 the company incurred a share of professional fees in relation to the group reorganisation of £114,000.

## Notes (continued)

### 4 Directors' remuneration

None of the directors who held office during the year was remunerated by the group or the company

### 5 Employees

#### Number of employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	2012 Number	2011 Number
Direct operating staff	347	285
Administration and directors	49	43
	<u>396</u>	<u>328</u>

	2012 £'000	2011 £'000
Wages and salaries	8,287	6,967
Social security costs	828	655
Other pension costs	114	126
	<u>9,229</u>	<u>7,748</u>

### 6 Interest payable

	2012 £'000	2011 £'000
On bank loans and overdrafts	16	11
Hire purchase Interest	4	2
Other interest (see note 25)	367	551
	<u>387</u>	<u>564</u>

## Notes (continued)

### 7 Taxation

#### Analysis of charge in year

	2012	2011 (Restated)
	£'000	£'000
<i>UK corporation tax</i>		
Current tax on income for the year	744	691
Adjustment in respect of prior years	(154)	(6)
Receipt in respect of group relief	-	(26)
Total current tax	590	659
<i>Deferred tax</i>		
Origination and reversal of timing differences	(78)	(12)
Deferred tax adjustments arising in previous years	5	75
Total deferred tax	(73)	63
Tax on profit on ordinary activities	517	722

#### Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012	2011 (Restated)
	£'000	£'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	2,479	2,017
Current tax at 24.5% (2011 26.5%)	607	535
<i>Effect of</i>		
Non deductible expenses	20	70
Depreciation in excess of capital allowances	93	29
Adjustments to previous years	(154)	(6)
Short term timing differences	24	11
Other tax adjustments	-	20
Total current tax charge for the year	590	659

### 8 Result for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The company's result for the year was £nil (2011 £nil)



## Notes (continued)

### 9 Intangible fixed assets

Group	Goodwill £'000
<b>Cost</b>	
At 1 January 2012	1,662
Additions	-
<b>At 31 December 2012</b>	<b>1,662</b>
<b>Amortisation</b>	
At 1 January 2012	432
Charged in the year	83
<b>At 31 December 2012</b>	<b>515</b>
<b>Net book value</b>	
<b>At 31 December 2012</b>	<b>1,147</b>
At 31 December 2011	1,230

The goodwill is being amortised over a period of 20 years, being the Directors' estimate of the period over which

### 10 Tangible fixed assets

Group	Leasehold improvements £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Rental products £'000	Total £'000
<b>Cost</b>					
At 1 January 2012	1,144	1,030	2,522	411	5,107
Additions	179	113	290	-	582
Disposals	-	(20)	-	-	(20)
<b>At 31 December 2012</b>	<b>1,323</b>	<b>1,123</b>	<b>2,812</b>	<b>411</b>	<b>5,669</b>
<b>Depreciation</b>					
At 1 January 2012	780	639	1,908	205	3,532
On disposals	-	(12)	-	-	(12)
Charge for the year	145	171	379	88	783
<b>At 31 December 2012</b>	<b>925</b>	<b>798</b>	<b>2,287</b>	<b>293</b>	<b>4,303</b>
<b>Net book value</b>					
<b>At 31 December 2012</b>	<b>398</b>	<b>325</b>	<b>525</b>	<b>118</b>	<b>1,366</b>
At 31 December 2011	364	391	614	206	1,575

## Notes (continued)

### 10 Tangible fixed assets (continued)

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

Group	Motor vehicles £'000	Plant & Machinery £'000	Total £'000
<b>Net book values</b>			
At 31 December 2012	106	8	114
At 31 December 2011	139	-	139
	<hr/>	<hr/>	<hr/>
<b>Depreciation charge for the year</b>			
At 31 December 2012	47	2	49
At 31 December 2011	9	-	9
	<hr/>	<hr/>	<hr/>

### 11 Fixed asset investments

Company	Shares in group undertaking £'000
<b>Cost (£228) at 31 December 2012 and 2011</b>	-
Additions	-
	<hr/>
<b>Net book value</b>	
At 31 December 2012	-
	<hr/>
At 31 December 2011	-
	<hr/>

Subsidiary undertaking	Country of incorporation	Class	Shares Held %
Siddall Group Limited	England and Wales	Ordinary	100
Medequip Assistive Technology Limited	England and Wales	Ordinary	100
Manage at Home Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

#### Principal activity

Siddall Group Limited	Intermediate holding company
Medequip Assistive Technology Limited	Healthcare services
Manage At Home Limited	Online retail of healthcare products

## Notes (continued)

### 12 Stock

Group	2012 £'000	2011 (Restated) £'000
Finished goods and goods for resale	2,675	3,761

During the year, the management carried out a detailed analysis of stock balances and identified that the stock balances for the year ended 31 December 2010 and 2011 were overstated

As at 1 January 2011 shareholders' funds were overstated by £1,539,000. It has not been possible to split this to individual prior years and therefore the £1,539,000 has been recorded in the financial year ended 31 December 2010

The cumulative prior year adjustment at 31 December 2011 reduces shareholders' funds by £1,875,000 (see note 20) through the reduction in stock of £2,594,000 and tax liabilities of £719,000. The total impact on the profit and loss account for the year ended 31 December 2011 was to reduce profit by £336,000 through the increase in cost of sales by £457,000 and the reduction in the tax charge by £121,000

### 13 Debtors

Group	2012 £'000	2011 £'000
Trade debtors	7,250	5,694
Other debtors	74	14
Prepayments and accrued income	873	889
Deferred tax assets	135	64
Corporation tax	778	366
	<u>9,110</u>	<u>7,027</u>

### 14 Creditors: amounts falling due within one year

Group	2012 £'000	2011 £'000
Bank loans and overdrafts	-	159
Net obligations under hire purchase contracts	46	43
Trade creditors	6,042	5,964
Amounts owed to related undertakings	1,627	1,930
Taxation and social security	933	794
Accruals and deferred income	1,829	1,376
	<u>10,477</u>	<u>10,266</u>

## Notes (continued)

### 14 Creditors: amounts falling due within one year (continued)

The bank overdraft at 31 December 2012 of £nil (2011 £17,000) is secured by a debenture agreement with National Westminster Bank Plc incorporating a fixed and floating charge over the company and all property and assets, present and future, including goodwill, book debts uncalled and capital assets

The overdraft balance on the invoice financing facility of £nil (2011 £142,000) is secured by a fixed and floating charge agreement with Euro Sales Finance Plc over the company and its assets

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

#### Group

	2012 £'000	2011 £'000
Amounts owed to related undertakings	2,987	2,957
Net obligations under hire purchase contracts	54	94
	<u>3,041</u>	<u>3,051</u>

	2012 £'000	2011 £'000
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	660	660
In more than two years but not more than five years	2,080	1,943
In more than five years	247	354
	<u>2,987</u>	<u>2,957</u>

	2012 £'000	2011 £'000
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	46	43
Repayable between one and five years	54	94
	<u>100</u>	<u>137</u>

**Notes (continued)**

**16 Deferred tax asset**

The deferred tax asset (included in debtors, note 13) is made up as follows

**Group**

	<b>2012 £'000</b>
Balance at 1 January 2012	64
Profit and loss account	72
	<hr/>
<b>Balance at 31 December 2012</b>	<b>136</b>
	<hr/>

	<b>2012 £'000</b>	<b>2011 £'000</b>
Accelerated capital allowances	114	65
Other timing differences	22	(1)
	<hr/>	<hr/>
<b>At end of year</b>	<b>136</b>	<b>64</b>
	<hr/>	<hr/>

**17 Pension and other post retirement benefit commitments**

**Defined contribution**

The group contributes towards defined contribution pension schemes. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

**18 Share capital**

	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Allotted, called up and fully paid</b>		
456,790 ordinary shares of 0.1p each	<hr/>	<hr/>

## Notes (continued)

### 19 Statement of movements on reserves

Group	Merger reserve £'000	Profit and loss account (Restated) £'000
Balance at 1 January 2012 <i>as previously stated</i>	24	2,152
Prior year adjustment	-	(1,875)
Balance at 1 January 2012	24	277
Profit for the year	-	1,962
	24	2,239

### 20 Reconciliation of movements in shareholders' funds

Group	2012 £'000	2011 (Restated) £'000
Profit for the financial year	1,962	1,295
Dividends	-	(2,430)
Net increase / (decrease) in shareholders' funds	1,962	(1,135)
Opening shareholders' funds ( <i>originally £2,975,000 as at 1 January 2011 before deducting prior year adjustments of £1,539,000</i> )	301	1,436
Closing shareholders' funds	2,263	301

### 21 Financial commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

Expiry date	Land and buildings		Other	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Within one year	933	18	106	69
Within two to five years	881	670	732	601
Over five years	189	238	-	-
	2,003	926	838	670

## Notes (continued)

### 22 Reconciliation of operating inflow from operating activities

	2012 £'000	2011 £'000
Operating profit	2,866	2,581
Depreciation of tangible assets	783	588
Amortisation of intangible assets	83	84
Decrease/ (increase) in stocks	1,086	(1,365)
Increase in debtors	(1,600)	(2,787)
Increase in creditors within one year	969	4,262
Group relief	-	26
<b>Net cash inflow from operating activities</b>	<b>4,187</b>	<b>3,389</b>

### 23 Analysis of net debt

	At 1 January 2012 £'000	Cash flow £'000	31 December 2012 £'000
Net cash			
Cash at bank and in hand	25	1,458	1,483
Bank overdrafts	(159)	159	-
	(134)	1,617	1,483
Finance leases	(137)	37	(100)
Debts falling due within one year	(660)	60	(600)
Debts falling due after one year	(2,957)	1,915	(1,042)
	(3,754)	2,012	(1,742)
<b>Net debt</b>	<b>(3,888)</b>	<b>3,629</b>	<b>(259)</b>

### 24 Reconciliation of net cash flow to movement in net debt

	2012 £'000	2011 £'000
Increase/(decrease) in cash in the year	1,617	(3,013)
Cash outflow from decrease in debt	2,012	1,770
<b>Movement in net debt in the year</b>	<b>3,629</b>	<b>(1,243)</b>
Opening net debt	(3,888)	(2,645)
<b>Closing net debt</b>	<b>(259)</b>	<b>(3,888)</b>

## Notes (continued)

### 25 Related party relationships and transactions

#### Group

The group has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, where a company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions. As a consequence, comparative figures have not been included below where the companies involved were part of the same group for the entirety of the prior year.

AJ Siddall, PR Siddall, JA Firth, CM Siddall, JC Siddall, and JE McGee are all directors of Siddall Limited. During the year purchases from Siddall Limited were £2,458,000 (2011 £1,666,000) and sales made to this company were £60,000 (2011 £131,000). At 31 December 2012 £615,000 (2011 £414,000) is included in amounts owed to related undertakings as an amount owed to Siddall Limited.

During the year management charges of £445,000 (2011 £140,000) and a dividend of £nil (2011 £2,430,000) were paid to Siddall & Hilton Limited, a company of which AJ Siddall, PR Siddall, JA Firth, CM Siddall, JC Siddall and JE McGee are all directors. The company has a long term loan with Siddall & Hilton Limited. The balance on the loan at 31 December 2012 was £3,203,000 (2011 £3,354,000) and interest of £367,000 (2011 £551,000) was payable in the year. The loan is repayable in monthly instalments of £50,000 and carries interest at 10%.