

**MANCHESTER VENDING SERVICES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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**MANCHESTER VENDING SERVICES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**DIRECTORS:**

J M Broderick  
P A Broderick

**SECRETARY:**

M C Broderick

**REGISTERED OFFICE:**

1 Alpha Point  
Bradnor Road  
Sharston  
Manchester  
M22 4TE

**REGISTERED NUMBER:**

01459430 (England and Wales)

**AUDITORS:**

Clarke Nicklin LLP  
Chartered Accountants and  
Statutory Auditors  
Clarke Nicklin House  
Brooks Drive  
Cheadle Royal Business Park  
Cheadle  
Cheshire  
SK8 3TD

**SOLICITORS:**

DWF LLP  
5 St Paul's Square  
Old Hall Street  
Liverpool  
L3 9AE

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

**REVIEW OF BUSINESS**

In this highly competitive market the company has managed to sustain a steady growth in revenue by 7% from 2012, which shows the continued demand for the company's products. The operating profit increase of 26% highlights the success of the company's operations and procedures.

The company is diversifying its operations to incorporate screen media, which has and will provide a further revenue stream alongside its usual course of business, with which it plans to capture an increasing audience, year on year.

The company's net assets have increased by 14% to £1.57m (2012: £1.38m) showing the increased strength and performance of the business. This increase in net assets can be explained by the increase in liquidity of the company, and the higher stock levels, in order to consistently meet customer requirements.

**PRINCIPLE RISKS AND UNCERTAINTIES**

The main risks that the company is exposed to are:

**Credit Risk**

The company's credit risk is mainly attributable to its trade debtors, this is managed by having a broad range of customers and their exposure to the company is based on their credit score.

**Financial Risk**

The company reduces its exposure to funding and liquidity risks by relying on the cash position of the business. The company does not currently hold any loans, and so interest rate risk is reduced.

**Price Risks**

Price risks are managed by securing prices through fixed term deals and group purchasing where available.

**TRADING OUTLOOK**

The directors recognise the challenges in the forthcoming year, and feel the biggest risk is competing with the high street to maintain a dominant position in workplace refreshments. To compete with these pressures, the company has invested in new technology to become one of the first vending companies to take payment from notes and credit cards.

**THE ENVIRONMENT AND A SUSTAINABLE FUTURE**

This is how we are working towards a more sustainable future.

**Environmentally friendly product range** - we have worked extensively with suppliers to provide our customers with machines that deliver exceptional service but also serve our commitment to a cleaner and safer environment. Where possible, equipment is manufactured within the United Kingdom, reducing the amount of carbon emissions used in delivery. Our latest touch screen ranges of machines are made using resource conserving process and recycled materials where possible. They use advanced energy management systems and L.E.D lighting that greatly reduce their power consumption which has less impact on the environment and beneficial for our customers' energy bills.

**Recycle and re-use** - we have in house technical facilities that enable us to refurbish pre owned vending equipment. With the support of our suppliers and manufacturers older machines can receive a new lease of life; after a comprehensive rebuild replacing all wear and tear components the machines go through a rigorous inspection procedure and are then made ready for resale. Not only does this reduce carbon emissions, it reduces the precious resources required to manufacture from new.

**Sustainable Supply Chain Management** - we have committed to reducing the delivery miles of our products by sourcing supply partners who are closer to our customers, or work with us to agree options of delivery that reduce our carbon footprint whilst maintaining the efficiency of our service.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Route planning** - Manchester Vending Services use a vehicle tracking system allowing us to collect and analyse a vast array of information. We have real time GPS tracking control over every vehicle asset and operator / engineer. Such control allows us to analyse which is the best or most fuel efficient route to a site. If a site requires technical support, we can find the closest engineer to hand to enable a rapid response.

**Reduction of waste to landfill** - we have introduced a cardboard and plastic baler to increase recycling of packaging waste and reduce waste to landfill.

**Paperless office** - we are working towards using innovative computer and communication systems for efficient operational control and to reduce the amount of paper we use whilst recording more accurate information about our business activities. By 2015 our finance department will be 95% electronic.

**Training** - employees receive training in environmental awareness so that they become aware of their responsibilities and help implement the simple practices that would reduce our carbon emissions.

**Fleet management** - we are in the process of introducing a new fleet of the more fuel efficient Ford Transit Custom; these new vans will increase fuel economy and give up to a 25% reduction of emissions in comparison to the EURO 4 standard vans.

**Health and Wellbeing**

Manchester Vending believes in offering our customers healthy choices, as more and more customers are making informed decisions about what they consume. We offer hot beverages made with real dairy skimmed milk, healthy fruit juices and flavoured mineral waters. We were the pioneers of healthy hot beverages by encouraging existing clients and new customers to make the switch to healthy skimmed milk. Previously most vended hot beverages contained whiteners made from Hydrogenated Vegetable Oils and contained unhealthy Trans fats. Trans fats increase levels of LDL cholesterol which can increase the risk of coronary heart disease.

**Ethical Trading**

Manchester Vending have long established ethical trading principles and were one of the first vending companies in the United Kingdom to offer ethically endorsed products back in the 1990's. We are a supplier of Fair Trade products. Our ethically traded product range covers coffee, tea, chocolate drinks, fruit juices and confectionery.

**Support for our local community and beyond**

A local business hosts an annual 'fun day' for local schools who take part in the "Eco Awards scheme". Manchester Vending Services donate and present prizes to the children on the day. These awards were created in 1998 to help and encourage local schools to become more sustainable. An organisation to receive support from Manchester Vending Services is Macmillan. After the success of last year's coffee morning in aid of Macmillan, Manchester Vending Services once again supported the charity and extended their efforts even further this time around by donating £20,000 worth of free advertising on our new Touchscreen Vending machines located at Airports, Universities as well as Business and Industry sites. The adverts were screened before of an audience of millions of people at various locations increasing awareness of Macmillan and the world's biggest coffee mornings. We plan to further increase the awareness of Macmillan in 2014, with new advertising schemes, possibly including the use of the cups we use in the vending machines.

**ON BEHALF OF THE BOARD:**



J M Broderick - Director

23 September 2014

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the purchase and sale of vending machines, ingredients and supply of professionally operated vending services.

**DIVIDENDS**

An interim dividend of £8.99 per share was paid on 31 December 2013. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2013 will be £140,000.

**DIRECTORS**

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

J M Broderick  
P A Broderick

**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.

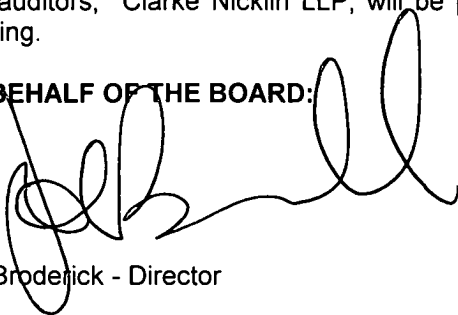
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**AUDITORS**

The auditors, Clarke Nicklin LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'J M Broderick', written over the text 'ON BEHALF OF THE BOARD:'.

J M Broderick - Director

23 September 2014

**REPORT OF THE INDEPENDENT AUDITORS TO  
MANCHESTER VENDING SERVICES LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages seven to nineteen, together with the full financial statements of Manchester Vending Services Limited for the year ended 31 December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Graham Travis FCA (Senior Statutory Auditor)  
for and on behalf of Clarke Nicklin LLP  
Chartered Accountants and  
Statutory Auditors  
Clarke Nicklin House  
Brooks Drive  
Cheadle Royal Business Park  
Cheadle  
Cheshire  
SK8 3TD

23 September 2014



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

	Notes	£	2013 £	£	2012 £	£
<b>TURNOVER</b>				10,990,681		10,290,124
Cost of sales and other operating income				(5,685,643)		(5,445,446)
				<u>5,305,038</u>		<u>4,844,678</u>
Distribution costs		173,972			148,303	
Administrative expenses		4,697,905			4,352,350	
				<u>4,871,877</u>		<u>4,500,653</u>
<b>OPERATING PROFIT</b>	3			433,161		344,025
Interest receivable and similar income				<u>1,014</u>		<u>89</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				434,175		344,114
Tax on profit on ordinary activities	4			<u>104,848</u>		<u>95,338</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>				<u><u>329,327</u></u>		<u><u>248,776</u></u>

**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 profits for the current year or previous year.

**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,030,617	998,756
<b>CURRENT ASSETS</b>			
Stocks	7	812,344	703,631
Debtors	8	1,501,336	1,425,757
Cash at bank		404,203	91,363
		<u>2,717,883</u>	<u>2,220,751</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>2,153,472</u>	<u>1,806,744</u>
<b>NET CURRENT ASSETS</b>		<u>564,411</u>	<u>414,007</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,595,028</u>	<u>1,412,763</u>
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>25,770</u>	<u>32,832</u>
<b>NET ASSETS</b>		<u><u>1,569,258</u></u>	<u><u>1,379,931</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	15,574	15,574
Capital redemption reserve	13	7,026	7,026
Profit and loss account	13	<u>1,546,658</u>	<u>1,357,331</u>
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>1,569,258</u></u>	<u><u>1,379,931</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 23 September 2014 and were signed on its behalf by:

  
J M Broderick - Director

The notes form part of these abbreviated accounts

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

	Notes	£	2013	£	£	2012	£
<b>Net cash inflow from operating activities</b>	1			1,106,793			809,516
<b>Returns on investments and servicing of finance</b>	2			1,014			89
<b>Taxation</b>				(119,461)			(102,178)
<b>Capital expenditure</b>	2			(498,731)			(365,332)
<b>Equity dividends paid</b>				(140,000)			(60,000)
				<u>349,615</u>			<u>282,095</u>
<b>Financing</b>	2			(36,775)			(84,898)
<b>Increase in cash in the period</b>				<u>312,840</u>			<u>197,197</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	3						
Increase in cash in the period			312,840			197,197	
Cash outflow from decrease in debt and lease financing			<u>-</u>			<u>120,783</u>	
Change in net funds resulting from cash flows				<u>312,840</u>			<u>317,980</u>
<b>Movement in net funds in the period</b>				<u>312,840</u>			<u>317,980</u>
<b>Net funds/(debt) at 1 January</b>				<u>91,363</u>			<u>(226,617)</u>
<b>Net funds at 31 December</b>				<u>404,203</u>			<u>91,363</u>

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating profit	433,161	344,025
Depreciation charges	322,214	274,372
Loss on disposal of fixed assets	144,656	88,328
Increase in stocks	(108,713)	(136,637)
(Increase)/decrease in debtors	(27,913)	301,527
Increase/(decrease) in creditors	343,388	(62,099)
<b>Net cash inflow from operating activities</b>	<b>1,106,793</b>	<b>809,516</b>

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

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,014	89
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>1,014</b>	<b>89</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(502,705)	(365,332)
Sale of tangible fixed assets	3,974	-
<b>Net cash outflow for capital expenditure</b>	<b>(498,731)</b>	<b>(365,332)</b>
<b>Financing</b>		
Capital (repayments)/advances in year	-	(120,783)
Amount introduced by directors	148,553	85,121
Amount withdrawn by directors	(185,328)	(49,236)
<b>Net cash outflow from financing</b>	<b>(36,775)</b>	<b>(84,898)</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank	91,363	312,840	404,203
	<u>91,363</u>	<u>312,840</u>	<u>404,203</u>
<b>Total</b>	<b><u>91,363</u></b>	<b><u>312,840</u></b>	<b><u>404,203</u></b>

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

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1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of machines, ingredients, snacks and cans and maintenance and rental of machines, excluding value added tax.

Sales of snacks, ingredients and drinks are recognised at point of sale.

Machine sales are recognised at date of installation.

**Tangible fixed assets**

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

Office equipment	- 15% on reducing balance
Security system	- 25% on reducing balance
Vending machines	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

The depreciation policy for Computer equipment was changed from 25% on reducing balance to 33% on cost as of 1st January 2013. The directors feel this more accurately represents the net book value of the assets over time. The effect of this change was immaterial on the financial statements.

**Stocks**

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

**Deferred tax**

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

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**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.

**Machine rentals**

The company holds a number of vending machines that are rented out under operating leases.

Rental Income from operating leases is recognised on a straight-line basis over the period of the lease.

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

2. STAFF COSTS

	2013 £	2012 £
Wages and salaries	2,348,035	2,341,040
Social security costs	258,746	264,674
Other pension costs	120,000	60,000
	<u>2,726,781</u>	<u>2,665,714</u>

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

	2013	2012
Office staff	20	19
Operations	49	49
Engineering	13	12
Sales	8	9
Warehouse	5	5
	<u>95</u>	<u>94</u>

3. OPERATING PROFIT

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

	2013 £	2012 £
Depreciation - owned assets	322,214	274,367
Loss on disposal of fixed assets	144,656	88,328
Auditors' remuneration: Audit services	10,000	10,000
Auditors' remuneration: Accountancy services	3,562	4,595
Income from operating leases	(115,902)	(69,222)
Motor vehicle leases	352,867	302,897
Compensation for early termination of a contract	-	(147,676)
	<u>303,312</u>	<u>330,801</u>
Directors' remuneration	120,000	60,000
Directors' pension contributions to money purchase schemes	<u>120,000</u>	<u>60,000</u>

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

Money purchase schemes	<u>2</u>	<u>1</u>
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Information regarding the highest paid director is as follows:

	2013 £	2012 £
Emoluments etc	190,711	200,251
Pension contributions to money purchase schemes	<u>90,000</u>	<u>-</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**4. TAXATION****Analysis of the tax charge**

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

	2013 £	2012 £
Current tax:		
UK corporation tax	111,910	119,461
Adjustment in respect of prior year	-	5,372
Total current tax	111,910	124,833
Deferred tax	(7,062)	(29,495)
Tax on profit on ordinary activities	104,848	95,338

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	434,175	344,114
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012 - 24.497%)	100,946	84,298
Effects of:		
Expenses not deductible for tax purposes	15,012	15,846
Capital allowances in excess of depreciation	(29,693)	-
Depreciation in excess of capital allowances	-	8,560
Adjustments to tax charge in respect of previous periods	-	5,372
Loss on disposal	33,633	21,640
Marginal relief	(7,988)	(10,883)
Current tax charge	111,910	124,833

**5. DIVIDENDS**

	2013 £	2012 £
Ordinary shares of £1 each		
Interim	140,000	60,000

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 6. TANGIBLE FIXED ASSETS

	Office equipment £	Security system £	Vending machines £
<b>COST</b>			
At 1 January 2013	76,864	29,810	2,036,872
Additions	5,985	-	438,875
Disposals	(46,113)	(177)	(429,836)
At 31 December 2013	36,736	29,633	2,045,911
<b>DEPRECIATION</b>			
At 1 January 2013	49,019	14,468	1,189,393
Charge for year	5,054	3,835	257,271
Eliminated on disposal	(41,281)	(78)	(313,050)
At 31 December 2013	12,792	18,225	1,133,614
<b>NET BOOK VALUE</b>			
At 31 December 2013	23,944	11,408	912,297
At 31 December 2012	27,845	15,342	847,479

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2013	188,687	9,665	68,319	2,410,217
Additions	24,398	6,250	27,197	502,705
Disposals	(115,399)	(9,665)	-	(601,190)
At 31 December 2013	97,686	6,250	95,516	2,311,732
<b>DEPRECIATION</b>				
At 1 January 2013	121,092	6,115	31,374	1,411,461
Charge for year	13,798	1,932	40,324	322,214
Eliminated on disposal	(91,666)	(6,485)	-	(452,560)
At 31 December 2013	43,224	1,562	71,698	1,281,115
<b>NET BOOK VALUE</b>				
At 31 December 2013	54,462	4,688	23,818	1,030,617
At 31 December 2012	67,595	3,550	36,945	998,756

Vending machines includes assets owned by the company that are leased out under operating leases:

	2013 £	2012 £
Cost	117,584	36,991
Accumulated depreciation	30,099	8,162



NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

7. STOCKS

	2013 £	2012 £
Ingredients, snacks, cans & bottles	318,337	380,135
Machines & parts	494,007	323,496
	<u>812,344</u>	<u>703,631</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	1,209,932	1,100,416
Other debtors	118,924	224,105
Directors' current accounts	62,823	15,157
Prepayments and accrued income	109,657	86,079
	<u>1,501,336</u>	<u>1,425,757</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	1,517,630	1,204,828
Corporation tax	111,910	119,461
Social security and other taxes	285,161	342,005
Other creditors	8,596	13,409
Directors' current accounts	10,891	-
Accrued expenses	219,284	127,041
	<u>2,153,472</u>	<u>1,806,744</u>

10. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring:				
Within one year	-	-	18,576	51,114
Between one and five years	125,000	118,994	111,913	115,638
	<u>125,000</u>	<u>118,994</u>	<u>130,489</u>	<u>166,752</u>

11. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	25,770	32,832

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

11. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2013	32,832
Credit for year	(7,062)
Balance at 31 December 2013	<u>25,770</u>

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	<u>25,770</u>	<u>32,832</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2013 £	2012 £
15,574	Ordinary		<u>15,574</u>	<u>15,574</u>

13. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 January 2013	1,357,331	7,026	1,364,357
Profit for the year	329,327		329,327
Dividends	(140,000)		(140,000)
At 31 December 2013	<u>1,546,658</u>	<u>7,026</u>	<u>1,553,684</u>

14. CONTINGENT LIABILITIES

The company has a cross guarantee and debenture with Brodericks Love Coffee LLP in respect of bank borrowings. The potential liability at 31st December 2013 was £nil (2012: £32,362).

15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2013 and 31 December 2012:

	2013 £	2012 £
<b>J M Broderick</b>		
Balance outstanding at start of year	3,472	53,327
Amounts advanced	56,230	35,245
Amounts repaid	(70,593)	(85,100)
Balance outstanding at end of year	<u>(10,891)</u>	<u>3,472</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

**P A Broderick**

Balance outstanding at start of year	11,685	(2,285)
Amounts advanced	129,096	13,991
Amounts repaid	(77,958)	(21)
Balance outstanding at end of year	<u>62,823</u>	<u>11,685</u>

Advances to directors include cash payments and personal expenses paid by the company.

Amounts repaid consist of expenses and cash amounts repaid by the directors.

Directors' loans are interest free and repayable on demand.

16. RELATED PARTY DISCLOSURES

**Dividends**

The following dividends were payable to directors:

	2013	2012
	£	£
J M Broderick	49,474	21,332
P A Broderick	<u>49,474</u>	<u>21,332</u>

**Brodnods LLP**

A LLP whose members include J M & P A Broderick.

During the year rent of £123,994 (2012: £118,994) was paid to the LLP.

Additionally the company paid expenses on behalf of, and loaned cash to, the LLP.

	2013	2012
	£	£
Amount due from/(to) related party at the balance sheet date	<u>22,852</u>	<u>(13,184)</u>

**Chappell Finance Ltd**

A company controlled by S Chappell, son of a director

During the year expenses of £324,124 (2012: £302,897) were incurred on vehicle leases from Chappell Finance Ltd.

Additionally, an amount of £92,724, due from Chappell Finance Ltd, was written off.

The amount due from Chappell Finance Ltd is interest free and repayable on demand.

	2013	2012
	£	£
Amount due (to)/from related party at the balance sheet date	<u>(97,602)</u>	<u>34,261</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 16. RELATED PARTY DISCLOSURES - continued

**Brodericks Love Coffee LLP**

A LLP whose members include J M &amp; P A Broderick.

The amount due from Brodericks Love Coffee LLP represents wages paid by the company on behalf of the LLP, management charges made to Brodericks Love Coffee LLP for services provided to the LLP and cash amounts handled by the company, net of any repayments made.

	2013	2012
	£	£
Wage recharges including national insurance	53,550	399,768
Management charges	31,320	30,000
	<u>          </u>	<u>          </u>

	2013	2012
	£	£
Amount due from related party at the balance sheet date	123,491	79,503
	<u>          </u>	<u>          </u>

**B A Broderick**

Sister of J M &amp; P A Broderick (Directors)

The amount due (to)/from B A Broderick is interest free and repayable on demand.

	2013	2012
	£	£
Amount due (to)/from related party at the balance sheet date	(8,372)	15,341
	<u>          </u>	<u>          </u>

**J Broderick Senior**

Father of J M &amp; P A Broderick (Directors)

The amount due from J Broderick Senior is interest free and repayable on demand.

	2013	2012
	£	£
Amount due from related party at the balance sheet date	-	25,000
	<u>          </u>	<u>          </u>

**M C Broderick**

Mother of J M &amp; P A Broderick (Directors)

The amount due from M C Broderick is interest free and repayable on demand.

	2013	2012
	£	£
Amount due from related party at the balance sheet date	-	16,318
	<u>          </u>	<u>          </u>

## 17. ULTIMATE CONTROLLING PARTY

The company is controlled by J M Broderick, P A Broderick and B A Broderick by virtue of their 100% holding of the issued ordinary share capital.

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	329,327	248,776
Dividends	(140,000)	(60,000)
<b>Net addition to shareholders' funds</b>	<b>189,327</b>	<b>188,776</b>
Opening shareholders' funds	1,379,931	1,191,155
<b>Closing shareholders' funds</b>	<b>1,569,258</b>	<b>1,379,931</b>