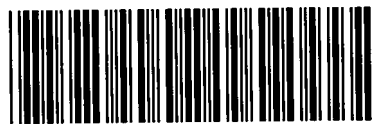


Company Registration No. 01526882 (England and Wales)

Haydock Finance Limited
Directors' Report And Financial Statements
For The Year Ended 31 December 2013

TUESDAY



A35VRKSB

A20

15/04/2014

#312

COMPANIES HOUSE

HAYDOCK FINANCE LIMITED

COMPANY INFORMATION

Directors

Mr J H Wilkinson
Mrs S J Wilkinson
Mr B D Wilkinson
Mr I H Barr (Appointed 10 February 2014)
Mr S L Worrall (Appointed 3 January 2014)

Secretary

Mr J H Wilkinson

Company number

01526882

Registered office

Challenge House
Challenge Way
Greenbank Business Park
Blackburn
BB1 5QB

Auditors

Garbutt & Elliott LLP
Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

Solicitors

Squire Sanders
2 Park Lane
Leeds
LS3 1ES

HAYDOCK FINANCE LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditors' report	6 - 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 22

HAYDOCK FINANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

Review of the business

The company has reported a profit before tax on ordinary activities of £669k compared to a loss before tax of (£454k) in 2012. This result included a further write down of £942k relating to the property portfolio. After a tax charge of £389k, the retained profit for the year of £280k has been taken to reserves.

The finance receivables portfolio decreased to £39.3m compared with £47m in 2012. New lending reduced slightly to £19.7m compared to £20.8m advanced in 2012 primarily due to increased competition within the SME funding market.

The residual property portfolio continues to decrease, with sales proceeds, together with the write down charge reducing the balance to £2.6m being £1.7m lower than 31 December 2012 at £4.3m.

The property portfolio remains debt free, being funded from own resources - we continue to focus on earliest collection with all income producing a positive upside to cash flow.

A term loan was signed with the Bank of Scotland PLC for £36.4m in February 2013 with a fully amortising repayment profile with final payment due in 2016. The company remains in compliance with all covenants associated with the loan.

Additional block funding has been agreed and positive discussions are being undertaken with our preferred block funders with a view to increasing overall credit limits. At 31 December 2013, there were £2m of agreements unblocked and unutilised block facilities of £1.6m. Given the excellent performance of the asset portfolio, the group is experiencing more generous terms, with increased LTV and lower cost of borrowing becoming the norm.

Bank and block funding, less cash held at bank, at the year end amounted to £27.7m (2012 : £28.7m)

Net assets at 31 December 2013 amounted to £7.6 million (2012: £7.3 million)

On 27 December 2013, 5 members of staff resigned serving contractual notice to take up employment on-block with another asset finance company. We successfully counteracted this attrition by appointing Ian Barr as "Credit & Risk Director". This is a significant appointment, adding real value to the team given that his previous positions included Head of Asset Finance, UK for National Australia Group Limited and Head of Credit & Risk at British Linen Asset Finance Limited. Ian was appointed to the board of directors of the company on the 10 February 2014.

Further credit and broker support have already been recruited and interviews are taking place for an additional two underwriters.

Steve Worrall was appointed Managing Director on 3 January 2014 becoming responsible for the day-to-day operations and strategic direction of the Group as it continues to grow. With a background in banking, Steve was a Board Director of Haydock until 2009 when he moved to a multi-national company to undertake the role of Finance Director. Steve's return to the Board of Haydock provides welcomed stability and continuity to the business whilst being a springboard to allow myself to focus on enhancing relationships with funders and brokers in my role as Executive Chairman.

HAYDOCK FINANCE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Principal risks and uncertainties

The principal risks and uncertainties faced by the group remain as liquidity, interest rate, credit and fraud risk, all of which we continue to try to mitigate.

The group operates tiered levels of underwriting authority, all mandated by the Board of Directors, in respect of all new lending. The controls that are in place further require Director approval for individual customer exposures above certain monetary levels set regularly by the Board. Customer and portfolio exposures are also regularly reviewed by the Directors.

The group has a policy of hedging its variable interest rate exposures through the use of interest rate swaps and similar derivatives. At the year end, approximately 78% of the Company's borrowings were effectively on fixed rates through the use of interest rate derivatives. All block funding is at a fixed rate.

Detailed monthly management accounts are prepared and reviewed to monitor actual financial performance against the budget, which is set annually by the Board.

Future developments

The Directors believe the existing strategy for the medium to long term future of the company remains in expanding its broker introduced commercial asset finance business based in Blackburn. The combination of a) good introductory sources, b) quality underwriting of finance transactions that are secured on desirable moveable assets, and c) a quality arrears record, is sufficiently strong a proposition to attract future funding support.

In accordance with our forecast for 2014, the group is confident that it can increase its operation from current levels of activity into the foreseeable future. At 31 March 2014 there was £4.2m of agreements unblocked and unutilised block facilities of £2.3m.

During the course of the year, negotiations have taken place with a major clearing bank with a view to providing a £25m revolving credit line. This new facility would not only repay the existing Lloyds amortising loan but would provide new committed funds for expansion. We fully expect heads of terms to be agreed during April with completion in May/June.

After having reviewed forecasts, and both financial and commercial projections for the Company, the Directors believe that it has, and will obtain, adequate resources to continue in operational existence for the foreseeable future and that it can do so within the level of its new bank facilities and within associated bank covenants.

The group recognises the importance of maintaining good business relationships with its suppliers and is committed to paying all invoices in accordance with agreed terms.

With the new appointments joining an already long established and committed team, the future looks encouraging. The Directors expect that the Company's financial results for 2014 will show a healthy level of profit.

HAYDOCK FINANCE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Key performance indicators

The key performance indicators with which the Directors regularly monitor the progress of the company are:-

- New lending;
- Net margin after money costs;
- Cost / income ratio;
- Bad debt write-offs;
- Average return on receivables.

Due to commercial sensitivity, and recognising the company's ultimate privately owned status, the Directors are of the opinion that it is not appropriate to disclose further details on all of these indicators.

Whilst these are the main performance indicators, the Directors regularly monitor a range of other measures in order to assess the company's financial and non-financial performance.

On behalf of the board



.....
Mr J H Wilkinson

Director

for April 2014
.....

HAYDOCK FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

Principal activities

The company's principal business during the year continued to be the provision of financial services to the commercial asset finance and the residential property development sectors in the United Kingdom.

Results and dividends

The results for the year are set out on page 8.

Preference dividends amounting to £750,000 were paid during the year. The directors do not propose payment of a final ordinary dividend.

Market value of land and buildings

Land and buildings were revalued at 17 January 2012 in accordance with professional advice received. At the year end the directors do not consider the value as carried in the balance sheet to be significantly different to its current market value.

Directors

The following directors have held office since 1 January 2013:

Mr J H Wilkinson

Mrs S J Wilkinson

Mr B D Wilkinson

Mr I H Barr

(Appointed 10 February 2014)

Mr S L Worrall

(Appointed 3 January 2014)

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Financial instruments

As noted in the strategic report the company uses interest rate swaps to manage its exposure to changes in variable interest rates on its funding. Save for this, the company does not actively use financial instruments as part of its financial risk management. It is exposed to the typical credit risk and cash flow risk associated with the provision of finance to customers, and it manages this through credit control procedures. The nature of its remaining financial instruments means that they are not exposed to price or liquidity risk.

Auditors

The auditors, Garbutt & Elliott LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

HAYDOCK FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of directors' responsibilities

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
Mr J H Wilkinson

Director

For and on behalf of the company
2014

HAYDOCK FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYDOCK FINANCE LIMITED

We have audited the financial statements of Haydock Finance Limited for the year ended 31 December 2013 set out on pages 8 to 22. 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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

HAYDOCK FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF HAYDOCK FINANCE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alan Sidebottom (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott LLP

9-4-14

Chartered Accountants
Statutory Auditor

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

HAYDOCK FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	6,317	8,018
Administrative expenses		(3,517)	(6,904)
Other operating income		221	624
Operating profit	3	3,021	1,738
Other interest receivable and similar income	4	148	72
Interest payable and similar charges	5	(2,500)	(2,264)
Profit/(loss) on ordinary activities before taxation		669	(454)
Tax on profit/(loss) on ordinary activities	6	(389)	(96)
Profit/(loss) for the year	14	280	(550)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2013 £'000	2012 £'000
Reported profit/(loss) on ordinary activities before taxation	669	(454)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	13	15
Historical cost profit/(loss) on ordinary activities before taxation	682	(439)
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	293	(535)

HAYDOCK FINANCE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	7	896	924
Current assets			
Finance receivables falling due:			
Within one year	8	19,044	22,831
After more than one year	8	20,301	24,145
Debtors	8	12,507	6,161
Cash at bank and in hand		2,422	13,270
		54,274	66,407
Creditors: amounts falling due within one year	9	(16,951)	(44,128)
Net current assets		37,323	22,279
Total assets less current liabilities		38,219	23,203
Creditors: amounts falling due after more than one year	10	(30,607)	(15,871)
		7,612	7,332
Capital and reserves			
Called up share capital	13	2,112	2,112
Share premium account	14	200	200
Revaluation reserve	14	398	411
Other reserves	14	1,000	1,000
Profit and loss account	14	3,902	3,609
Shareholders' funds	15	7,612	7,332

Approved by the Board and authorised for issue on 8th April 2014



Mr J H Wilkinson
Director

Company Registration No. 01526882

HAYDOCK FINANCE LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Finance leases and instalment credit agreements

Income from assets leased to customers and from instalment credit agreements is determined by spreading interest and charges over the period of repayment in proportion to the net cash investment. Amounts due from customers under finance leases and instalment credit agreements are included in debtors.

Loans and similar advances

Interest earnings from loans and similar advances made to customers are recognised on an accruals basis.

Other income

Fees and commission income are recognised on an accruals basis and are stated net of VAT where applicable.

1.4 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Leasehold buildings	2% Straight line
Fixtures, fittings and equipment	25% - 33% Straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.5 Pensions

The company does not operate a pension scheme but makes payments directly into individual personal pension plans. The pension costs charged in the financial statements represent the contributions payable during the year.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies (Continued)

1.7 Bad and doubtful debts

Impairment provisions are made for specific finance lease, instalment credit receivables and loans which are considered to be bad or doubtful. Impairment provisions made during the year are charged to the profit and loss account, net of recoveries.

Finance lease, instalment credit and loan receivables are all stated in the balance sheet as finance receivables, after deduction for specific impairment provisions.

1.8 Deferred commissions

Time-apportionable commission that is paid to third-party introducers is allocated to accounting periods by spreading the cost in proportion to the net cash investment of the related finance receivable.

Commission payable in respect of property finance transactions is charged to the profit and loss account as the facility is drawn down by the borrower.

2 Turnover

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

3	Operating profit	2013 £'000	2012 £'000
	Operating profit is stated after charging:		
	Depreciation of tangible assets	44	40
	Commission charges	926	870
	Auditors' remuneration	14	15
	and after crediting:		
	Instalment credit repayments	23,415	23,047
	Finance lease rentals	9,042	8,646
		<u> </u>	<u> </u>

4	Investment income	2013 £'000	2012 £'000
	Bank interest	16	23
	Other interest	132	49
		<u> </u>	<u> </u>
		148	72
		<u> </u>	<u> </u>

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

5	Interest payable	2013 £'000	2012 £'000
	On bank loans and overdrafts	1,750	1,514
	Dividends paid on preference shares classified as financial liabilities	750	750
		<u>2,500</u>	<u>2,264</u>

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013 £'000	2012 £'000
	Domestic current year tax		
	U.K. corporation tax	246	-
	Payment in respect of group relief	67	90
	Total current tax	<u>313</u>	<u>90</u>
	Deferred tax		
	Deferred tax charge/credit current year	9	6
	Effects of changes in tax rates and laws	67	-
		<u>76</u>	<u>6</u>
		<u>389</u>	<u>96</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	669	(454)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 25.00%)	<u>156</u>	<u>(114)</u>
	Effects of:		
	Non deductible expenses	8	3
	Capital allowances in excess of/(less than) depreciation	8	114
	Utilisation of capital losses	(13)	(12)
	Finance lease and pension provisions	(16)	(89)
	Dividends and distributions received	170	188
		<u>157</u>	<u>204</u>
	Current tax charge for the year	<u>313</u>	<u>90</u>

At the year end the group had unutilised capital losses of £164,000 (2012: £219,000) for which no credit has been taken in these accounts.

No provision has been made for deferred tax on the unrealised gain recognised on revaluing property to its market value. Corporation tax on a capital gain, after indexation allowance, would become payable only if the property was sold without it being possible to claim rollover relief, or if there were insufficient unutilised capital losses. The amount of unprovided tax in respect of the revaluation reserve is £95,000 (2012: £107,000). The directors have no current plans to dispose of the company's long leasehold property.

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

	Leasehold buildings	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 January 2013	895	836	1,731
Additions	-	16	16
	<hr/>	<hr/>	<hr/>
At 31 December 2013	895	852	1,747
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2013	25	782	807
Charge for the year	23	21	44
	<hr/>	<hr/>	<hr/>
At 31 December 2013	48	803	851
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2013	847	49	896
	<hr/>	<hr/>	<hr/>
At 31 December 2012	870	54	924
	<hr/>	<hr/>	<hr/>

The long leasehold property was valued at £895,000 by Petty Chartered Surveyors, as at 17 January 2012, on an existing use basis in accordance with the Appraisal and Valuation Standards, 5th Edition (as amended), of the Royal Institution of Chartered Surveyors. At the balance sheet date the directors do not consider the value to be materially different to the current value.

Comparable historical cost for the land and buildings included at valuation:

	£'000
Cost	
At 1 January 2013 & at 31 December 2013	639
	<hr/>
Depreciation based on cost	
At 1 January 2013	180
Charge for the year	10
	<hr/>
At 31 December 2013	190
	<hr/>
Net book value	
At 31 December 2013	449
	<hr/>
At 31 December 2012	459
	<hr/>

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8	Finance receivables and debtors	2013 £'000	2012 £'000
	Finance receivables		
	Finance leases	13,142	15,332
	Less: unearned interest	(1,925)	(2,279)
		<u>11,217</u>	<u>13,053</u>
	Instalment credit receivables	30,408	34,941
	Less: unearned interest	(5,045)	(5,617)
		<u>25,363</u>	<u>29,324</u>
	Loans	2,765	4,599
	Total finance receivables	<u><u>39,345</u></u>	<u><u>46,976</u></u>
	Amounts falling due within one year	19,044	22,831
	Amounts falling due after more than one year	20,301	24,145
		<u><u>39,345</u></u>	<u><u>46,976</u></u>
	Debtors		
	Amounts owed by parent and fellow subsidiary undertakings	10,881	4,287
	Prepayments and accrued income	1,176	1,348
	Deferred tax asset (see note 11)	450	526
	Total debtors	<u><u>12,507</u></u>	<u><u>6,161</u></u>

Included within prepayments and accrued income is £594,000 (2012 : £653,000) due after one year.

The cost of assets acquired during the year for the purposes of instalment credit and finance lease agreements was £23.5 million (2012: £21.5 million).

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9	Creditors: amounts falling due within one year	2013 £'000	2012 £'000
	Bank loans and overdrafts	13,032	41,998
	Trade creditors	29	79
	Corporation tax	313	90
	Other taxes and social security costs	311	367
	Block discount finance agreements	2,010	-
	Accruals and deferred income	1,256	1,594
		<hr/>	<hr/>
		16,951	44,128
		<hr/>	<hr/>

Bank loans and overdrafts and block discount finance agreements are secured as more fully disclosed in note 10.

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10 Creditors: amounts falling due after more than one year	2013 £'000	2012 £'000
Bank loans	10,542	-
Block discount finance agreements	4,540	-
Accruals and deferred income	525	871
Preference shares classed as a financial liability	15,000	15,000
	<u>30,607</u>	<u>15,871</u>
Analysis of loans		
Wholly repayable within five years	30,124	41,998
	<u>30,124</u>	<u>41,998</u>
Included in current liabilities	(15,042)	(41,998)
	<u>15,082</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	10,679	-
In more than two years but not more than five years	4,403	-
	<u>15,082</u>	<u>-</u>

The company is party to a cross-company guarantee in respect of borrowings from Bank of Scotland, as disclosed in note 16. The expiry date of this facility is 27 February 2016.

In the opinion of the directors, it is not in the interest of the shareholder that distributable reserves should be used to redeem any preference shares at any time within 12 months of the balance sheet date. Accordingly, they have been included within creditors due after one year. The Preference shares comprise £6,000,000 'A' Preference shares and £9,000,000 'C' Redeemable preference shares, the rights of which are more fully disclosed in note 13.

At the year end the company had transacted interest rate derivatives, which have the effect of fixing interest rates on notional capital balances of £20 million (2012 : £40 million). These transactions expire during 2014.

Block discount finance agreements of £6,550,000 (2012 - £nil), of which £4,540,000 (2012 - £nil) is due after one year and £2,010,000 (2012 - £nil) is due within one year, are secured by the way of a floating charge.

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

11 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2013 £'000	
Balance at 1 January 2013	(526)	
Profit and loss account	76	
	<u> </u>	
Balance at 31 December 2013	(450)	
	<u> </u>	
	2013	2012
	£'000	£'000
Decelerated capital allowances	(331)	(373)
Other timing differences	(119)	(153)
	<u> </u>	<u> </u>
	(450)	(526)
	<u> </u>	<u> </u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company does not operate a pension scheme but makes payments to individual personal pension plans. The pension cost charge represents contributions payable by the company to those personal pension plans.

	2013 £'000	2012 £'000
Contributions payable by the company for the year	88	214
	<u> </u>	<u> </u>

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13	Share capital	2013 £'000	2012 £'000
	Allotted, called up and fully paid		
	2,112,000 Ordinary shares of £1 each	2,112	2,112

Details of the non-equity share capital included within creditors due after more than one year are as follows:-

'A' Preference shares

The 6,000,000 'A' Preference shares of £1 each carry no voting rights and carry a 5% per annum cumulative dividend. On a winding up, they are repayable at par and rank behind the 'C' Redeemable Preference shares but ahead of the other classes of shares.

'C' Redeemable preference shares

The 9,000,000 'C' Redeemable preference shares of £1 each carry no voting rights and carry a 5% per annum cumulative dividend. These shares were redeemable at par on 28 February 2006. In the opinion of the directors, it is not in the interest of the shareholder that distributable reserves should be used to redeem any of these preference shares at any time within 12 months of the balance sheet date. Accordingly, they have been included within creditors due after one year. Dividends will continue to be paid on the shares until such future date when the shares are redeemed. On a winding up, they are repayable at par and rank ahead of the other classes of shares.

14 Statement of movements on reserves

	Share premium account £'000	Revaluation reserve £'000	Other reserves (see below) £'000	Profit & loss account £'000
Balance at 1 January 2013	200	411	1,000	3,609
Profit for the year	-	-	-	280
Transfer from revaluation reserve to profit and loss account	-	(13)	-	13
Balance at 31 December 2013	200	398	1,000	3,902

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013	1,000
---	-------

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15	Reconciliation of movements in shareholders' funds	2013	2012
		£'000	£'000
	Profit/(Loss) for the financial year	280	(550)
		<hr/>	<hr/>
	Net addition to/ (depletion in) shareholders' funds	280	(550)
	Opening shareholders' funds	7,332	7,882
		<hr/>	<hr/>
	Closing shareholders' funds	7,612	7,332
		<hr/>	<hr/>

16 Contingent liabilities

The company is subject to a cross-company guarantee in respect of borrowings of the group from the Bank of Scotland. Group borrowings at the year end amounted to £23.6m (2012: £48.8m).

17	Directors' remuneration	2013	2012
		£'000	£'000
	Remuneration for qualifying services	374	314
	Company pension contributions to defined contribution schemes	72	190
		<hr/>	<hr/>
		446	504
		<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	214	211
Company pension contributions to defined contribution schemes	38	110
	<hr/>	<hr/>

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Sales	1	1
Administration	17	20
	<u>18</u>	<u>21</u>

Employment costs

	2013 £'000	2012 £'000
Wages and salaries	872	1,007
Social security costs	102	115
Other pension costs	88	214
	<u>1,062</u>	<u>1,336</u>

19 Control

Haydock Finance Holdings Limited is the company's ultimate parent undertaking. Group financial statements for this company are prepared and can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. Haydock Finance Holdings Limited is controlled by Mr J H Wilkinson, a director.

HAYDOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

20 Related party relationships and transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 not to disclose details of related party transactions with other group companies as it is a wholly owned subsidiary included in the parent company's consolidated financial statements, which are publicly available.

Beck Developments Limited ("Beck")

Mr J H Wilkinson is a director and shareholder of Beck. During the prior year the company had a loan on normal commercial terms with Beck. The highest amount outstanding during the year was £nil (2012 : £2,178,000), and the amount due from Beck at the year end was £nil (2012 : £nil). During the year interest of £nil (2012 : £40,000) was earned in respect of this advance, and repayments of £nil (2012 : £2,178,000) were received from Beck. In addition Beck acquired the rights to properties for consideration of £nil (2012 : £300,000) in exchange for making specific capital reductions to the loan facilities to which they relate.

Haydock Asset Finance Limited ("HAF")

Mr J H Wilkinson is a director and shareholder of HAF. During the prior year the company had a loan on normal commercial terms with HAF. The maximum amount outstanding during the year was £nil (2012 : £598,000), and the amount due from HAF at the year end was £nil (2012 : £nil). During the year interest of £nil (2012 : £15,000) was earned in respect of this advance, and repayments of £nil (2012 : £598,000) were received from HAF.

Mr B D Wilkinson

Mr B D Wilkinson, is a director of Manthorpe Developments (UK) Limited ("Manthorpe"). During the prior year the company advanced, by way of loans on normal commercial terms, an aggregate of £nil (2012 : £93,000) to Manthorpe. The maximum amount outstanding during the year was £nil (2012 : £2,090,000), and the amount due from Manthorpe at the year end was £nil (2012 : £nil). During the year interest of £nil (2012 : £82,000) and fees of £nil (2012 : £75,000) were earned in respect of this advance, and repayments of £nil (2012 : £2,090,000) were received. In addition to the above Manthorpe acquired the rights to properties for consideration of £nil (2012 : £635,000) in exchange for making specific capital reductions to the loan facilities to which they relate.

Norwest Leisure Limited ("Norwest")

Mr J H Wilkinson is a director of Norwest. During the prior year Norwest acquired the rights to properties for consideration of £nil (2012 : £100,000) in exchange for making specific capital reductions to the loan facilities to which they relate.