

Andersons (Denton Holme) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2012



Andersons (Denton Holme) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Barker
V Woods

SECRETARY

C Barker

REGISTERED OFFICE

Denton Holme Sawmills
Denton Street
Carlisle
Cumbria
CA2 5EQ

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

BANKERS

National Westminster Bank plc
PO Box 666
Ashton House
Waterloo Street
Bolton
BL1 8FH

Andersons (Denton Holme) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Andersons (Denton Holme) Limited for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of timber merchants and kitchen furniture suppliers

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £826,729

The Company supplies timber, kitchen and joinery products, to both trade and retail customers from its four branches in Carlisle, Dumfries, Kilmarnock and the new branch in Stranraer opened September 2012 and trading successfully. The company also has a property for redevelopment

The Directors are pleased to report another profitable year of trading for the company in an economy which continues to be difficult and consumer spending continues to be restrictive

Cash resources have been managed carefully during the period with the company continuing to trade well within its banking facility

The Directors believe that the company is well positioned to take advantage of the opportunities as they are presented as the economy slowly improves

The Directors consider their key performance indicators to be the following

Turnover	-	increased by 7%
Gross margin	-	a margin of 31% was achieved

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £101,516 (2011 - profit £41,053). Particulars of dividends paid are detailed in note 8 to the financial statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors believe they have addressed all the major risks faced by the business. Long term supply agreements are in place with key suppliers

The Directors continue to monitor and anticipate changes in the marketplace and embrace new products and technologies to ensure Andersons remains a market leader

A new branch was opened in Stranraer in the third quarter of 2012 following evaluation of the area. This branch has traded very successfully in 2012 and continues to do so in 2013

New build housing is showing recovery, albeit remaining slow and customers are continuing to upgrade their existing properties thus enabling Andersons to embrace all opportunities in the market

Trade debt continues to be closely monitored to keep bad debt risk to a minimum in the current economic climate

A Credit Insurance policy is in place. Overhead costs are closely monitored and cashflow tightly controlled

Andersons (Denton Holme) Limited

DIRECTORS' REPORT

DIRECTORS

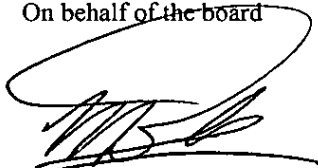
The directors who served the company during the year were as follows

M Barker
V Woods

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



M Barker
Director

5 June 2013

Andersons (Denton Holme) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDERSONS (DENTON HOLME) LIMITED

We have audited the financial statements on pages 6 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As more fully explained 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the 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 2012 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

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

Baker Tilly UK Audit LLP

KEITH HILLAM (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Date 6 JUNE 2013

Andersons (Denton Holme) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER	2	8,495,180	7,917,394
Cost of sales		5,877,464	5,410,759
Gross profit		2,617,716	2,506,635
Administrative expenses		2,458,800	2,446,583
Other operating income		(25)	—
OPERATING PROFIT	3	158,941	60,052
Interest receivable		—	100
		158,941	60,152
Interest payable and similar charges	6	(20,596)	(4,434)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		138,345	55,718
Taxation	7	36,829	14,665
PROFIT FOR THE FINANCIAL YEAR	20	101,516	41,053

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

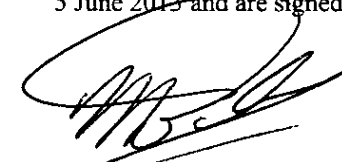
Andersons (Denton Holme) Limited

BALANCE SHEET

31 December 2012

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	<u>566,845</u>	<u>259,800</u>
CURRENT ASSETS			
Stocks	10	1,049,611	1,097,011
Debtors	11	1,433,253	1,420,186
Cash at bank and in hand		214,702	142,519
		<u>2,697,566</u>	<u>2,659,716</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,095,395</u>	<u>1,901,030</u>
NET CURRENT ASSETS			
		602,171	758,686
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,169,016</u>	<u>1,018,486</u>
CREDITORS			
Amounts falling due after more than one year	13	311,982	186,437
Deferred taxation	16	30,305	21,836
		<u>826,729</u>	<u>810,213</u>
CAPITAL AND RESERVES			
Called up share capital	19	50,000	50,000
Profit and loss account	20	776,729	760,213
SHAREHOLDERS' FUNDS			
	21	<u>826,729</u>	<u>810,213</u>

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 5 June 2013 and are signed on their behalf by



M Barker
Director

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

GOING CONCERN

The company continued to trade profitably in 2012 and continues to operate well within its banking facilities which were renewed in March 2013

Having carried out a detailed review of the company's resources and challenges presented by the current economic climate, the directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. Accordingly the accounts have been prepared on a going concern basis

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business, exclusive of Value Added Tax

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	over the period of the lease
Plant & Machinery	-	4% - 10% straight line
Fixtures & Fittings	-	10% - 25% straight line
Motor Vehicles	-	25-33% straight line

STOCKS

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

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 ACCOUNTING POLICIES *(continued)*

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2012	2011
	£	£
United Kingdom	<u>8,495,180</u>	<u>7,917,394</u>

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	98,828	134,457
Depreciation of assets held under hire purchase agreements	13,273	6,053
Profit on disposal of fixed assets	(9,844)	(18,671)
Auditor's remuneration		
- as auditor	12,250	11,000
Operating lease costs		
- Other	291,235	293,542

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2012	2011
	No	No
Number of production staff	40	40
Number of administrative staff	15	12
Number of management staff	2	2
	<u>57</u>	<u>54</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	1,135,403	1,246,877
Social security costs	116,553	141,077
Other pension costs	31,349	30,892
	<u>1,283,305</u>	<u>1,418,846</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	69,750	210,478
Value of company pension contributions to money purchase schemes	22,568	22,311
	<u>92,318</u>	<u>232,789</u>

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	60,750	137,763
Value of company pension contributions to money purchase schemes	11,284	10,900
	<u>72,034</u>	<u>148,663</u>

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

5 DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	15,483	1,169
On finance leases	2,562	2,934
Other interest	<u>2,551</u>	<u>331</u>
	<u>20,596</u>	<u>4,434</u>

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24.5% (2011 - 20%)	28,200	10,000
Over/under provision in prior year	<u>160</u>	<u>(571)</u>
Total current tax	28,360	9,429
Deferred tax		
Origination and reversal of timing differences	<u>8,469</u>	<u>5,236</u>
Tax on profit on ordinary activities	<u>36,829</u>	<u>14,665</u>

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011 - 20%), as explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	138,345	55,718
Profit on ordinary activities by rate of tax	33,895	11,144
Effects of		
Capital allowances in excess of depreciation	(5,531)	(2,824)
Expenses not deductible for tax	3,585	1,520
Other differences	339	160
Under / (over) provision in prior years	160	(571)
Marginal relief	(4,088)	-
Total current tax (note 7(a))	28,360	9,429

8 DIVIDENDS

Equity dividends

	2012 £	2011 £
Equity dividends on ordinary shares £1.70 (2011 £9.10)	85,000	455,000

9 TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2012	18,341	207,032	722,069	366,533	1,313,975
Additions	163,953	8,700	200,682	67,103	440,438
Disposals	-	-	(60,130)	(21,895)	(82,025)
At 31 December 2012	182,294	215,732	862,621	411,741	1,672,388
Depreciation					
At 1 January 2012	14,348	187,953	533,582	318,292	1,054,175
Charge for the year	5,914	9,245	69,213	27,729	112,101
On disposals	-	-	(42,516)	(18,217)	(60,733)
At 31 December 2012	20,262	197,198	560,279	327,804	1,105,543
Net book value					
At 31 December 2012	162,032	18,534	302,342	83,937	566,845
At 31 December 2011	3,993	19,079	188,487	48,241	259,800

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

9 TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £566,845 is £43,360 (2011 - £45,608) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £13,273 (2011 - £6,053)

10 STOCKS

	2012	2011
	£	£
Finished goods	769,611	787,933
Development property	280,000	309,078
	<u>1,049,611</u>	<u>1,097,011</u>

The directors have made a provision against the value of the development property to write it down to its estimated realisable value

11 DEBTORS

	2012	2011
	£	£
Trade debtors	515,653	466,688
Amounts owed by related undertakings	745,680	704,378
Other debtors	5,654	101,642
Directors' current account	42,160	41,093
Prepayments and accrued income	124,106	106,385
	<u>1,433,253</u>	<u>1,420,186</u>

During the year ended 31 December 2012 the company loaned monies to M Barker, a director, on an interest free basis. The balance at 31 December 2012 was £42,160 (2011 - £41,093) and the maximum balance outstanding during the year was £42,160

12 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Bank loans	98,692	50,308
Trade creditors	1,087,034	914,645
Amounts owed to group undertakings	—	5,000
Corporation tax	29,432	97,429
Other taxation and social security	184,733	191,929
Obligations under hire purchase agreements	19,418	17,107
Other creditors	116,066	144,321
Factoring account	399,551	339,460
Directors' current account	23,026	29,026
Accruals and deferred income	137,443	111,805
	<u>2,095,395</u>	<u>1,901,030</u>

The bank loan is an interest only loan on which interest is being incurred at 1.5% above the bank's base rate

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

12 CREDITORS Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012	2011
	£	£
Bank loans	98,692	50,308
Factoring account	399,551	339,460
Hire purchase contracts	19,418	17,107
	<u>517,661</u>	<u>406,875</u>

The bank loans are secured by a debenture on all of the assets of the company. The factoring account loan is secured on the debts to which the balance relates and the obligations under hire purchase agreements are secured on the assets to which they relate.

13 CREDITORS Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	294,626	165,000
Obligations under hire purchase agreements	17,356	21,437
	<u>311,982</u>	<u>186,437</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012	2011
	£	£
Bank loans	294,626	165,000
Hire purchase contracts	17,356	21,437
	<u>311,982</u>	<u>186,437</u>

14 CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2012	2011
	£	£
Amounts repayable		
In one year or less or on demand	98,692	50,308
In more than one year but not more than two years	98,692	44,000
In more than two years but not more than five years	195,934	121,000
	<u>393,318</u>	<u>215,308</u>

15 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	19,418	17,107
Amounts payable between 2 to 5 years	17,356	21,437
	<u>36,774</u>	<u>38,544</u>

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

16 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	21,836	16,600
Profit and loss account movement arising during the year	8,469	5,236
Provision carried forward	<u>30,305</u>	<u>21,836</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	30,305	21,836
	<u>30,305</u>	<u>21,836</u>

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 2 to 5 years	-	96,400
After more than 5 years	-	134,600
	<u>-</u>	<u>231,000</u>

18 RELATED PARTY TRANSACTIONS

Andersons (Denton Holme) Limited is a wholly owned subsidiary of Triggerdown Limited. Triggerdown Limited is controlled by M Barker, a director of Andersons (Denton Holme) Limited.

Consolidated accounts are prepared by Triggerdown Limited and, consequently, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with its parent company.

The company is also related to Reverseword Limited, a company which is controlled by M Barker. During the year the company paid rent of £119,600 (2011 - £111,601) to Reverseword Limited on normal commercial terms. At the year end there was a debt due to the company from Reverseword Limited of £644,660 (2011 - £555,458).

The company is also related to Pacific Imports Limited, a company which is controlled by M Barker. During the year the company settled expenses on behalf of Pacific Imports Limited totalling £2,100 (2011 - £8,210). At the year end there was a debt due to the company from Pacific Imports Limited of £152,020 (2011 - £199,920). A provision of £51,000 (2011 - £51,000) has been made against this debt.

Andersons (Denton Holme) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

19 SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

20 PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
At the beginning of the year	760,213	1,174,160
Profit for the financial year	101,516	41,053
Dividends	<u>(85,000)</u>	<u>(455,000)</u>
At the end of the year	<u>776,729</u>	<u>760,213</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	101,516	41,053
Dividends	<u>(85,000)</u>	<u>(455,000)</u>
Net addition/(reduction) to shareholders' funds	16,516	(413,947)
Opening shareholders' funds	810,213	1,224,160
Closing shareholders' funds	<u>826,729</u>	<u>810,213</u>