

Heltor Limited

**Annual Report
Year Ended 31 August 2013**

Company Registration Number 00686375

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Heltor Limited

Financial Statements

Year Ended 31 August 2013

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Heltor Limited

Officers and Professional Advisers

The Board of Directors

Mr P J Kingdon
Mrs L M Kingdon
Mr C P Kingdon

Company Secretary

Mr N M Gratton

Registered Office

Heltor Business Park
Old Newton Road
Heathfield
Newton Abbot
TQ12 6RW

Auditor

Francis Clark LLP
Chartered Accountants & Statutory Auditor
Vantage Point
Woodwater
Pynes Hill
Exeter
EX2 5FD

Heltor Limited

The Directors' Report

Year Ended 31 August 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2013

Principal Activities and Business Review

The principal activities of the company during the year were the sale and distribution of oil and ancillary products. The company also receives income from warehousing and distribution activities.

The company has performed well in difficult economic trading conditions with the volume of fuel sold increasing significantly against the prior year. The company's turnover has increased, primarily, due to acquiring the trade and assets of Tincknell Fuels Limited's fuel depots in Exeter, Plymouth and Newquay, this acquisition was funded through working capital facilities.

The results for the year and the financial position at the year end were considered satisfactory.

The directors are optimistic that the company is well placed in the current economic climate.

Results and Dividends

The profit for the year, after taxation, amounted to £140,397. The directors have not recommended a dividend.

Financial Risk Management Objectives and Policies

The company's principal financial instruments comprise bank balances and overdrafts, trade creditors, trade debtors and finance lease/hire purchase agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance those operations.

The company's approach to managing liquidity risk in respect of bank balances is managed by maintaining a balance between the continuity of funding and flexibility through the use of an overdraft and ensuring that the company works within its existing facilities.

The company is a lessee in respect of finance lease/hire purchase assets. The liquidity risk is managed by ensuring that the company has sufficient funds to meet payments due under the agreements as they fall due.

The company is exposed to price movements in the market place, both local and global. Management monitor price movements and trends closely in order to manage the risk and maintain margin.

Principal Risks and Uncertainties

There are a number of risks and uncertainties which could impact the company's long-term performance. The company is largely dependent on the health of the UK economy generally.

The directors monitor change in this regard and will continue to take steps to control the company's costs in the current economic climate and slow recovery envisaged next year.

Directors

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

Mr P J Kingdon
Mrs L M Kingdon
Mr C P Kingdon

Purchase of Own Shares

During the year, the company purchased 180 ordinary shares with a nominal value of £1, and representing 10% of the company's called-up ordinary share capital as part of a reorganisation. Further details can be found in note 19.

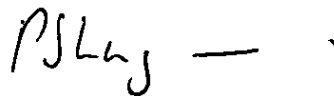
Heltor Limited

The Directors' Report *(continued)*

Year Ended 31 August 2013

Registered office
Heltor Business Park
Old Newton Road
Heathfield
Newton Abbot
TQ12 6RW

Signed on behalf of the directors



P J Kingdon

Director

Approved on 25 November 2013

Heltor Limited

Statement of Directors' Responsibilities

Year Ended 31 August 2013

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 year.

In preparing those 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Heltor Limited

Independent Auditor's Report to the Shareholders of Heltor Limited

Year Ended 31 August 2013

We have audited the financial statements of Heltor Limited for the year ended 31 August 2013 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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. 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 August 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 Matters 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.

Heltor Limited

Independent Auditor's Report to the Shareholders of Heltor Limited (*continued*)

Year Ended 31 August 2013

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

Francis Clark LLP

GLENN NICOL (Senior Statutory Auditor)
For and on behalf of
FRANCIS CLARK LLP
Chartered Accountants & Statutory Auditor

Vantage Point
Woodwater
Pynes Hill
Exeter
EX2 5FD

26 November 2013

Heltor Limited

Profit and Loss Account

Year Ended 31 August 2013

	Note	2013 £	2012 £
Turnover	2	52,368,600	34,303,467
Cost of sales		47,489,943	31,227,476
Gross Profit		4,878,657	3,075,991
Distribution costs		3,294,808	2,505,834
Administrative expenses		1,774,142	927,438
Other operating income		(434,427)	(446,384)
Operating Profit	3	244,134	89,103
Interest receivable		168	—
Interest payable and similar charges	6	(49,121)	(26,836)
Profit on Ordinary Activities Before Taxation		195,181	62,267
Tax on profit on ordinary activities	7	54,784	9,320
Profit for the Financial Year		140,397	52,947

All of the activities of the company are classed as continuing

The notes on pages 11 to 23 form part of these financial statements.

Heltor Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 August 2013

	2013 £	2012 £
Profit for the financial year attributable to the shareholders	140,397	52,947
Unrealised surplus on revaluation of tangible fixed assets Investment Properties	110,570	175,000
Total gains and losses recognised since the last annual report	<u>250,967</u>	<u>227,947</u>

The notes on pages 11 to 23 form part of these financial statements

Heltor Limited

Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed Assets			
Intangible assets	8	416,668	43,545
Tangible assets	9	5,225,916	5,013,677
Investments	10	1,202	1,200
		<u>5,643,786</u>	<u>5,058,422</u>
Current Assets			
Stocks	11	494,070	292,880
Debtors	12	4,745,704	3,304,050
Cash at bank and in hand		125,356	32,575
		<u>5,365,130</u>	<u>3,629,505</u>
Creditors: Amounts falling due within one year	13	<u>6,025,494</u>	<u>3,977,866</u>
Net Current Liabilities		<u>(660,364)</u>	<u>(348,361)</u>
Total Assets Less Current Liabilities		<u>4,983,422</u>	<u>4,710,061</u>
Creditors: Amounts falling due after more than one year	14	521,347	253,725
Provisions for Liabilities			
Deferred taxation	16	14,000	28,000
		<u>4,448,075</u>	<u>4,428,336</u>
Capital and Reserves			
Called-up equity share capital	19	1,504	1,684
Revaluation reserve	20	875,488	764,918
Capital redemption reserve	20	600	420
Other reserves	20	-	57,452
Profit and loss account	20	3,570,483	3,603,862
Shareholders' Funds	21	<u>4,448,075</u>	<u>4,428,336</u>

These financial statements were approved by the directors and authorised for issue on 25 December 2013 and are signed on their behalf by


Mr P J Kingdon

Company Registration Number 00686375

The notes on pages 11 to 23 form part of these financial statements.

Heltor Limited

Cash Flow Statement

Year Ended 31 August 2013

	Note	2013 £	2012 £
Net Cash Inflow/(Outflow) from Operating Activities	22	1,337,221	(92,121)
Returns on Investments and Servicing of Finance			
Interest received		168	—
Interest paid		(34,806)	(19,055)
Interest element of hire purchase		(14,315)	(7,781)
Net Cash Outflow from Returns on Investments and Servicing of Finance		(48,953)	(26,836)
Taxation		(20,784)	(69,935)
Capital Expenditure			
Payments to acquire intangible fixed assets		(425,000)	—
Payments to acquire tangible fixed assets		(195,140)	(258,133)
Receipts from sale of fixed assets		30,800	170,872
Net Cash Outflow from Capital Expenditure		(589,340)	(87,261)
Cash Inflow/(Outflow) Before Financing		678,144	(276,153)
Financing			
Purchase of own equity shares		(180)	(189)
Premium on purchase of own equity shares		(231,048)	(243,958)
Capital element of hire purchase		(260,600)	(167,230)
Net inflow from other long-term creditors		100,000	—
Net inflow from directors' long-term loans		100,000	—
Net Cash Outflow from Financing		(291,828)	(411,377)
Increase/(Decrease) in Cash	22	<u>386,316</u>	<u>(687,530)</u>

The notes on pages 11 to 23 form part of these financial statements.

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

1 Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties

(b) Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax. The main sources of income are recognised on the following basis

- Fuel income is recognised when deliveries are made to customers
- Haulage income is recognised when goods are delivered to customers
- Rental income (within other operating income) is recognised on a straight-line basis over lease terms

(c) Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 15 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

(d) Fixed assets

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost.

(e) Depreciation

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

Freehold Property	- 2% per annum on cost
Leasehold Property	- 4% per annum on cost
Plant & Machinery	- 15% - 20% per annum on cost
Fixtures & Fittings	- 15% - 25% per annum on cost
Motor Vehicles	- 20% - 25% per annum on cost

No depreciation is provided in respect of freehold land

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

1 Accounting Policies *(continued)*

(f) Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve, except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account of the year. No depreciation is provided in respect of investment properties.

The Companies Act requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

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

(g) Stocks

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

(h) Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

(i) 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.

(j) Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS 19 - Deferred tax. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

1. Accounting Policies *(continued)*

(k) 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.

(l) Group accounts

Heltor Limited is a parent company, however group accounts have not been prepared by virtue of the subsidiaries being non trading and immaterial.

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.

	2013 £	2012 £
United Kingdom	<u>52,368,600</u>	<u>34,303,467</u>

3. Operating Profit

Operating profit is stated after charging/(crediting)

	2013 £	2012 £
Amortisation of intangible assets	126,877	26,088
Depreciation of owned fixed assets	356,153	318,494
Depreciation of assets held under hire purchase agreements	102,356	90,108
Profit on disposal of fixed assets	(16,651)	(95,493)
Auditor's remuneration		
- audit fees	17,000	14,500
Operating lease costs - land and buildings	36,881	2,080
Operating lease costs - other	<u>154,689</u>	<u>38,560</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

4. Particulars of Employees

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

	2013 No	2012 No
Number of distribution staff	46	36
Number of administrative staff	24	16
Number of directors	3	3
	<u>73</u>	<u>55</u>

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	1,969,931	1,435,620
Social security costs	199,182	168,907
Other pension costs	34,134	10,909
	<u>2,203,247</u>	<u>1,615,436</u>

5. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Aggregate remuneration	177,219	162,664
Value of company pension contributions to money purchase schemes	11,000	5,000
	<u>188,219</u>	<u>167,664</u>

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

	2013 No	2012 No
Money purchase schemes	<u>2</u>	<u>1</u>

6 Interest Payable and Similar Charges

	2013 £	2012 £
Interest payable on bank borrowing	22,806	7,055
Finance charges	14,315	7,781
Other similar charges payable	12,000	12,000
	<u>49,121</u>	<u>26,836</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

7 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 20%)	69,000	21,000
Over provision in prior year	(216)	(952)
Total current tax	<u>68,784</u>	<u>20,048</u>
Deferred tax		
Origination and reversal of timing differences (note 16)		
Capital allowances	(14,000)	(10,728)
Tax on profit on ordinary activities	<u>54,784</u>	<u>9,320</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 20%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>195,181</u>	<u>62,267</u>
Profit on ordinary activities by rate of tax	46,843	12,453
Depreciation for year in excess of capital allowances	21,384	3,388
Expenses not deductible for tax purposes	9,991	4,944
Marginal relief	(4,016)	-
Profit on disposal of fixed assets	(3,996)	-
Over provision for tax in prior year	(214)	(952)
Sundry tax adjusting items	(1,208)	215
Total current tax (note 7(a))	<u>68,784</u>	<u>20,048</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

8 Intangible Fixed Assets

	Goodwill £
Cost	
At 1 September 2012	731,927
Additions	500,000
At 31 August 2013	<u>1,231,927</u>
Amortisation	
At 1 September 2012	688,382
Charge for the year	126,877
At 31 August 2013	<u>815,259</u>
Net Book Value	
At 31 August 2013	<u>416,668</u>
At 31 August 2012	<u>43,545</u>

The company acquired certain trade and assets of Tincknell Fuels Limited with effect from 19 October 2012. An analysis of the acquisition is shown below

	Fair value and book value £
Fixed assets	292,000
Trade debtors	11,330
Net assets acquired	303,330
Goodwill arising	475,000
	<u>778,330</u>
Discharged by	
Cash	703,330
Deferred consideration	75,000
	<u>778,330</u>

The post-acquisition results relating to the trade acquired are as follows

	£
Turnover	15,886,919
Cost of sales	(14,669,667)
Gross Profit	1,217,252
Direct costs	(982,951)
Contribution	<u>234,301</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

9 Tangible Fixed Assets

	Brought forward 1 Sep 12 £	Additions £	Disposals £	Revaluations £	Transfers £	Carried forward 31 Aug 13 £
Cost or Valuation						
Freehold Property	236,748	4,012	–	–	581,937	822,697
Plant & Machinery	757,195	34,205	(56,164)	–	–	735,236
Fixtures & Fittings	170,751	27,730	–	–	–	198,481
Motor Vehicles	2,804,875	499,293	(109,225)	–	–	3,194,943
Leasehold Property	51,329	–	–	–	–	51,329
Investment Properties	3,817,280	9,087	–	110,570	(581,937)	3,355,000
	<u>7,838,178</u>	<u>574,327</u>	<u>(165,389)</u>	<u>110,570</u>	<u>–</u>	<u>8,357,686</u>
	Brought forward 1 Sep 12 £	Charges £	Disposals £			Carried forward 31 Aug 13 £
Depreciation						
Freehold Property	(23,835)	(15,313)	–			(39,148)
Plant & Machinery	(676,784)	(25,150)	53,947			(647,987)
Fixtures & Fittings	(162,790)	(6,696)	–			(169,486)
Motor Vehicles	(1,919,225)	(408,794)	97,293			(2,230,726)
Leasehold Property	(41,867)	(2,556)	–			(44,423)
Investment Properties	–	–	–			–
	<u>(2,824,501)</u>	<u>(458,509)</u>	<u>151,240</u>			<u>(3,131,770)</u>
					Brought forward 1 Sep 12 £	Carried forward 31 Aug 13 £
Net Book Value						
Freehold Property					212,913	783,549
Plant & Machinery					80,411	87,249
Fixtures & Fittings					7,961	28,995
Motor Vehicles					885,650	964,217
Leasehold Property					9,462	6,906
Investment Properties					3,817,280	3,355,000
					<u>5,013,677</u>	<u>5,225,916</u>

Investment properties are included in the balance sheet at directors' valuation as at 31 August 2013, based on an existing use open market value. One of the directors (Mr C P Kingdon) is a chartered surveyor. The historical cost of the properties at 31 August 2013 is £1,645,985 (2012 £1,987,282).

Hire purchase agreements

Included within the net book value of £5,225,916 is £410,958 (2012 - £405,823) 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 £102,356 (2012 - £90,108).

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

9 Tangible Fixed Assets *(continued)*

Capital commitments

	2013 £	2012 £
Contracted but not provided for in the financial statements	<u>121,470</u>	<u>138,042</u>

10 Investments

Investments in subsidiaries

	£
Cost	
At 1 September 2012	122,662
Additions	<u>2</u>
At 31 August 2013	<u>122,664</u>
Amounts Written Off	
At 1 September 2012 and 31 August 2013	<u>121,462</u>
Net Book Value	
At 31 August 2013	<u>1,202</u>
At 31 August 2012	<u>1,200</u>

Heltor Limited owns 100% of the issued share capital of the companies listed below

Aggregate capital and reserves

	2013 £	2012 £
Hop Oils Limited (dormant)	1,200	1,200
Heathfield Terminal Company Limited (non trading)	1	1
Devon Fuels Limited (dormant)	2	—

11 Stocks

	2013 £	2012 £
Raw materials and consumables	<u>494,070</u>	<u>292,880</u>

12 Debtors

	2013 £	2012 £
Trade debtors	4,141,780	2,741,161
Amounts owed by group undertakings	3,444	—
VAT recoverable	269,720	386,879
Other debtors	9,550	8,879
Prepayments and accrued income	<u>321,210</u>	<u>167,131</u>
	<u>4,745,704</u>	<u>3,304,050</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

13 Creditors. Amounts falling due within one year

	2013 £	2012 £
Bank overdraft	263,220	556,755
Trade creditors	4,588,192	3,011,893
Amounts owed to group undertakings	1,202	1,200
Corporation tax	69,000	21,000
PAYE and social security	60,093	43,733
Hire purchase agreements	212,507	163,452
Other creditors	149,454	370
Directors' current accounts	–	13,976
Accruals and deferred income	681,826	165,487
	<u>6,025,494</u>	<u>3,977,866</u>

Hire purchase liabilities are secured over the assets held under hire purchase agreements as disclosed in note 9

The bank overdraft is secured by a fixed charged over Unit A, Heltor Business Park, Heathfield, Newton Abbot, TQ12 6GN

14 Creditors Amounts falling due after more than one year

	2013 £	2012 £
Hire purchase agreements	123,257	53,725
Shares classed as financial liabilities	200,000	200,000
Other creditors	100,000	–
Directors' loan accounts	98,090	–
	<u>521,347</u>	<u>253,725</u>

Hire purchase liabilities are secured over the assets held under hire purchase agreements as disclosed in note 9

The 200,000 6% cumulative redeemable preference shares of £1 each have been treated as non equity in accordance with FRS 25 and have the following rights attaching to the shares concerned

- 1 The company may redeem all or any of the preference shares at any time and shall redeem any preference shares in issue on 31 August 2015
- 2 The right to dividend is 6% per annum
- 3 On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets shall first be applied in paying to the holders of the preference shares an amount equal to the amount paid up together with a sum equal to all arrears and accruals of the preference dividend
- 4 No entitlement to vote at general meetings, except in exceptional circumstances as detailed in the Articles of Association

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

15. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2013 £	2012 £
Amounts payable within 1 year	212,507	163,452
Amounts payable between 1 and 2 years	123,257	53,725
	<u>335,764</u>	<u>217,177</u>
Hire purchase agreements are analysed as follows		
Current obligations	212,507	163,452
Non-current obligations	123,257	53,725
	<u>335,764</u>	<u>217,177</u>

16 Deferred Taxation

The movement in the deferred taxation provision during the year was

	2013 £	2012 £
Provision brought forward	28,000	38,728
Profit and loss account movement arising during the year	(14,000)	(10,728)
Provision carried forward	<u>14,000</u>	<u>28,000</u>

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

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	14,000	28,000
	<u>14,000</u>	<u>28,000</u>

No provision has been made for deferred tax gains recognised on revaluing investment properties to their open market value as the company does not intend to sell the revalued assets. The potential tax liability is estimated at £252,058 (2012 £283,605)

17 Commitments under Operating Leases

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	2,080	39,000	2,080	18,148
Within 2 to 5 years	18,600	132,359	-	76,181
	<u>20,680</u>	<u>171,359</u>	<u>2,080</u>	<u>94,329</u>

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

18 Related Party Transactions

Mr P J Kingdon, Mrs L M Kingdon and Mr C P Kingdon are all directors of the company. At the balance sheet date the company owed £98,090 (2012 £6,956) to Mr P J and Mrs L M Kingdon and £nil (2012 £7,020) to Mr C P Kingdon.

Heathfield Management (South West) Limited

Mr P J Kingdon and Mrs L M Kingdon are also directors of Heathfield Management (South West) Limited. During the year, the company made sales of £114,373 (2012 £118,734) to, purchased goods and services of £327,097 (2012 £374,579) from Heathfield Management (South West) Limited and was advanced £100,000 (2012 £nil) repayable after more than one year. At the balance sheet date £282,526 (2012 £19,270) was owed by Heltor Limited.

19. Share Capital

Allotted and called up

	2013 No	£	2012 No	£
1,504 Ordinary shares (2012 - 1,684) fully paid of £1 each	1,504	1,504	1,684	1,684
200,000 Preference shares fully paid of £1 each	200,000	200,000	200,000	200,000
	<u>201,504</u>	<u>201,504</u>	<u>201,684</u>	<u>201,684</u>

Amounts presented in equity	2013 £	2012 £
1,504 Ordinary shares (2012 - 1,684) fully paid of £1 each	<u>1,504</u>	<u>1,684</u>

Amounts presented in liabilities	2013	2012
200,000 Preference shares fully paid of £1 each	<u>200,000</u>	<u>200,000</u>

During the year the company purchased 180 (2012 189) ordinary shares of £1 each held by Mr N P Kingdon for £230,078 (2012 £242,931). The company has committed to purchase Mr N P Kingdon's remaining share of 178 ordinary £1 shares on a similar basis in 2014.

20. Reserves

	Revaluation reserve £	Capital redemption reserve £	Other reserve £	Profit and loss account £
Balance brought forward	764,918	420	57,452	3,603,862
Purchase of own ordinary shares	-	180	(57,452)	(173,776)
Other gains and losses				
- Revaluation of fixed assets	110,570			
Profit for the year	-	-	-	140,397
Balance carried forward	<u>875,488</u>	<u>600</u>	<u>-</u>	<u>3,570,483</u>

Within the profit and loss reserve is £610,127 regarded as unrealised profit as it relates to the transfer of fixed assets from its subsidiary, Heathfield Terminal Limited, in the form of a dividend in specie in 2011.

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

21 Reconciliation of Movements in Shareholders' Funds

	2013 £	2012 £
Profit for the financial year	140,397	52,947
Other net recognised gains and losses	110,570	175,000
Purchase of own ordinary shares	(180)	(189)
Premium on purchase of own ordinary shares	(231,048)	(243,958)
Net addition/(reduction) to shareholders' funds	19,739	(16,200)
Opening shareholders' funds	4,428,336	4,444,536
Closing shareholders' funds	4,448,075	4,428,336

22 Notes to the Cash Flow Statement

Reconciliation of Operating Profit to Net Cash Inflow/(Outflow) From Operating Activities

	2013 £	2012 £
Operating profit	244,134	89,103
Amortisation	126,877	26,088
Depreciation	458,509	408,602
Profit on disposal of fixed assets	(16,651)	(95,493)
Increase in stocks	(201,190)	(13,381)
Increase in debtors	(1,441,654)	(324,425)
Increase/(decrease) in creditors	2,166,906	(182,615)
Net cash inflow/(outflow) from operating activities	1,337,221	(92,121)

Reconciliation of Net Cash Flow to Movement in Net Debt

	2013 £	2012 £
Increase/(decrease) in cash in the period	386,316	(687,530)
Cash outflow in respect of hire purchase	260,600	167,230
Net cash (inflow) from other long-term creditors	(100,000)	–
Cash (inflow) from directors' long-term loans	(98,090)	–
Change in net debt resulting from cash flows	448,826	(520,300)
New finance leases	(379,187)	(133,500)
Movement in net debt in the period	69,639	(653,800)
Net debt at 1 September 2012	(941,357)	(287,557)
Net debt at 31 August 2013	(871,718)	(941,357)

Heltor Limited

Notes and Accounting Policies

Year Ended 31 August 2013

22. Notes to the Cash Flow Statement *(continued)*

Analysis of Changes in Net Debt

	At 1 Sep 2012 £	Cash flows £	Other changes £	At 31 Aug 2013 £
Net cash				
Cash in hand and at bank	32,575	92,781	–	125,356
Overdrafts	(556,755)	293,535	–	(263,220)
	<u>(524,180)</u>	<u>386,316</u>	<u>–</u>	<u>(137,864)</u>
Debt				
Debt due after 1 year	(200,000)	(198,090)	–	(398,090)
Hire purchase agreements	(217,177)	260,600	(379,187)	(335,764)
	<u>(417,177)</u>	<u>62,510</u>	<u>(379,187)</u>	<u>(733,854)</u>
Net debt	<u>(941,357)</u>	<u>448,826</u>	<u>(379,187)</u>	<u>(871,718)</u>

23. Control

During the year, the company was under control of Mr P J Kingdon, a director, by virtue of his majority shareholding in the company