

COMPANY REGISTRATION NUMBER 00319522

**FAGS (MACHINES) LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2013**

THURSDAY



A19 "A2K5BENL" #15  
31/10/2013  
COMPANIES HOUSE

# **FAGS (MACHINES) LIMITED**

## **ACCOUNTS**

**YEAR ENDED 31 JANUARY 2013**

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# **FAGS (MACHINES) LIMITED**

## **COMPANY INFORMATION**

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### **The board of directors**

M G White  
R J E Bullough  
G V Smith  
I J Brennan

### **Company secretary**

A B Connell

### **Registered office**

Richard House  
Winckley Square  
Preston  
PR1 3HP

### **Auditor**

Moore and Smalley LLP  
Chartered Accountants  
& Statutory Auditor  
Richard House  
Winckley Square  
Preston  
PR1 3HP

### **Bankers**

Handelsbanken  
2nd Floor  
Albion House  
Albion Street  
Chester  
CH1 1RQ

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# **FAGS (MACHINES) LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 JANUARY 2013**

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The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 January 2013

### **Principal activities and business review**

The company's principal activity continued to be that of vending & wholesale of tobacco products, confectionery and drinks

The company's continuing response to the smoking ban, current legislation and consequent challenging market conditions is to grow the tobacco sales through retail sales units and wholesale trade, and to provide non-tobacco related goods and services to its customers. As the company grows in this area it has had an impact on the gross profit, as margins are lower on the product mix for the company. As this turnover grows and the administrative expenses are trimmed down, the company expects to eliminate losses in the foreseeable future.

### **Results and dividends**

The loss for the year amounted to £135,612. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include debt management risk, credit risk, liquidity risk and interest rate risk. The company has in place risk management systems that seek to limit any adverse effects on the financial performance of the company by continuously monitoring these risk areas.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the company's finance department.

The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

### **Directors**

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

M G White  
R J E Bullough  
G V Smith  
I J Brennan

# **FAGS (MACHINES) LIMITED**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2013

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## **Directors' responsibilities**

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, 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 accounts 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 accounts 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

**FAGS (MACHINES) LIMITED**

THE DIRECTORS' REPORT *(continued)*

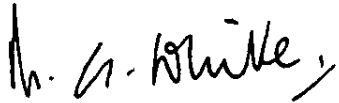
YEAR ENDED 31 JANUARY 2013

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**Auditor**

Moore and Smalley LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'M. G. White,' with a flourish at the end.

**M G White**  
**Director**

Approved by the directors on 22 October 2013

# **FAGS (MACHINES) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FAGS (MACHINES) LIMITED YEAR ENDED 31 JANUARY 2013**

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We have audited the accounts of Fags (Machines) Limited for the year ended 31 January 2013 on pages 7 to 24. 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 Sections 495 and 496 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 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 January 2013 and of its loss 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 accounts are prepared is consistent with the accounts.

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# FAGS (MACHINES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FAGS (MACHINES) LIMITED  
(continued)

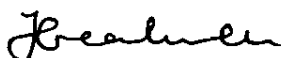
YEAR ENDED 31 JANUARY 2013

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## 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 accounts 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.



**James Treadwell (Senior Statutory Auditor)**  
**For and on behalf of**  
**Moore and Smalley LLP**  
**Chartered Accountants & Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

28.1.13



# FAGS (MACHINES) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2013

	Note	2013 £	2012 £
<b>Turnover</b>	2	9,304,505	9,827,818
Cost of sales		<u>(8,379,731)</u>	<u>(8,569,224)</u>
<b>Gross profit</b>		924,774	1,258,594
Administrative expenses		<u>(1,075,489)</u>	<u>(1,428,619)</u>
<b>Operating loss</b>	3	(150,715)	(170,025)
Attributable to			
Operating loss before exceptional items		(150,715)	(108,771)
Exceptional items	3	<u>–</u>	<u>(61,254)</u>
		(150,715)	(170,025)
Interest receivable		39,996	64,674
Interest payable and similar charges	6	<u>(54,516)</u>	<u>(40,349)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(165,235)</u>	<u>(145,700)</u>
Tax on loss on ordinary activities	7	29,623	25,712
<b>Loss for the financial year</b>		<u><u>(135,612)</u></u>	<u><u>(119,988)</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above.

# FAGS (MACHINES) LIMITED

## BALANCE SHEET

31 JANUARY 2013

	Note	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		12,554		20,114
Tangible assets	9		759,419		839,484
Investments	10		35,102		35,102
			<u>807,075</u>		<u>894,700</u>
<b>Current assets</b>					
Stocks	11	801,053		981,074	
Debtors due within one year	12	2,060,157		2,009,765	
Debtors due after one year	12	558,961		558,961	
Cash at bank		153,499		96,491	
		<u>3,573,670</u>		<u>3,646,291</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>1,959,760</u>		<u>1,875,797</u>	
<b>Net current assets</b>			<u>1,613,910</u>		<u>1,770,494</u>
<b>Total assets less current liabilities</b>			<u>2,420,985</u>		<u>2,665,194</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>282,046</u>		<u>390,643</u>
			<u>2,138,939</u>		<u>2,274,551</u>
<b>Capital and reserves</b>					
Called-up equity share capital	19		23,916		23,916
Share premium account	20		2,477		2,477
Profit and loss account	20		2,112,546		2,248,158
<b>Shareholders' funds</b>	21		<u>2,138,939</u>		<u>2,274,551</u>

The Balance sheet continues on the following page

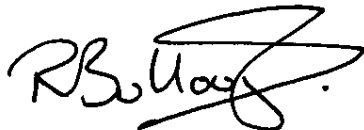
# FAGS (MACHINES) LIMITED

BALANCE SHEET *(continued)*

31 JANUARY 2013

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These accounts were approved by the directors and authorised for issue on 22 October 2013, and are signed on their behalf by



**R J E Bullough**

Company Registration Number 00319522

# FAGS (MACHINES) LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2013

	Note	2013 £	£	2012 £	£
<b>Net cash inflow/(outflow) from operating activities</b>			7,550		(411,068)
<b>Returns on investments and Servicing of finance</b>					
Interest received		39,996		64,674	
Interest paid		(52,116)		(37,949)	
Interest element of hire purchase		(2,400)		(2,400)	
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>			(14,520)		24,325
<b>Taxation</b>			–		1,284
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(18,695)		(119,116)	
Receipts from sale of fixed assets		8,004		16,390	
<b>Net cash outflow from capital expenditure</b>			(10,691)		(102,726)
<b>Cash outflow before financing</b>			(17,661)		(488,185)
<b>Financing</b>					
(Repayment of)/increase in bank loans		(74,921)		420,707	
Net inflow/(outflow) from other short-term creditors		31,295		(68,369)	
Capital element of hire purchase		(15,992)		(15,992)	
<b>Net cash (outflow)/inflow from financing</b>			(59,618)		336,346
<b>Decrease in cash</b>			(77,279)		(151,839)

# FAGS (MACHINES) LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2013

### Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Operating loss	(150,715)	(170,025)
Amortisation	7,560	10,193
Depreciation	98,760	204,451
Profit on disposal of fixed assets	(8,004)	(16,390)
Decrease in stocks	180,021	56,082
Increase in debtors	(20,769)	(499,681)
(Decrease)/increase in creditors	(99,303)	4,302
Net cash inflow/(outflow) from operating activities	<u>7,550</u>	<u>(411,068)</u>

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

	2013 £	2012 £
Decrease in cash in the period	(77,279)	(151,839)
Net cash outflow from/(inflow) from bank loans	74,921	(420,707)
Net (inflow) from/outflow from other short-term creditors	(31,295)	68,369
Cash outflow in respect of hire purchase	<u>15,992</u>	<u>15,992</u>
	(17,661)	(488,185)
Change in net debt	(17,661)	(488,185)
Net debt at 1 February 2012	(1,381,527)	(893,342)
Net debt at 31 January 2013	<u>(1,399,188)</u>	<u>(1,381,527)</u>

# FAGS (MACHINES) LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2013

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### Analysis of changes in net debt

	At 1 Feb 2012 £	Cash flows £	At 31 Jan 2013 £
Net cash			
Cash in hand and at bank	96,491	57,008	153,499
Overdrafts	(945,457)	(134,287)	(1,079,744)
	<u>(848,966)</u>	<u>(77,279)</u>	<u>(926,245)</u>
Debt			
Debt due within 1 year	(125,926)	(56,006)	(181,932)
Debt due after 1 year	(381,678)	99,632	(282,046)
Hire purchase agreements	(24,957)	15,992	(8,965)
	<u>(532,561)</u>	<u>59,618</u>	<u>(472,943)</u>
Net debt	<u>(1,381,527)</u>	<u>(17,661)</u>	<u>(1,399,188)</u>

# **FAGS (MACHINES) LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 JANUARY 2013**

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### **1 Accounting policies**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention

The company is dependant for its working capital on funds provided by its bankers. As with any company placing reliance on bank funding for financial support, the directors acknowledge there can be no certainty that this support will continue although, at the date of approval of these accounts, given the good relationship with the company's bankers, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the accounts on the going concern basis.

#### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **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 20 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.

#### **Amortisation**

Amortisation 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:

Goodwill - over 10 years

#### **Fixed assets**

All fixed assets are initially recorded at cost.

# **FAGS (MACHINES) LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 JANUARY 2013**

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### **1 Accounting policies (continued)**

#### **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% straight line
Plant & Machinery	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

#### **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 on a straight line basis.

#### **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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

#### **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.



# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 2 Turnover

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

An analysis of turnover is given below

	2013 £	2012 £
United Kingdom	<u>9,304,505</u>	<u>9,827,818</u>

### 3 Operating loss

Operating loss is stated after charging/(crediting)

	2013 £	2012 £
Amortisation of intangible assets	7,560	10,193
Depreciation of owned fixed assets	85,346	191,037
Depreciation of assets held under hire purchase agreements	13,414	13,414
Profit on disposal of fixed assets	(8,004)	(16,390)
Auditor's remuneration		
- as auditor	11,000	12,500
- for other services	3,500	4,000
Exceptional redundancy costs	-	61,254

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# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 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	17	24
Number of administrative staff	7	9
	<u>24</u>	<u>33</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	510,798	642,152
Social security costs	49,757	72,599
Other pension costs	11,957	15,144
	<u>572,512</u>	<u>729,895</u>

### 5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Aggregate remuneration	<u>88,141</u>	<u>86,733</u>

### 6 Interest payable and similar charges

	2013 £	2012 £
Interest payable on bank borrowing	52,116	37,949
Finance charges	2,400	2,400
	<u>54,516</u>	<u>40,349</u>

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# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 7 Taxation on ordinary activities

#### Analysis of charge in the year

	2013		2012	
	£	£	£	£
<b>Deferred tax:</b>				
Origination and reversal of timing differences (note 13)				
Capital allowances	845		3,033	
Losses	<u>(30,468)</u>		<u>(28,745)</u>	
Total deferred tax (note 13)		<u>(29,623)</u>		<u>(25,712)</u>

#### Factors affecting current tax charge

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

	2013	2012
	£	£
Loss on ordinary activities before taxation	<u>(165,235)</u>	<u>(145,700)</u>
Profit on ordinary activities by rate of tax	33,047	29,140
Goodwill Amortisation	(656)	(656)
Depreciation on non-qualifying assets, namely properties	(1,751)	(1,751)
Other disallowable items	(1,018)	(1,021)
Timing differences between capital allowances and depreciation	845	3,033
Utilisation of tax losses	<u>(30,467)</u>	<u>(28,745)</u>
Total current tax	<u>-</u>	<u>-</u>

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# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2012 and 31 January 2013	<u>917,794</u>
<b>Amortisation</b>	
At 1 February 2012	897,680
Charge for the year	7,560
At 31 January 2013	<u>905,240</u>
<b>Net book value</b>	
At 31 January 2013	<u>12,554</u>
At 31 January 2012	<u>20,114</u>

### 9 Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 February 2012	641,152	798,232	307,741	1,747,125
Additions	265	18,430	–	18,695
Disposals	–	–	(46,081)	(46,081)
At 31 January 2013	<u>641,417</u>	<u>816,662</u>	<u>261,660</u>	<u>1,719,739</u>
<b>Depreciation</b>				
At 1 February 2012	77,923	584,648	245,070	907,641
Charge for the year	8,753	70,283	19,724	98,760
On disposals	–	–	(46,081)	(46,081)
At 31 January 2013	<u>86,676</u>	<u>654,931</u>	<u>218,713</u>	<u>960,320</u>
<b>Net book value</b>				
At 31 January 2013	<u>554,741</u>	<u>161,731</u>	<u>42,947</u>	<u>759,419</u>
At 31 January 2012	<u>563,229</u>	<u>213,584</u>	<u>62,671</u>	<u>839,484</u>

# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 9 Tangible fixed assets (continued)

#### Hire purchase agreements

Included within the net book value of £759,419 is £20,122 (2012 - £33,536) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £13,414 (2012 - £13,414)

### 10 Investments

	Shares in Group Undertakings £
<b>Cost</b>	
At 1 February 2012 and 31 January 2013	<u>35,102</u>
<b>Net book value</b>	
At 31 January 2013 and 31 January 2012	<u>35,102</u>

The company owns 100% of the issued share capital of the companies listed below

	2013 £	2012 £
<b>Aggregate capital and reserves</b>		
Wells Vending Services Ltd (dormant)	10,000	10,000
Agapanthus Ltd (dormant)	100	100
1st Food & Drink Ltd (dormant)	2	2
Automat Distributors Ltd (dormant)	25,000	25,000

### 11 Stocks

	2013 £	2012 £
Finished goods	<u>801,053</u>	<u>981,074</u>

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# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

### 12 Debtors

	2013 £	2012 £
Trade debtors	151,601	187,967
Amounts owed by group undertakings	558,961	558,961
VAT recoverable	7,372	60,714
Amounts owed by related undertakings	1,620,332	1,609,463
Other debtors	7,131	2,504
Prepayments and accrued income	161,549	66,568
Deferred taxation (note 13)	112,172	82,549
	<u>2,619,118</u>	<u>2,568,726</u>

The debtors above include the following amounts falling due after more than one year

	2013 £	2012 £
Amounts owed by group undertakings	<u>558,961</u>	<u>558,961</u>

### 13 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2013 £	2012 £
Included in debtors (note 12)	<u>112,172</u>	<u>82,549</u>

The movement in the deferred taxation account during the year was

	2013 £	2012 £
Balance brought forward	82,549	56,837
Profit and loss account movement arising during the year	29,623	25,712
Balance carried forward	<u>112,172</u>	<u>82,549</u>

# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 13 Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of.

	2013 £	2012 £
Excess of depreciation over taxation allowances	19,480	20,325
Tax losses available	92,692	62,224
	<u>112,172</u>	<u>82,549</u>

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

	2013 £	2012 £
Bank loans and overdrafts	1,178,586	1,019,588
Trade creditors	661,819	757,879
PAYE and social security	12,300	15,543
Hire purchase agreements	8,965	15,992
Amounts owed to related undertakings	83,090	51,795
Accruals and deferred income	15,000	15,000
	<u>1,959,760</u>	<u>1,875,797</u>

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

	2013 £	2012 £
Bank loans	246,944	346,576
Amounts owed to group undertakings	35,102	35,102
Hire purchase agreements	–	8,965
	<u>282,046</u>	<u>390,643</u>

The banking facilities are secured by a legal charge dated 30 November 2010 over the freehold properties Pennine House, Greengate Industrial Park, Manchester, Mitchell House, Skyliner Way, Bury St Edmunds and 23 Purdeys Way, Rochford, Southend-on-Sea and a debenture dated 30 November 2010 incorporating a fixed and floating charge over all current and future assets of the company. In addition there are two personal guarantees from directors. Hire purchase liabilities are secured over the assets that they relate to.

# FAGS (MACHINES) LIMITED

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YEAR ENDED 31 JANUARY 2013

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### 16 Loans and borrowings

Creditors include finance capital which is due for repayment as follows

	2013 £	2012 £
Amounts repayable:		
In one year or less or on demand	1,178,586	1,019,588
In more than one year but not more than two years	98,842	98,842
In more than two years but not more than five years	148,102	247,734
	<u>1,425,530</u>	<u>1,366,164</u>

### 17 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2013 £	2012 £
Amounts payable within 1 year	8,965	15,992
Amounts payable between 2 to 5 years	-	8,965
	<u>8,965</u>	<u>24,957</u>
Hire purchase agreements are analysed as follows.		
Current obligations	8,965	15,992
Non-current obligations	-	8,965
	<u>8,965</u>	<u>24,957</u>



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### 18 Related party transactions

	Sales and Income	Purchases and Expenses	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£
R Duckworth (Blackpool) Ltd	33,735	18,531	326,630	82,356
Duckworth LLP	–	–	200,000	–
Cherwell Tobacco Factors LLP	11,593	20,238	1,093,702	734
	<u>45,328</u>	<u>38,769</u>	<u>1,620,332</u>	<u>83,090</u>

At least one of the directors has interests in the entities stated above

The company has taken advantage of the exemption available under FRS 8 to exclude disclosure of balances with group companies, as it is part of a group that prepares consolidated financial statements which are publicly available.

### 19 Share capital

#### Authorised share capital:

	2013 £	2012 £
26,000 Ordinary shares of £1 each	<u>26,000</u>	<u>26,000</u>

#### Allotted, called up and fully paid:

	2013 No	£	2012 No	£
23,916 Ordinary shares of £1 each	<u>23,916</u>	<u>23,916</u>	<u>23,916</u>	<u>23,916</u>

# FAGS (MACHINES) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2013

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### 20 Reserves

	Share premium account £	Profit and loss account £
At 1 February 2012	2,477	2,248,158
Loss for the year	–	(135,612)
At 31 January 2013	<u>2,477</u>	<u>2,112,546</u>

### 21 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Loss for the financial year	(135,612)	(119,988)
Opening shareholders' funds	<u>2,274,551</u>	<u>2,394,539</u>
Closing shareholders' funds	<u>2,138,939</u>	<u>2,274,551</u>

### 22 Ultimate parent company

The company is a wholly owned subsidiary of Fags (Holdings) Ltd, which was under the common control of its directors throughout the current and previous year. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Cardiff.