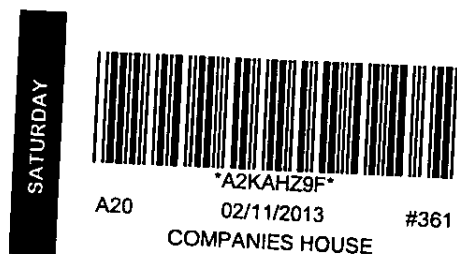


# Bob Pepper Holdings Limited

Directors' Report and Consolidated Financial Statements

for the Period to 28 February 2013



Walker Moyle  
3 Chapel Street  
Redruth  
Cornwall  
TR15 2BY

**Bob Pepper Holdings Limited**  
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**Bob Pepper Holdings Limited**  
**Company Information**

<b>Chairman</b>	Mr R D Pepper
<b>Directors</b>	Mrs M Pepper-Smith Mr R A Pepper-Smith
<b>Registered office</b>	Jenson House Cardrew Industrial Estate Redruth, Cornwall TR15 1SS
<b>Auditors</b>	Walker Moyle 3 Chapel Street Redruth Cornwall TR15 2BY

**Bob Pepper Holdings Limited**  
**Directors' Report for the Period to 28 February 2013**

The directors present their report and the consolidated financial statements for the period to 28 February 2013

**Incorporation**

The company was incorporated on 2 February 2012

**Directors of the company**

The directors who held office during the period were as follows

Mr R D Pepper - Chairman (appointed 2 February 2012)

Mrs M Pepper-Smith (appointed 2 February 2012)

Mr R A Pepper-Smith (appointed 2 February 2012)

**Principal activity**

The principal activity of the group is the design and manufacture of engineered timber frame structures for domestic housing and flats (private and social), student and key workers accommodation, Ministry of Defence, hospitals, hotels, schools, leisure and other commercial buildings. In addition the group activities include property developments, manufacture of roof trusses and commercial property letting

**Business review**

*Fair review of the business*

The company became the ultimate holding company of Frame Homes (South West) Limited, Practical Developments (South West) Limited, Millennium Motorsport (UK) Limited and Arvor Construction South West Limited during the year following a reorganisation of the group of companies

This was effected by the shareholders of the individual companies exchanging their shares in those companies for shares in Bob Pepper Holdings Limited

Following the reorganisation Arvor Construction South West Limited transferred its entire investment in SPS Architectural Services Limited to Bob Pepper Holdings Limited

The introduction of the new holding company constitutes a group reorganisation and has been accounted for using merger accounting principles as set out in the notes to the accounts

The group's key financial and other performance indicators during the period were as follows

	Unit	2013	2012
Gross Profit Margin	%	30	27
Profit before tax	£	536,517	1,290,550
(Decrease)/Increase in Sales		(5,706,954)	2,388,822
		-	

**Bob Pepper Holdings Limited**  
**Directors' Report for the Period to 28 February 2013**

..... *continued*

***Principal risks and uncertainties***

**Trading Risk**

The principal trading risk and uncertainty facing the group continues to be a prolonged downturn in all sectors of the Construction Industry. However, in view of the group's diverse product range and operations within the construction sector, only a catastrophic recession in the Construction Industry would be likely to have a significant impact on the group. The group has developed a degree of flexibility and diversity within its operations to ensure it is well placed to ride out the continuing doldrums in the Construction Industry.

Other risks include competition from new technologies, however the group has invested considerable sums in its Research and Development programme to maintain its position as a leading edge provider of innovative structural timber solutions to the construction industry.

**Liability Risk**

The group maintains usual commercial insurance policies.

**Financial instruments**

***Objectives and policies***

The group finances its operations through a mixture of retained profits and, where necessary to fund working capital requirements, through short term bank borrowings.

The management's objectives are to manage cash flow so as to minimise the bank overdraft requirement and in any event to operate well within an agreed facility which is sufficient to fund the growth of the group.

**Future developments**

In view of the customer relationships and established Framework agreements it has formed, together with its investment in Research and development of new products, the group expects to continue to consolidate its position as a significant player in the UK timber frame market.

Despite the continuing challenging conditions faced by the Construction Industry, the group has a good secured forward order book for 2013.

The group growth drivers are

- A national shortage of affordable housing
- Modern Methods of Construction (MMC)
- Increased public awareness and knowledge of efficient build options
- The Government's commitment to reduce Carbon Emissions in the UK

**Research and development**

The group is committed to developing innovative new products. During the course of 2013 the group continued to invest the appropriate finance and resources in researching, developing and further advancing a fire resistance timber frame system incorporating new timber techniques. These provide further detailed fire protection both internally and externally and as part of a wider strategy provide enhanced fire resistance during construction. This success will provide the group with a competitive edge.

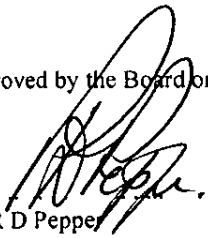
**Bob Pepper Holdings Limited**  
**Directors' Report for the Period to 28 February 2013**

..... *continued*

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 11/11/13 and signed on its behalf by

  
Mr R D Peppe  
Chairman

## **Bob Pepper Holdings Limited**

### **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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and 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, and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Bob Pepper Holdings Limited**

We have audited the financial statements of Bob Pepper Holdings Limited for the period to 28 February 2013, set out on pages 7 to 31. 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 explained more fully in the Statement of Directors' Responsibilities (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 (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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2013 and of the group's profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements. The comparative figures are unaudited.

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Paula Thomas BA FCA DChA (Senior Statutory Auditor)  
For and on behalf of Walker Moyle, Statutory Auditor

3 Chapel Street  
Redruth  
Cornwall  
TR15 2BY

1 November 2013



**Bob Pepper Holdings Limited**  
**Consolidated Profit and Loss Account for the Period to 28 February 2013**

	Note	to 28 February 2013 £	Year ended 29 February 2012 £
Turnover		12,640,294	18,347,248
Cost of sales		<u>(8,821,417)</u>	<u>(13,426,868)</u>
Gross profit		3,818,877	4,920,380
Administrative expenses		(3,303,733)	(3,626,593)
Other operating income		<u>70,073</u>	<u>62,759</u>
Group operating profit	2	585,217	1,356,546
Other interest receivable and similar income	6	114	4
Interest payable and similar charges	7	<u>(48,714)</u>	<u>(66,000)</u>
Profit on ordinary activities before taxation		536,617	1,290,550
Tax on profit on ordinary activities	8	<u>(101,356)</u>	<u>(290,596)</u>
Profit for the financial period attributable to members of the parent company	18	<u><u>435,261</u></u>	<u><u>999,954</u></u>

Turnover and operating profit derive wholly from continuing operations

## Bob Pepper Holdings Limited

### Consolidated Statement of Total Recognised Gains and Losses for the Period to 28 February 2013

	Note	to 28 February 2013 £	Year ended 29 February 2012 £
Profit for the financial period		435,261	999,954
Unrealised deficit on revaluation of properties		<u>(906,625)</u>	<u>(652,359)</u>
Total recognised gains and losses relating to the period		(471,364)	347,595
Prior year adjustment		<u>-</u>	<u>(78,485)</u>
Total recognised gains and losses since last annual report		<u><u>(471,364)</u></u>	<u><u>269,110</u></u>

**Bob Pepper Holdings Limited**  
**Consolidated Balance Sheet at 28 February 2013**

		28 February 2013		(As restated) 29 February 2012	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	9		8,831,061		7,684,859
Other investments	10		<u>6</u>		<u>6</u>
			8,831,067		7,684,865
<b>Current assets</b>					
Stocks	11	2,017,750		2,374,286	
Debtors	12	1,356,566		2,674,440	
Cash at bank and in hand		<u>653,536</u>		<u>1,219,839</u>	
		4,027,852		6,268,565	
Creditors Amounts falling due within one year	13	<u>(3,241,925)</u>		<u>(4,404,908)</u>	
Net current assets			<u>785,927</u>		<u>1,863,657</u>
Total assets less current liabilities			9,616,994		9,548,522
Creditors Amounts falling due after more than one year	14		(3,558,210)		(2,712,705)
Provisions for liabilities	15		<u>(46,631)</u>		<u>(232,300)</u>
Net assets			<u>6,012,153</u>		<u>6,603,517</u>
<b>Capital and reserves</b>					
Called up share capital	16	6,353,100		1,500	
Capital redemption reserve	18	750		750	
Revaluation reserve	18	1,186,676		2,093,301	
Other reserves	18	(6,351,600)		-	
Profit and loss account	18	<u>4,823,227</u>		<u>4,507,966</u>	
Shareholders' funds	19		<u>6,012,153</u>		<u>6,603,517</u>

Approved by the Board on *16th Feb 2013* and signed on its behalf by



Mr R A Pepper-Smith  
Director

**Bob Pepper Holdings Limited**  
**(Registration number: 07933260)**  
**Balance Sheet at 28 February 2013**

	Note	28 February 2013 £	1 February 2012 £
<b>Fixed assets</b>			
Investments	10	<u>6,353,101</u>	-
<b>Current assets</b>			
Debtors	12	10,000	-
Cash at bank and in hand		<u>72</u>	-
		10,072	-
Creditors Amounts falling due within one year	13	<u>(10,034)</u>	-
Net current assets		<u>38</u>	-
Net assets		<u>6,353,139</u>	-
<b>Capital and reserves</b>			
Called up share capital	16	6,353,100	-
Profit and loss account	18	<u>39</u>	-
Shareholders' funds	19	<u>6,353,139</u>	-

Approved by the Board on *1.4.13* and signed on its behalf by



Mr R A Pepper-Smith  
 Director

**Bob Pepper Holdings Limited**  
**Consolidated Cash Flow Statement for the Period to 28 February 2013**

**Reconciliation of operating profit to net cash flow from operating activities**

	to 28 February 2013 £	(As restated) Year ended 29 February 2012 £
Operating profit	585,217	1,356,546
Depreciation, amortisation and impairment charges	277,518	274,537
Loss on disposal of fixed assets	39,623	862
Decrease/(increase) in stocks	356,536	(373,566)
Decrease in debtors	1,317,874	349,677
(Decrease)/increase in creditors	(940,804)	146,240
Receipt/release of government grants	1,064,054	1,312,252
Net cash inflow from operating activities	<u>2,700,018</u>	<u>3,066,548</u>

**Cash flow statement**

	to 28 February 2013 £	(As restated) Year ended 29 February 2012 £
Net cash inflow from operating activities	<u>2,700,018</u>	<u>3,066,548</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	114	4
HP and finance lease interest	(5,332)	(25,537)
Interest paid	(43,382)	(40,463)
	<u>(48,600)</u>	<u>(65,996)</u>
Tax paid	<u>(182,867)</u>	<u>(130,015)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(2,418,770)	(1,928,382)
Sale of tangible fixed assets	48,801	6,825
	<u>(2,369,969)</u>	<u>(1,921,557)</u>
Equity dividends paid	<u>(120,000)</u>	<u>-</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(21,418)</u>	<u>948,980</u>
<b>Financing</b>		
Value of new loans obtained during the period	20,800	13,888
Repayment of loans and borrowings	(287,035)	(759,074)
Issue of shares	-	98
Repayment of capital element of finance leases and HP contracts	(151,725)	100,987
	<u>(417,960)</u>	<u>(644,101)</u>
(Decrease)/increase in cash	<u>(439,378)</u>	<u>304,879</u>

The notes on pages 13 to 31 form an integral part of these financial statements

**Bob Pepper Holdings Limited**  
**Consolidated Cash Flow Statement for the Period to 28 February 2013**

..... *continued*

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

	Note	to 28 February 2013 £	Year ended 29 February 2012 £
(Decrease)/increase in cash		(439,378)	304,879
Cash inflow from increase in loans		(20,800)	(13,888)
Cash outflow from repayment of loans		287,035	759,074
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>151,725</u>	<u>(100,987)</u>
Change in net debt resulting from cash flows	23	<u>(21,418)</u>	<u>949,078</u>
Movement in net debt	23	(21,418)	949,078
Net debt at start of period	23	<u>(1,365,902)</u>	<u>(2,314,980)</u>
Net debt at end of period	23	<u>(1,387,320)</u>	<u>(1,365,902)</u>

**Bob Pepper Holdings Limited**  
**Notes to the Financial Statements for the Period to 28 February 2013**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

**Basis of consolidation**

A new holding company, Bob Pepper Holdings Limited, was introduced on 23 February 2012 as part of an internal reorganisation. The reorganisation was undertaken whereby the shareholders of the individual group companies exchanged their shares for equal shares in the holding company and therefore the consolidation has been accounted for using merger accounting principles.

Using merger accounting principles means that although the group was not formed until 23 February 2012 the consolidated financial statements are presented as if the group of companies had always been part of the same group. Therefore the accounts include comparatives for the group as if the group existed throughout the prior period.

The consolidated accounts of the group include the results of the parent company and its subsidiary undertakings using accounts drawn up to 28 February 2013 except where entities have non-coterminous year-ends. Where the non-coterminous year end is less than three months prior to the group year end the information consolidated is based on the accounting period of these entities and is adjusted for material changes up to 28 February 2013. Where the non-coterminous year end is not less than three months prior to the group year end management accounts have been prepared to the group year end. Accordingly the information consolidated is deemed to cover the same period for all entities in the group. All inter-company transactions are eliminated on consolidation.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial period was £120,039 (2012 - £0).

**Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, value added tax, and other related taxes.

**Government grants**

Capital grants are treated as deferred income and released to profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Large plant and machinery	10% straight line
Other plant and machinery	20 - 50% reducing balance
Fixtures and fittings	20% reducing balance
Office equipment	20 - 50% reducing balance
Motor vehicles	25% reducing balance

**Research and development**

Research and development expenditure is charged directly to the profit and loss account in the year in which it is incurred.

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... *continued*

#### **Investment properties**

Certain of the group's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

No depreciation is provided in respect of investment properties and they are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This treatment as regards the group's investment properties may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation 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.

#### **Stock and work in progress**

Stock and work in progress, other than under a contract, are valued at the lower of cost and net realisable value.

Amounts recoverable on contracts are included in debtors at their value to future revenue.

#### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS 19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### **Hire purchase and leasing**

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

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **Pensions**

Contributions made by the company to employees' defined contribution pension schemes are charged to revenue in the year in which they are paid.



**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**2 Operating profit**

Operating profit is stated after charging

	<b>to 28 February 2013 £</b>	<b>Year ended 29 February 2012 £</b>
Operating leases - plant and machinery	85,576	200,072
Operating leases - other assets	126,341	139,441
Loss on sale of tangible fixed assets	39,623	862
Depreciation of owned assets	277,518	274,537
Auditor's remuneration	<u>24,000</u>	<u>16,750</u>

**3 Auditor's remuneration**

	<b>to 28 February 2013 £</b>	<b>Year ended 29 February 2012 £</b>
Audit of the financial statements	<u>24,000</u>	<u>16,750</u>

£5,000 (2012 - £nil) of the fee for auditing the financial statements relates to the company

**4 Particulars of employees**

The average number of persons employed by the group (including directors) during the period, analysed by category was as follows

	<b>to 28 February 2013 No.</b>	<b>Year ended 29 February 2012 No.</b>
Administration and support	26	29
Production	64	81
Sales, marketing and distribution	<u>10</u>	<u>12</u>
	<u>100</u>	<u>122</u>

The aggregate payroll costs were as follows

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

	to 28 February 2013 £	Year ended 29 February 2012 £
Wages and salaries	2,788,975	3,276,760
Social security costs	239,124	297,950
Staff pensions	20,300	21,400
	<u>3,048,399</u>	<u>3,596,110</u>

**5 Directors' remuneration**

The directors' remuneration for the period was as follows

	to 28 February 2013 £	Year ended 29 February 2012 £
Remuneration (including benefits in kind)	312,657	279,233
Company contributions paid to money purchase schemes	<u>17,000</u>	<u>17,000</u>

During the period the number of directors who were receiving benefits and share incentives was as follows

	to 28 February 2013 No.	Year ended 29 February 2012 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director

	to 28 February 2013 £	Year ended 29 February 2012 £
Remuneration	86,266	75,556
Company contributions to money purchase pension schemes	<u>6,000</u>	<u>5,000</u>

**6 Other interest receivable and similar income**

	to 28 February 2013 £	Year ended 29 February 2012 £
Bank interest receivable	114	-
Other interest receivable	-	4
Group interest receivable	<u>114</u>	<u>4</u>

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**7 Interest payable and similar charges**

	<b>to 28 February 2013 £</b>	<b>Year ended 29 February 2012 £</b>
Interest on bank borrowings	13,560	5,594
Interest on other loans	29,822	34,412
Other interest payable	-	457
Finance charges	5,332	25,537
Group interest payable and similar charges	<u>48,714</u>	<u>66,000</u>

**8 Taxation**

**Tax on profit on ordinary activities**

	<b>to 28 February 2013 £</b>	<b>Year ended 29 February 2012 £</b>
<b>Current tax</b>		
Corporation tax charge	<u>287,024</u>	<u>183,250</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(167,096)	88,406
Deferred tax adjustment relating to previous years	-	18,940
Effect of changes in tax rates	<u>(18,572)</u>	<u>-</u>
Group deferred tax	<u>(185,668)</u>	<u>107,346</u>
Total tax on profit on ordinary activities	<u>101,356</u>	<u>290,596</u>

**Factors affecting current tax charge for the period**

Tax on profit on ordinary activities for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The differences are reconciled below

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... *continued*

	to 28 February 2013 £	Year ended 29 February 2012 £
Profit on ordinary activities before taxation	<u>536,617</u>	<u>1,290,550</u>
Corporation tax at standard rate	128,788	335,543
Accelerated Capital Allowances	43,738	(22,239)
Inter-company timing differences	141,930	(66,167)
Timing difference for non-coterminous year ends	7,589	(5,274)
Non deductible expenses	178	3,953
Enhanced R&D Claim	(33,689)	-
Losses brought forward	-	(62,248)
Group companies paying at different rates	<u>(1,510)</u>	<u>(318)</u>
Total current tax	<u>287,024</u>	<u>183,250</u>

#### Factors that may affect future tax charges

No provision for deferred taxation has been made in respect of the revaluation of the investment properties as the directors consider that no liability to taxation will arise in the foreseeable future. A taxation liability would only arise on the sale of the investment properties at their market value. The amount that may be payable/(recoverable) is £298,117 (29 February 2012-£347,977)

**Bob Pepper Holdings Limited**  
**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**9 Tangible fixed assets**

**Group**

	Freehold land and buildings £	Investment properties £	Piant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>								
At 1 March 2012	3,029,994	1,168,000	2,615,514	4,147	525,520	251,649	2,117,511	9,712,335
Revaluation	(906,625)	-	-	-	-	-	-	(906,625)
Additions	6,625	-	83,022	-	36,025	4,902	2,288,196	2,418,770
Disposals	(29,994)	-	(328,568)	-	(72,617)	(235,586)	-	(666,765)
At 28 February 2013	2,100,000	1,168,000	2,369,968	4,147	488,928	20,965	4,405,707	10,557,715
<b>Depreciation</b>								
At 1 March 2012	14,245	-	1,475,585	2,414	308,715	226,517	-	2,027,476
Charge for the period	-	-	215,617	346	53,094	8,462	-	277,519
Eliminated on disposals	(14,245)	-	(297,687)	-	(43,696)	(222,713)	-	(578,341)
At 28 February 2013	-	-	1,393,515	2,760	318,113	12,266	-	1,726,654
<b>Net book value</b>								
At 28 February 2013	2,100,000	1,168,000	976,453	1,387	170,815	8,699	4,405,707	8,831,061
At 29 February 2012	3,015,749	1,168,000	1,139,929	1,733	216,805	25,132	2,117,511	7,684,859

**Leased assets**

Included within the net book value of tangible fixed assets is £459,250 (2012 - £741,355) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £72,050 (2012 - £90,505)

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### Revaluations

The Investment properties class of fixed assets was revalued on 28 February 2013 by Mr R D Pepper who is internal to the company. The basis of this valuation was open market value. This class of assets has a current value of £1,168,000 (2012 - £1,168,000) and a carrying amount at historical cost of £387,666 (2012 - £387,666). The depreciation on this historical cost is £nil (2012 - £nil).

The Freehold land and buildings class of fixed assets was revalued on 2 July 2012 by Stratton Creber (RICS) who is external to the company. The basis of this valuation was existing use. This class of assets has a current value of £2,100,000 (2012 - £3,000,000) and a carrying amount at historical cost of £1,742,809 (2012 - £1,736,184). The depreciation on this historical cost is £nil (2012 - £nil).

#### 10 Investments held as fixed assets

##### Group

##### Other investments

	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 March 2012	6	6
At 28 February 2013	6	6
<b>Net book value</b>		
At 28 February 2013	6	6

##### Company

	<b>28 February 2013 £</b>	<b>1 February 2012 £</b>
Shares in group undertakings and participating interests	6,353,101	-

##### Shares in group undertakings and participating interests

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
Additions	6,353,101	6,353,101
At 28 February 2013	6,353,101	6,353,101
<b>Net book value</b>		
At 28 February 2013	6,353,101	6,353,101

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**Other investments**

	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 March 2012	<u>6</u>	<u>6</u>
At 28 February 2013	<u>6</u>	<u>6</u>
<b>Net book value</b>		
At 28 February 2013	<u>6</u>	<u>6</u>
At 29 February 2012	<u>6</u>	<u>6</u>

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

**Frame Homes (South West) Limited** (included in these consolidated accounts) The group holds 100% of the ordinary share capital The principal activity of the company is the design and manufacture of engineered timber frame structures for domestic housing and flats (private and social, student and key workers accommodation, Ministry of Defence, hospitals, hotels, schools, leisure and other commercial buildings The accounting date of the company is 31 December As this is less than three months before the group accounting date the December accounting period figures have been consolidated with adjustments made for any material changes in the intervening period

**Practical Developments (South West) Limited** (included in these consolidated accounts) The group holds 100% of the ordinary share capital The principal activity of the company is that of property developers, manufacturers of roof trusses and commercial property letting The accounting date of the company is 30 April Management accounts have been prepared by the company to 28 February 2013 and these have been consolidated

**Millennium Motorsport (UK) Limited** (included in these consolidated accounts) The group holds 100% of the ordinary share capital The principal activity of the company is the purchase and restoration of classic and race cars, design and development of track race cars and promotion and distribution of specialist motor and commercial engineering oils The accounting date of the company is 31 December As this is less than three months before the group accounting date the December accounting period figures have been consolidated with adjustments made for any material changes in the intervening period

**Arvor Construction South West Limited** (included in these consolidated accounts) The group holds 100% of the ordinary share capital The principal activity of the company is that of construction contractors The accounting date of the company is 30 April Management accounts have been prepared by the company to 28 February 2013 and these have been consolidated

**SPS Architectural Services Limited** (included in these consolidated accounts) The group holds 100% of the ordinary share capital The principal activity of the company is that of an architects practice The accounting date of the company is 31 March Management accounts have been prepared by the company to 28 February 2013 and these have been consolidated

**Frame UK Limited** (excluded from consolidation on basis of immateriality) The group holds 100% of the ordinary share capital The company is dormant The accounting date of the company is 31 December At 31 December 2012 the company had capital and reserves of £1 had a profit for the year of £nil

**Frame Homes Limited** (excluded from consolidation on basis of immateriality) The group holds 100% of the ordinary share capital The company is dormant The accounting date of the company is 31 December At 31 December 2012 the company had capital and reserves of £2 had a profit for the year of £nil

**Royal Purple Limited** (excluded from consolidation on basis of immateriality) The group holds 100% of the ordinary share capital The company is dormant The accounting date of the company is 31 December At 31 December 2012 the company had capital and reserves of £1 had a profit for the year of £nil

**Royal Purple UK Limited** (excluded from consolidation on basis of immateriality) The group holds 100% of the ordinary share capital The company is dormant The accounting date of the company is 31 December At 31 December 2012 the company had capital and reserves of £1 had a profit for the year of £nil

**Arvor Homes Limited** (excluded from consolidation on basis of immateriality) The group holds 100% of the ordinary share capital The company is dormant The accounting date of the company is 30 April At 30 April 2013 the company had capital and reserves of £1 had a profit for the year of £nil

The accounting dates of subsidiary companies not co-terminous with the parent company could not been changed due to pre-arranged banking facilities



## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### 11 Stocks

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
Stocks	716,065	1,034,127	-	-
Work in progress	1,301,685	1,340,159	-	-
	<u>2,017,750</u>	<u>2,374,286</u>	<u>-</u>	<u>-</u>

#### 12 Debtors

	Group		Company	
	28 February 2013 £	(As restated) 29 February 2012 £	28 February 2013 £	1 February 2012 £
Trade debtors	535,205	2,005,430	-	-
Amounts recoverable on long term contracts	232,488	184,659	-	-
Other debtors	480,640	332,864	10,000	-
Directors' current accounts	86,293	81,363	-	-
Prepayments and accrued income	21,940	70,124	-	-
	<u>1,356,566</u>	<u>2,674,440</u>	<u>10,000</u>	<u>-</u>

Group debtors includes £nil (2012 - £19,118) receivable after more than one year and parent company debtors includes £nil (2012 - £nil) receivable after more than one year

This can be analysed as follows

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
Trade debtors	<u>-</u>	<u>19,118</u>	<u>-</u>	<u>-</u>

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**13 Creditors: Amounts falling due within one year**

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
Trade creditors	619,582	1,938,666	-	-
Bank loans and overdrafts	1,076,718	1,353,784	-	-
Other loans	5,208	5,208	-	-
Obligations under finance lease and hire purchase contracts	129,118	178,388	-	-
Payments received on account	49,487	91,792	-	-
Amounts owed to group undertakings	-	-	121	-
Corporation tax	286,687	182,530	-	-
Other taxes and social security	77,901	94,342	-	-
Other creditors	355,130	(74,967)	-	-
Accruals and deferred income	642,094	635,165	9,913	-
	<u>3,241,925</u>	<u>4,404,908</u>	<u>10,034</u>	<u>-</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the group/company

**Group**

	28 February 2013 £	29 February 2012 £
Bank overdrafts	705,718	832,644
Bank loans	371,000	521,140
	<u>1,076,718</u>	<u>1,353,784</u>

The bank loans and overdrafts are secured by way of a debenture over all of the assets of Frame Homes (South West) Limited and Practical Developments (South West) Limited

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... continued

**14 Creditors: Amounts falling due after more than one year**

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
Bank loans and overdrafts	658,498	769,384	-	-
Other loans	3,472	8,680	-	-
Obligations under finance lease and hire purchase contracts	167,842	270,297	-	-
Accruals and deferred income	2,728,398	1,664,344	-	-
	<u>3,558,210</u>	<u>2,712,705</u>	<u>-</u>	<u>-</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the group/company

**Group**

	28 February 2013 £	29 February 2012 £
Bank loans	<u>658,498</u>	<u>769,384</u>

The bank loans and overdrafts are secured by way of a debenture over all of the assets of Frame Homes (South West) Limited and Practical Developments (South West) Limited

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
After more than five years by instalments	<u>208,498</u>	<u>319,384</u>	<u>-</u>	<u>-</u>

**Obligations under finance leases and HP contracts**

**Amounts repayable:**

	Group		Company	
	28 February 2013 £	29 February 2012 £	28 February 2013 £	1 February 2012 £
In one year or less on demand	129,118	178,388	-	-
Between one and two years	99,385	121,260	-	-
Between two and five years	68,457	149,037	-	-
	<u>296,960</u>	<u>448,685</u>	<u>-</u>	<u>-</u>

**Bob Pepper Holdings Limited**

**Notes to the Financial Statements for the Period to 28 February 2013**

..... continued

**15 Provisions**

**Group**

	<b>Deferred tax £</b>	<b>Total £</b>
At 1 March 2012	232,300	232,300
Credited to the profit and loss account	<u>(185,669)</u>	<u>(185,669)</u>
At 28 February 2013	<u>46,631</u>	<u>46,631</u>

**Analysis of deferred tax**

	<b>28 February 2013 £</b>	<b>29 February 2012 £</b>
Accelerated capital allowances	122,395	166,133
Inter-Company unrealised profits	<u>(75,764)</u>	<u>66,167</u>
	<u>46,631</u>	<u>232,300</u>

**16 Share capital**

**Allotted, called up and fully paid shares**

	<b>28 February 2013</b>		<b>29 February 2012</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary of £1 (2012 - £0 00) each	<u>6,353,100</u>	<u>6,353,100</u>	<u>-</u>	<u>-</u>

**New shares allotted**

During the period 1 Ordinary share having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1 This was the subscriber share

During the period 6,353,099 Ordinary shares having an aggregate nominal value of £6,353,099 were allotted for an aggregate consideration of £6,353,099 The shares were allotted as part of the group reorganisation

**17 Dividends**

	<b>28 February 2013 £</b>	<b>29 February 2012 £</b>
<b>Dividends paid</b>		
Current period interim dividend paid	<u>120,000</u>	<u>-</u>

Dividends proposed and paid between the date of these accounts and the date of approval of these accounts totalled £60,000

**Bob Pepper Holdings Limited**  
**Notes to the Financial Statements for the Period to 28 February 2013**

..... *continued*

**18 Reserves**

**Group**

	<b>Capital redemption reserve £</b>	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 March 2012	750	2,093,301	-	4,507,966	6,602,017
Profit for the period	-	-	-	435,261	435,261
Dividends	-	-	-	(120,000)	(120,000)
Deficit on property revaluation	-	(906,625)	-	-	(906,625)
Other reserve movements	-	-	(6,351,600)	-	(6,351,600)
At 28 February 2013	<u>750</u>	<u>1,186,676</u>	<u>(6,351,600)</u>	<u>4,823,227</u>	<u>(340,947)</u>

The revaluation reserve includes a net investment revaluation reserve relating to investment properties of £780,334 (2012 £780,334)

The other reserve represents the difference between the nominal value of shares issued and the nominal value of shares received during the group re-organisation

**Company**

	<b>Profit and loss account £</b>	<b>Total £</b>
Profit for the period	120,039	120,039
Dividends	(120,000)	(120,000)
At 28 February 2013	<u>39</u>	<u>39</u>

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### 19 Reconciliation of movement in shareholders' funds

##### Group

	to 28 February 2013 £	Year ended 29 February 2012 £
Profit attributable to the members of the group	435,261	999,954
Other recognised gains and losses relating to the period	(7,258,225)	(652,359)
Dividends	(120,000)	-
New share capital subscribed	-	98
Other ordinary share capital movements	6,353,100	-
Net (reduction)/addition to shareholders' funds	(589,864)	347,693
Shareholders' funds at start of period	<u>6,602,017</u>	<u>6,255,824</u>
Shareholders' funds at end of period	<u>6,012,153</u>	<u>6,603,517</u>

##### Company

	to 28 February 2013 £	Year ended 1 February 2012 £
Profit attributable to the members of the company	120,039	-
Dividends	(120,000)	-
New share capital subscribed	6,353,100	-
Net addition to shareholders' funds	<u>6,353,139</u>	-
Shareholders' funds at end of period	<u>6,353,139</u>	-

#### 20 Prior period adjustments

Assets in the course of construction represent grant assisted developments to be sold or leased. Assets in the course of construction were previously included within debtors. Assets in the course of construction have been restated to be included within fixed assets. The restatement has arisen due to the directors' intention to lease these as investment properties when complete. Grant funding is held as deferred income in liabilities due after more than one year.

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### 21 Pension schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £20,300 (2012 - £21,400)

Contributions totalling £1,267 (2012 - £3,346) were payable to the scheme at the end of the period and are included in creditors

#### 22 Commitments

##### Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £3,140,892 (2012 - £5,105,021)

##### Operating lease commitments

##### Group

As at 28 February 2013 the group had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	28 February 2013 £	29 February 2012 £
<b>Land and buildings</b>		
Within two and five years	-	2,200
Over five years	56,264	56,264
	<u>56,264</u>	<u>58,464</u>
<b>Other</b>		
Within one year	8,155	3,566
Within two and five years	14,328	10,874
Over five years	-	14,328
	<u>22,483</u>	<u>28,768</u>

## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... continued

#### 23 Analysis of net debt

	At 1 March 2012 £	Cash flow £	At 28 February 2013 £
Cash at bank and in hand	1,219,839	(566,303)	653,536
Bank overdraft	(832,643)	126,925	(705,718)
	<u>387,196</u>	<u>(439,378)</u>	<u>(52,182)</u>
Debt due within one year	(526,349)	150,141	(376,208)
Debt due after more than one year	(778,064)	116,094	(661,970)
Finance leases and hire purchase contracts	(448,685)	151,725	(296,960)
Net debt	<u>(1,365,902)</u>	<u>(21,418)</u>	<u>(1,387,320)</u>

#### 24 Related party transactions

##### Directors' advances and credits

	to 28 February 2013 Advance/ Credit £	to 28 February 2013 Repaid £	Year ended 29 February 2012 Advance/ Credit £	Year ended 29 February 2012 Repaid £
<b>Mr R D Pepper</b>				
Loan, interest free	80,293	-	-	-
<b>Mr R A Pepper-Smith</b>				
Loan, interest free	-	13,000	13,000	-
<b>Mrs M Pepper-Smith</b>				
Loan, interest free	-	5,000	5,000	-

##### Other related party transactions

During the period the company made the following related party transactions

##### Mr R D Pepper

(Director)

During the period, Mr R D Pepper and his spouse received dividends totalling £102,000. At the balance sheet date the amount due from Mr R D Pepper was £80,293 (2012 - £57,363)

##### Mr R A Pepper-Smith

(Director)

During the period, Mr R A Pepper-Smith received a dividend of £6,000. At the balance sheet date the amount due (to)/from Mr R A Pepper-Smith was £nil (2012 - £13,000)

##### Mrs M Pepper-Smith

(Director)

During the period, Mrs M Pepper-Smith received a dividend of £6,000. At the balance sheet date the amount due (to)/from Mrs M Pepper-Smith was £nil (2012 - £5,000)



## Bob Pepper Holdings Limited

### Notes to the Financial Statements for the Period to 28 February 2013

..... *continued*

#### **Mrs T M Bullen**

(Close relative of Mr R D Pepper, a director of the company)

During the period the group acquired development land from Mrs Bullen and her spouse for a consideration of £200,000. At the balance sheet date the amount due from/(to) Mrs T M Bullen was £130,000 (2012 - £nil)

#### **Mr W A I Marsh**

(Director of Frame Homes (South West) Limited, a subsidiary company)

Loan, interest free. At the balance sheet date the amount due from Mr W A I Marsh was £6,000 (2012 - £6,000)

#### **Rose Villa (Portreath) Limited**

(Under common control)

The companies traded during the year. Sales to Rose Villa (Portreath) Limited totalled £230,000. At the balance sheet date the amount due to Rose Villa (Portreath) Limited was £nil (2012 - £nil)

#### **SPS Practice Limited**

(Under common control)

The companies traded during the year. Sales to and purchases from SPS Practice Limited totalled £23,060 and £83,202 respectively. At the balance sheet date the amount due from SPS Practice Limited was £6,287 (2012 - £52,047)

#### **Pepper Properties**

(under common control)

The parties traded during the year. Sales to and purchases from Pepper Properties totalled £11,715 and £23,609 respectively. At the balance sheet date the amount due from Pepper Properties was £23,055 (2012 - £41,364)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

## 25 Control

The company is controlled by Mr R D Pepper (director) who holds the majority of the issued share capital.