

J. STELL & SONS, LIMITED
FINANCIAL STATEMENTS
31 MARCH 2014



J. STELL & SONS, LIMITED

COMPANY INFORMATION

DIRECTORS

R E Stell (resigned 28 May 2014)
S V Stell
S A Stell
R I Guest
P T Stell (appointed 17 April 2013 & resigned 28 May 2014)
V M Moss (appointed 17 April 2013 & resigned 28 May 2014)
B J Stell (appointed 22 January 2014 & resigned 28 May 2014)

COMPANY SECRETARY

S V Stell

REGISTERED NUMBER

00246435

REGISTERED OFFICE

Holme Mills
Keighley
West Yorkshire
BD22 6BN

INDEPENDENT AUDITORS

Armstrong Watson Audit Limited
Chartered Accountants & Statutory auditor
Number 3
Acorn Business Park
Keighley Road
Skipton
North Yorkshire
BD23 2UE

BANKERS

National Westminster Bank Plc
63 North Street
Keighley
West Yorkshire
BD21 3SB

Yorkshire Bank PLC
14 Broadway
Bradford
West Yorkshire
BD1 1EZ

HSBC
21 Farncombe Road
Worthing
BN11 2BW

J. STELL & SONS, LIMITED

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J. STELL & SONS, LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

BUSINESS REVIEW

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at year-end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

As an independent family owned manufacturer of cardboard tubes, the company continues to serve most sectors of the tube market apart from the heavy tube market. The company is well equipped to service smaller and niche markets.

PRINCIPAL RISKS AND UNCERTAINTIES

As one of many companies in this industry, the environment in which it operates continues to be challenging due to ongoing cost increases, the cost of Employment and Pensions legislation, the cost increases of raw materials, transport and energy.

FINANCIAL KEY PERFORMANCE INDICATORS

The key financial performance indicators are those that communicate the financial performance of the company as a whole: -

The turnover of the company has increased 3.7% on the previous year. This has been achieved through a combination of organic growth and new customers in a variety of markets. The company continues to improve its operational performance and now believes it has industry leading service levels and lead times.

Profit before tax, excluding exceptional pension and other associated costs, has been generated of £190,667 compared to a profit in the previous year of £125,123.

Return on capital employed has increased from 4.1% to 7.1% and is calculated as operating profit (excluding exceptional pension expenses of £Nil (2013 - £859,986), service charges of £Nil (2013 - £14,000) and excluding a finance cost of £Nil (2013 - £10,000) in respect of defined benefit pension schemes, divided by total assets less current liabilities. This return on capital has been achieved whilst making significant investment in the company. Investment will continue over the coming years to ensure the business is at the forefront of technology.

MARKET CONDITIONS

The market in general continues to be challenging. The Directors are aware that any plans for the future development of the business may be subject to unforeseen events outside their control.

However, the Directors are pleased to report that improvements already taken, investments made and planned, and the sales pipeline, place the company in a strong position and are looking forward to a successful future.

~~The support received by the Directors from the Company's skilled and well-established workforce continues to make a vital contribution to the future of the business.~~

J. STELL & SONS, LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

POST BALANCE SHEET EVENTS

Post year end the company disposed of its freehold land and buildings at book value to Holme Mills Properties Limited as part of a share for asset exchange, paid via a dividend in specie. Holme Mills Properties Limited is under the control of R E Stell and P T Stell, and P T Stell and B J Stell are directors.

As part of this exercise a new parent company Stell Cardboard Tubes Limited has been formed. J. Stell & Sons, Limited is now a wholly owned subsidiary. Stell Cardboard Tubes Limited is under the control of S V Stell. R I Guest, S A Stell and S V Stell are directors.

The property has then been leased back on a short term lease from Holme Mills Properties Limited on an arm's length basis. The company has also acquired a new property which it intends to develop and relocate to in the foreseeable future.

This report was approved by the board on 22 July 2014 and signed on its behalf.



**R I Guest
Director**

J. STELL & SONS, LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

RESULTS

The profit for the year, after taxation, amounted to £190,667 (2013 - loss £1,468,263).

DIRECTORS

The directors who served during the year were:

R E Stell (resigned 28 May 2014)

S V Stell

S A Stell

R I Guest

P T Stell (appointed 17 April 2013 & resigned 28 May 2014)

V M Moss (appointed 17 April 2013 & resigned 28 May 2014)

B J Stell (appointed 22 January 2014 & resigned 28 May 2014)

S A Stell retires by rotation but, being eligible, is available for re-appointment

MATTERS COVERED IN THE STRATEGIC REPORT

A business review, principal risks and uncertainties, financial key performance indicators, market conditions and post balance sheet events have been included in the strategic report.

J. STELL & SONS, LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014
DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

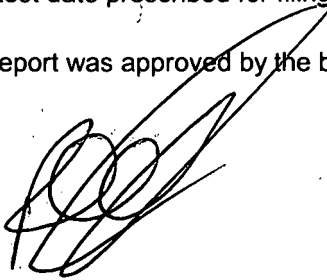
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

On 1 April 2014 Armstrong Watson transferred its audit business to Armstrong Watson Audit Limited. On 31 March 2014 Armstrong Watson resigned as the Company's auditors and Armstrong Watson Audit Limited was subsequently appointed to fill the vacancy arising.

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



R I Guest
Director
Date: 22 July 2014

J. STELL & SONS, LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J. STELL & SONS, LIMITED

We have audited the financial statements of J. Stell & Sons, Limited for the year ended 31 March 2014; which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet, the 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

J. STELL & SONS, LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J. STELL & SONS, LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

David Richmond (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Statutory auditor
Skipton

22 July 2014

J. STELL & SONS, LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	7,350,386	7,088,867
Cost of sales		<u>(5,338,093)</u>	<u>(5,360,732)</u>
GROSS PROFIT		2,012,293	1,728,135
Distribution costs		<u>(1,035,296)</u>	<u>(976,074)</u>
Administrative expenses		<u>(778,145)</u>	<u>(642,579)</u>
Exceptional administrative expenses		-	<u>(859,986)</u>
Total administrative expenses		<u>(778,145)</u>	<u>(1,502,565)</u>
OPERATING PROFIT/(LOSS)	3	198,852	(750,504)
EXCEPTIONAL ITEMS			
Other exceptional items	8	-	<u>(754,400)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		198,852	(1,504,904)
Interest receivable and similar income		1,378	6,665
Interest payable and similar charges	7	<u>(9,563)</u>	<u>(5,024)</u>
Other finance income		-	<u>(10,000)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		190,667	(1,513,263)
Tax on profit/(loss) on ordinary activities	9	-	<u>45,000</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	190,667	<u>(1,468,263)</u>

All amounts relate to continuing operations.

The notes on pages 11 to 22 form part of these financial statements.

J. STELL & SONS, LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		190,667	(1,468,263)
Actuarial gain/ (loss) related to pension scheme	24	-	199,000
Deferred tax attributable to actuarial gain/ (loss)	24	-	(64,400)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		190,667	(1,333,663)

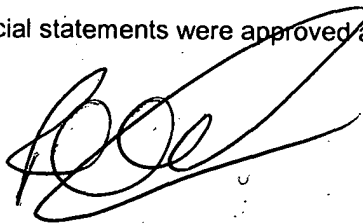
The notes on pages 11 to 22 form part of these financial statements.

J. STELL & SONS, LIMITED
REGISTERED NUMBER: 00246435

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	10		1,931,976	1,753,198
CURRENT ASSETS				
Stocks	11	613,448	547,060	
Debtors	12	1,554,117	1,408,847	
Investments	13	-	434,963	
Cash at bank and in hand		5,078	546,122	
		<u>2,172,643</u>	<u>2,936,992</u>	
CREDITORS: amounts falling due within one year	14	(1,302,866)	(2,141,841)	
NET CURRENT ASSETS			<u>869,777</u>	<u>795,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,801,753</u>	<u>2,548,349</u>
CREDITORS: amounts falling due after more than one year	15	(232,616)	(169,879)	
NET ASSETS			<u>2,569,137</u>	<u>2,378,470</u>
CAPITAL AND RESERVES				
Called up share capital	17	45,200	45,200	
Other reserves	18	122,677	122,677	
Profit and loss account	18	2,401,260	2,210,593	
SHAREHOLDERS' FUNDS	19		<u>2,569,137</u>	<u>2,378,470</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R I Guest
 Director

Date: 22 July 2014

The notes on pages 11 to 22 form part of these financial statements.

J. STELL & SONS, LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	(694,265)	(570,508)
Returns on investments and servicing of finance	21	(8,185)	1,641
Capital expenditure and financial investment	21	42,600	390,197
CASH OUTFLOW BEFORE FINANCING		(659,850)	(178,670)
Financing	21	101,049	235,350
(DECREASE)/INCREASE IN CASH IN THE YEAR		(558,801)	56,680

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(558,801)	56,680
Cash inflow from increase in debt and lease financing	(101,049)	(235,350)
MOVEMENT IN NET DEBT IN THE YEAR	(659,850)	(178,670)
Net funds at 1 April 2013	310,772	489,442
NET (DEBT)/FUNDS AT 31 MARCH 2014	(349,078)	310,772

The notes on pages 11 to 22 form part of these financial statements.

J. STELL & SONS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of amounts receivable for the manufacture and sale of paper tubes and centres during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land & buildings	-	2% on cost.
Plant, machinery, fixtures & fittings	-	between 2% and 20% on cost
Motor vehicles	-	20% on cost

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

J. STELL & SONS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operated a defined benefits pension scheme. On 31st May 2013 the company terminated its contributions to the scheme and the company bought out the scheme.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	183,435	179,055
- held under finance leases	32,250	28,457
Exceptional items	-	859,986
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,000	5,000
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	6,229	2,839
	<u> </u>	<u> </u>

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	1,941,147	1,845,521
Social security costs	185,822	187,676
Other pension costs	203,793	319,364
	2,330,762	2,352,561

The average monthly number of employees, including the directors, during the year was as follows:

	2014	2013
	No.	No.
Production	66	69
Administration	9	8
Selling & Distribution	9	8
	84	85

6. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Remuneration	226,762	230,195
Company pension contributions to defined contribution pension schemes	24,198	22,600

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes:

The highest paid director received remuneration of £146,404 (2013 - £143,810).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,795 (2013 - £13,735).

The total accrued pension provision of the highest paid director at 31 March 2014 amounted to £NIL (2013 - £13,735).

7. INTEREST PAYABLE

	2014	2013
	£	£
On finance leases and hire purchase contracts	9,563	5,024

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

8. EXCEPTIONAL ITEMS

	2014 £	2013 £
Write back of defined benefit pension scheme FRS 17 liability	-	(85,600)
Provision for buy out of defined benefit pension scheme	-	840,000
Other exceptional administrative costs	-	859,986
	-	1,614,386
	-	1,614,386

9. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	-	-
Deferred tax (see note 16)		
Origination and reversal of timing differences	-	(45,000)
	-	(45,000)
Tax on profit/loss on ordinary activities	-	(45,000)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	190,667	(1,513,263)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	38,133	(302,653)
Effects of:		
Expenses not deductible for tax purposes in the current year, other than goodwill amortisation and impairment	20,136	224,000
Capital allowances for year in excess of depreciation	(5,000)	(5,000)
Utilisation of tax losses	(53,269)	-
Other timing differences leading to an increase (decrease) in taxation	-	3,653
Unrelieved tax losses carried forward	-	80,000
	-	-
Current tax charge for the year (see note above)	-	-

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant, machinery, fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2013	1,178,727	3,307,376	44,050	4,530,153
Additions	-	394,463	-	394,463
Disposals	-	(10,000)	(17,500)	(27,500)
At 31 March 2014	<u>1,178,727</u>	<u>3,691,839</u>	<u>26,550</u>	<u>4,897,116</u>
Depreciation				
At 1 April 2013	676,160	2,068,990	31,805	2,776,955
Charge for the year	21,850	190,835	3,000	215,685
On disposals	-	(10,000)	(17,500)	(27,500)
At 31 March 2014	<u>698,010</u>	<u>2,249,825</u>	<u>17,305</u>	<u>2,965,140</u>
Net book value				
At 31 March 2014	<u>480,717</u>	<u>1,442,014</u>	<u>9,245</u>	<u>1,931,976</u>
At 31 March 2013	<u>502,567</u>	<u>1,238,386</u>	<u>12,245</u>	<u>1,753,198</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Plant, machinery, fixtures and fittings	<u>473,564</u>	<u>272,822</u>

11. STOCKS

	2014 £	2013 £
Raw materials	435,405	399,407
Work in progress	87,509	84,371
Finished goods and goods for resale	90,534	63,282
	<u>613,448</u>	<u>547,060</u>

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

12. DEBTORS

	2014 £	2013 £
Trade debtors	1,517,765	1,392,495
Other debtors	1,352	1,352
Prepayments and accrued income	35,000	15,000
	<u>1,554,117</u>	<u>1,408,847</u>

13. CURRENT ASSET INVESTMENTS

	2014 £	2013 £
Short term deposit	-	434,963
	<u>-</u>	<u>434,963</u>

**14. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Bank overdraft	17,757	-
Net obligations under finance leases and hire purchase contracts	103,783	65,471
Trade creditors	860,961	793,514
Other taxation and social security	191,666	229,076
Other creditors	22,553	869,072
Accruals and deferred income	106,146	184,708
	<u>1,302,866</u>	<u>2,141,841</u>

Amounts falling due within one year are secured as follows;

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	103,783	65,471
	<u>103,783</u>	<u>65,471</u>

The obligations under hire purchase contracts are secured by charges over the assets acquired under the relevant agreements.

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

15. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>232,616</u>	<u>169,879</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>232,616</u>	<u>169,879</u>

Amounts falling due after more than one year are secured as follows:

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>232,616</u>	<u>169,879</u>

The obligations under hire purchase contracts are secured by charges over the assets acquired under the relevant agreements.

16. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	-	45,000
Charge for/(released during) year (P&L)	-	(45,000)
At end of year	<u>-</u>	<u>-</u>

	2014 £	2013 £
The provision for deferred taxation is made up as follows:	-	-
Accelerated capital allowances	162,000	117,000
Tax losses carried forward	(162,000)	(117,000)

Total	<u>-</u>	<u>-</u>
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17. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
45,200 Ordinary shares of £1 each	<u>45,200</u>	<u>45,200</u>

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

18. RESERVES

	Other reserves £	Profit and loss account £
At 1 April 2013	122,677	2,210,593
Profit for the financial year		190,667
	122,677	2,401,260
At 31 March 2014	122,677	2,401,260

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	2,378,470	3,712,133
Profit/(loss) for the financial year	190,667	(1,468,263)
Other recognised gains and losses during the year	-	134,600
	2,569,137	2,378,470
Closing shareholders' funds	2,569,137	2,378,470

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit/(loss)	198,852	(750,504)
Depreciation of tangible fixed assets	215,685	207,512
Profit on disposal of tangible fixed assets	(2,100)	(2,000)
Provision for service costs of defined benefit pension scheme	-	14,000
(Increase)/decrease in stocks	(66,388)	25,690
Increase in debtors	(145,270)	(133,070)
(Decrease)/increase in creditors	(895,044)	214,864
Decrease in net pension assets/liabilities	-	(147,000)
	(694,265)	(570,508)
Net cash outflow from operating activities	(694,265)	(570,508)

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	1,378	6,665
Hire purchase interest	(9,563)	(5,024)
	(8,185)	1,641
Net cash (outflow)/inflow from returns on investments and servicing of finance	(8,185)	1,641

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(394,463)	(222,005)
Sale of tangible fixed assets	2,100	7,000
Sale of short term unlisted investments	434,963	605,202
	42,600	390,197
	42,600	390,197
	2014 £	2013 £
Financing		
New finance leases	192,318	274,703
Repayment of finance leases	(91,269)	(39,353)
	101,049	235,350
	101,049	235,350

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	546,122	(541,044)	-	5,078
Bank overdraft	-	(17,757)	-	(17,757)
	546,122	(558,801)	-	(12,679)
Debt:				
Debts due within one year	(65,471)	(101,049)	62,737	(103,783)
Debts falling due after more than one year	(169,879)	-	(62,737)	(232,616)
	310,772	(659,850)	-	(349,078)
Net funds	310,772	(659,850)	-	(349,078)

23. CAPITAL COMMITMENTS

At 31 March 2014 the company had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	89,000	-
	89,000	-

J. STELL & SONS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

24. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £203,793 (2013 - £319,364). Contributions totalling £22,000 (2013 - £25,930) were payable to the fund at the balance sheet date and are included in creditors.

The company operated a defined benefit pension scheme.

The assets of the scheme were held separately from those of the company in independently administered funds. The scheme was bought out in May 2013 and closed in March 2014.

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	-	(2,589,000)
Fair value of scheme assets	-	<u>2,482,000</u>
Deficit in scheme	-	(107,000)
Related deferred tax asset	-	<u>21,400</u>
Net liability	<u>-</u>	<u>(85,600)</u>

The amounts recognised in profit or loss are as follows:

	2014 £	2013 £
Interest on obligation	-	(135,000)
Expected return on scheme assets	-	<u>125,000</u>
Total	<u>-</u>	<u>(10,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	2,589,000	3,946,000
Interest cost	-	135,000
Actuarial Gains	-	(199,000)
Experience loss/ (gain) on liabilities	-	(307,000)
Loss on changes in assumptions	-	239,000
Liabilities extinguished on settlements	(2,589,000)	-
Benefits paid	-	(1,424,000)
Actuarial (losses)/ gains transferred to profit and loss reserves	-	<u>199,000</u>
Closing defined benefit obligation	<u>-</u>	<u>2,589,000</u>

J. STELL & SONS, LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**

Changes in the fair value of scheme assets were as follows:

	2014 £	2013 £
Opening fair value of scheme assets	2,482,000	3,517,000
Expected return on assets	-	125,000
Assets distributed on settlements	(2,482,000)	-
Actuarial gains and (losses)	-	131,000
Contributions by employer	-	147,000
Benefits paid	-	(1,424,000)
Expenses paid by scheme	-	(14,000)
	<u>-</u>	<u>2,482,000</u>

The company expects to contribute £NIL to its defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Government bonds	- %	24.00%
Corporate bonds	- %	13.00%
Cash	- %	21.00%
Secured pensions	- %	42.00%

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate at 31 March	- %	4.10%
Expected return on scheme assets at 31 March	- %	4.10%
Pensions accrued from 6 April 1997 to 5 April 2005	- %	3.30%
Pensions accrued after 5 April 2005	- %	2.50%
Inflation	- %	3.00%

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	-	(2,589,000)	(3,946,000)	(3,518,000)	(3,613,000)
Scheme assets	-	2,482,000	3,517,000	3,214,000	3,239,000
Deficit	-	<u>(107,000)</u>	<u>(429,000)</u>	<u>(304,000)</u>	<u>(374,000)</u>

J. STELL & SONS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Included within other debtors, amounts falling due within one year are balances on the directors current accounts as follows, R E Stell £451 (2013 - £451), S V Stell £451 (2013 - £451). There were no advances made during this year or the prior year. These balances are interest free and repayable on demand.

26. RELATED PARTY TRANSACTIONS

There were no material transactions with related parties.

27. POST BALANCE SHEET EVENTS

Post year end the company disposed of its freehold land and buildings at book value to Holme Mills Properties Limited as part of a share for asset exchange, paid via a dividend in specie. Holme Mills Properties Limited is under the control of R E Stell and P T Stell, and P T Stell and B J Stell are directors.

As part of this exercise a new parent company Stell Cardboard Tubes Limited has been formed. J. Stell & Sons, Limited is now a wholly owned subsidiary. Stell Cardboard Tubes Limited is under the control of S V Stell. R I Guest, S A Stell and S V Stell are directors.

The property has then been leased back on a short term lease from Holme Mills Properties Limited on an arm's length basis. The company has also acquired a new property which it intends to develop and relocate to in the foreseeable future.

28. CONTROLLING PARTY

In the opinion of the Directors there was no controlling party during the year, but following the year end the company is under the control of Stell Cardboard Tubes Limited, which is under the control of S V Stell.