

Ralph Peters & Sons Limited
Directors' report and financial statements
for the year ended 31 December 2013

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Ralph Peters & Sons Limited

Company Information

Directors

R.P. Peters
M.J. Peters
Laura Peters (appointed 18 June 2013)

Registered number

2268310

Registered office

Coronation Road
Cressex Business Park
High Wycombe
Bucks
HP12 3TA

Independent auditors

BFCA
Chartered Accountants & Statutory Auditors
80 Coleman Street
London
EC2R 5BJ

Ralph Peters & Sons Limited

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Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

The company's principal activity is holding the shares of its subsidiaries.

The main subsidiary is Slush Puppie Limited whose principal activity is that of manufacturing processing and distribution of ice crystal drinks, fruit juices, squashes and associated technical services. There were no significant changes in the group's principal activities in the year under review. The directors are not aware of any likely major changes in the group's principal activities over the next year.

Results and dividends

The profit for the year, after taxation, amounted to £588,637 (2012 - £365,716).

The directors do not recommend the payment of a dividend for the year.

Directors

The directors who served during the year and their interests in the company's issued share capital were:

	Ordinary shares of £1 each		Special shares of £1 each	
	31/12/13	1/1/13	31/12/13	1/1/13
R.P. Peters	5,000	5,000	1	1
M.J. Peters	35,000	35,000	1	1
Laura Peters (appointed 18 June 2013)	-	-	-	-

M.J. Peters has options (under a Share Option Agreement) to acquire 40,000 ordinary shares of £1 each in the company at the price of £1 per share, which can be exercised upon or at any time after the occurrence of certain events.

Statement of directors' responsibilities

The directors are responsible for preparing the Group 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 the group 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 then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2013

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

During the year, the group made charitable donations of £10,000 and £1,000 to Pioneer Sailing Trust and Air Ambulance respectively. No political donations were made in the year.

Provision 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 and the group'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 and the group's auditors are aware of that information.

Auditors

The auditors, BFCA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 June 2014 and signed on its behalf.



M.J. Peters
Director

Ralph Peters & Sons Limited

Group strategic report for the year ended 31 December 2013

The directors present their strategic report for the group for the year ended 31 December 2013.

Business review

Turnover for the year increased from £10.5 million in 2012 to £11.4 million. Similarly, gross profit improved from £5.8 million in 2012 to £6.1 million with a slightly reduced gross profit margin of 53.4% as compared to 54.7% in 2012. The group has invested heavily on replacement and new fixed assets in the year. Administrative expenses almost remained the same at £5.0 million in the year. The operating profit increased from £0.8 million in 2012 to £1.1 million in the year. The profit after tax was £589,000 compared to £366,000 in 2012.

Higher turnover growth and improved profit margins have been achieved as a result of the implementation of targeted growth and efficiency improvement policies of the board. Net assets increased by £0.6 million to £2.2 million. The directors are of the opinion that the group will further increase its turnover and improve the profits in future.

Principal risks and uncertainties

Economic and market risk: Recession in the market and the competitors' pricing position can affect the performance of the business.

Product standard and regulatory risk: There is a natural risk from contamination during processing, storage, transportation and at point of sale. The directors are of the opinion that the high standards maintained by the group minimises the risk.

Health and safety: The group faces inherent health and safety risk in the day to day tasks it performs in business. The directors are of the opinion that the high standards maintained by the group avoid the risk.

Future developments: The directors anticipate that the group will continue to show better results next year. Their aim is to continue to implement the management policies which have assisted in successfully overcoming the difficulties and uncertainties in the market place.

Financial key performance indicators

The management uses a range of performance measures to monitor and manage the business.

Analysis using key performance indicators:

Turnover: Turnover has increased by 7.3%.

Gross profit: Gross profit margin has slightly reduced to 53.4% (2012: 54.7%).

Net Profit before tax: This has increased by 45.2 % as a result of cost control and efficiency improvement.

Net Assets: These have grown by 37.3% as a result of overall impressive results for the year.

Developments and financial performance during the year

An increase in turnover of 10% has been achieved due to increased demand for existing and new product ranges as a result of better weather conditions. Stronger customer relations and greater credit control have lead to a stronger cash position in the year.

Financial position at the reporting date

The net assets of the group grew by 37.3%. As shown in the cash flow statement, the company generated about £1.8 million from operations and invested £0.7 million in fixed assets. The directors are of the opinion that this has been a very successful year and the policy of diversification of products, services and markets will continue.

Ralph Peters & Sons Limited

Group strategic report (continued)

Environmental and Social Responsibility

The group recognises its environmental and social responsibilities and whilst the cost of power and waste disposal represents a low proportion of its turnover, it still understands the importance of the contribution that the group can make. Accordingly the group endeavours to use energy carefully, deal with the waste it produces appropriately and minimize any risk to the environment created by its processes. The group continues to signal its commitment to Global Standards of Food Safety by remaining certified with BRC.

This report was approved by the board on 26 June 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'M.J. Peters', with a long horizontal stroke extending to the right.

M.J. Peters
Director

Ralph Peters & Sons Limited

Independent auditors' report to the shareholders of Ralph Peters & Sons Limited

We have audited the financial statements of Ralph Peters & Sons Limited for the year ended 31 December 2013, set out 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ralph Peters & Sons Limited

Independent auditors' report to the shareholders of Ralph Peters & 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 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.



Ali Alidina (Senior statutory auditor)
for and on behalf of

BFCA

Chartered Accountants and
80 Coleman Street
London
EC2R 5BJ

Ref: BA/R335

26 June 2014

Ralph Peters & Sons Limited

Consolidated profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1,2	11,367,993	10,591,320
Cost of sales		<u>(5,292,385)</u>	<u>(4,802,200)</u>
Gross profit		6,075,608	5,789,120
Administrative expenses		<u>(5,015,758)</u>	<u>(4,968,155)</u>
Operating profit	3	1,059,850	820,965
Interest receivable and similar income		1,348	-
Interest payable and similar charges	6	<u>(213,428)</u>	<u>(237,118)</u>
Profit on ordinary activities before taxation		847,770	583,847
Tax on profit on ordinary activities	7	<u>(259,133)</u>	<u>(218,131)</u>
Profit for the financial year	17	<u>588,637</u>	<u>365,716</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 11 to 24 form part of these financial statements.

Ralph Peters & Sons Limited
Registered number: 2268310

Consolidated balance sheet
as at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		2,882,111		3,143,063
Tangible assets	9		1,575,492		1,380,878
			<u>4,457,603</u>		<u>4,523,941</u>
Current assets					
Stocks	12	702,919		770,404	
Debtors	13	1,850,969		1,629,287	
Cash at bank and in hand		677,235		87,755	
			<u>3,231,123</u>	<u>2,487,446</u>	
Creditors: amounts falling due within one year	14	(3,807,876)		(3,247,620)	
Net current liabilities			<u>(576,753)</u>		<u>(760,174)</u>
Total assets less current liabilities			<u>3,880,850</u>		<u>3,763,767</u>
Creditors: amounts falling due after more than one year	15		(1,714,281)		(2,185,835)
Net assets			<u><u>2,166,569</u></u>		<u><u>1,577,932</u></u>
Capital and reserves					
Called up share capital	16	50,002		50,002	
Profit and loss account	17	2,116,567		1,527,930	
Shareholders' funds			<u><u>2,166,569</u></u>		<u><u>1,577,932</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2014.



M.J. Peters
Director

The notes on pages 11 to 24 form part of these financial statements.

Ralph Peters & Sons Limited
Registered number: 2268310

Company balance sheet
as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	10	466,561	466,561
Current assets			
Debtors	13	7,884	2,028
Total assets less current liabilities		474,445	468,589
Creditors: amounts falling due after more than one year	15	(414,939)	(414,939)
Net assets		59,506	53,650
Capital and Reserves			
Called up share capital	16	50,002	50,002
Profit and loss account	17	9,504	3,648
Shareholders' funds		59,506	53,650

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2014.



M.J. Peters
 Director

The notes on pages 11 to 24 form part of these financial statements.

Ralph Peters & Sons Limited

**Consolidated cash flow statement
for the year ended 31 December 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	18	991,180	2,006,634
Returns on investments and servicing of finance	19	(212,080)	(237,118)
Taxation		(240,733)	(14,431)
Capital expenditure and financial investment	19	(626,761)	(654,391)
Cash (outflow)/inflow before financing		(88,394)	1,100,694
Financing	19	859,177	(1,194,242)
Increase/(Decrease) in cash in the year		770,783	(93,548)

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 December 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	770,783	(93,548)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(859,177)	1,194,242
Change in net debt resulting from cash flows	(88,394)	1,100,694
	-	(266,144)
Movement in net debt in the year	(88,394)	834,550
Net debt at 1 January 2013	(1,627,893)	(2,462,443)
Net debt at 31 December 2013	(1,716,287)	(1,627,893)

The notes on pages 11 to 24 form part of these financial statements.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

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 Basis of consolidation

The financial statements consolidate the accounts of Ralph Peters & Sons Limited and all of its subsidiary undertakings ('subsidiaries') drawn up to 31 December 2013.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

1.3 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.5 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:

Short term Leasehold Property	-	Over period to the first rent review or anticipated useful life if shorter
Plant & machinery	-	On a straight line basis over a maximum of 5 years
Motor vehicles	-	25% on net book value
Fixtures & fittings	-	25% on net book value
Computer equipment	-	On a straight line basis over a maximum of 3 years

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 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.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks 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.

1.10 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.

1.11 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.

1.12 Invoice discounting

The subsidiary company, Slush Puppie Limited has entered into an invoice discounting with recourse arrangement whereby it is permitted to draw, up to a fixed percentage, the face value of debts transferred to invoice discounter. Advances received against such debts are disclosed in the balance sheet as current liabilities and the gross amounts of the debts are included in trade debtors.

2. Turnover

The whole of the turnover is attributable to manufacturing, processing and distribution of ice crystal drinks, fruit juices, squashes and associated technical services.

8% (2012: 9%) of group's turnover is attributable to the geographical markets outside the United Kingdom.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

3. Operating profit

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

	2013 £	2012 £
Amortisation - intangible fixed assets	176,240	176,240
Depreciation of tangible fixed assets:		
- owned by the group	515,888	479,978
Reversal of impairment of fixed assets	-	(10,722)
Auditors' remuneration	15,000	11,514
Operating lease rentals:		
- plant and machinery	197,459	170,743
- other operating leases	180,132	137,996
Difference on foreign exchange	5,640	3,324
	<u>1,180,159</u>	<u>1,008,537</u>

4. Staff costs

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

	2013 £	2012 £
Wages and salaries	2,602,794	2,200,780
Social security costs	231,944	184,430
Other pension costs	38,528	33,364
	<u>2,873,266</u>	<u>2,418,574</u>

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

	2013 No.	2012 No.
Administration	8	15
Selling and distribution	17	10
Production	9	12
Service technicians	36	35
	<u>70</u>	<u>72</u>

5. Directors' remuneration

	2013 £	2012 £
Remuneration	444,144	317,972

During the year retirement benefits were accruing to 1 director (2012 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £444,144 (2012 - £317,972)

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

6. Interest payable

	2013 £	2012 £
On bank loans and overdrafts	36,295	71,113
On other loans	136,910	149,609
On finance leases and hire purchase contracts	40,223	16,396
	<u>213,428</u>	<u>237,118</u>

7. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	234,472	215,700
Adjustments in respect of prior periods	24,661	2,431
	<u>259,133</u>	<u>218,131</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 24% up to 31 March 2013 and 23% thereafter (2012 - 26% up to 31 March 2012 and 24% thereafter). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>847,770</u>	<u>583,847</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% up to 31 March 2012 and 24% thereafter (2012 - 26%)	198,000	144,000
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	911	52,455
Capital allowances for year in excess of depreciation	25,845	25,623
Utilisation of tax losses and group relief	-	(19,609)
(Profit)/ Loss on disposal of fixed assets	233	3,825
Adjustments to tax charge in respect of prior periods	24,661	2,431
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	63	(2,706)
Other differences leading to an increase (decrease) in the tax charge	9,420	12,112
	<u>259,133</u>	<u>218,131</u>
Current tax charge for the year (see note above)		

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

8. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 January 2013	3,706,002
Adjustment	(84,712)
At 31 December 2013	<u>3,621,290</u>
Amortisation	
At 1 January 2013	562,939
Charge for the year	176,240
At 31 December 2013	<u>739,179</u>
Net book value	
At 31 December 2013	<u>2,882,111</u>
At 31 December 2012	<u>3,143,063</u>

The above adjustment of £84,712 has been reflected as a reduction in the amount due on the acquisition consideration of a subsidiary.

9. Tangible fixed assets

	Short Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Group				
Cost				
At 1 January 2013	112,669	5,056,226	32,683	308,961
Additions	12,582	653,231	42,791	6,299
Disposals	-	(180,438)	-	-
At 31 December 2013	<u>125,251</u>	<u>5,529,019</u>	<u>75,474</u>	<u>315,260</u>
Depreciation				
At 1 January 2013	21,107	3,826,494	17,099	264,961
Charge for the year	11,504	479,927	6,015	18,442
On disposals	-	(176,037)	-	-
At 31 December 2013	<u>32,611</u>	<u>4,130,384</u>	<u>23,114</u>	<u>283,403</u>
Net book value				
At 31 December 2013	<u>92,640</u>	<u>1,398,635</u>	<u>52,360</u>	<u>31,857</u>
At 31 December 2012	<u>91,562</u>	<u>1,229,732</u>	<u>15,584</u>	<u>44,000</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

9. Tangible fixed assets (continued)

Group	Total £
Cost	
At 1 January 2013	5,510,539
Additions	714,903
Disposals	(180,438)
At 31 December 2013	<u>6,045,004</u>
Depreciation	
At 1 January 2013	4,129,661
Charge for the year	515,888
On disposals	(176,037)
At 31 December 2013	<u>4,469,512</u>
Net book value	
At 31 December 2013	<u><u>1,575,492</u></u>
At 31 December 2012	<u><u>1,380,878</u></u>

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

Group	2013 £	2012 £
Plant and machinery	<u><u>873,362</u></u>	<u><u>675,036</u></u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Slush Puppie Limited	Ordinary	100 %
Quench Dispensers Limited	Ordinary	100 %
Frutina Limited	Ordinary	100 %
Quench Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Slush Puppie Limited	2,791,186	564,486
Quench Dispensers Limited	368,866	79,208
Frutina Limited	477,742	57,632
Quench Limited	1	-

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	466,561
Net book value	
At 31 December 2013	466,561
<i>At 31 December 2012</i>	466,561

Details of the principal subsidiaries are set out in note 11.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Principal activity
Slush Puppie Limited	UK	100	Manufacturing and distribution of Slush ice drink
Quench Dispensers Limited	UK	100	Manufacturing and distribution of fruit juice
Frutina Limited	UK	100	Manufacturing and distribution of ice drink and fruit juice
Quench Limited	UK	100	Dormant

12. Stocks

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Raw materials	105,303	418,767	-	-
Finished goods and goods for resale	597,616	351,637	-	-
	702,919	770,404	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

13. Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	1,488,255	1,285,926	-	-
Amounts owed by group undertakings	-	-	7,884	2,028
Other debtors	330,508	304,280	-	-
Prepayments and accrued income	32,206	39,081	-	-
	1,850,969	1,629,287	7,884	2,028

Included in trade debtors is £631,193 (2012: £633,206) which is subject to invoice discounting arrangement.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

14. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	814,270	747,971	-	-
Net obligations under finance leases and hire purchase contracts	307,979	235,840	-	-
Trade creditors	425,000	320,504	-	-
Corporation tax	234,100	215,700	-	-
Other taxation and social security	214,131	195,028	-	-
Other creditors	691,881	787,965	-	-
Accruals and deferred income	1,120,515	744,612	-	-
	<u>3,807,876</u>	<u>3,247,620</u>	<u>-</u>	<u>-</u>

Other creditors include £184,845 (2012: £176,919) payable under invoice discounting arrangement which is secured by a charge over book debts of the company and personal guarantee from a director.

Other creditors also include £478,628 (2012: £493,929) due from directors and shareholders and carries interest at the rate of 9% p.a.

Bank loans carry an interest rate of 4.5% above LIBOR and secured by:

Unlimited inter company composite guarantee with accession between Ralph Peters & Sons Limited, Slush Puppie Limited and all UK subsidiary companies including Frutina Limited.

Debentures incorporating a full fixed and floating charge over all UK assets and undertakings, with appropriate waivers over book debts for the invoice discounting agreement.

15. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	-	524,805	-	-
Other loans	900,000	-	-	-
Net obligations under finance leases and hire purchase contracts	371,273	207,032	-	-
Amounts owed to group undertakings	-	-	414,939	414,939
Other creditors	443,008	1,453,998	-	-
	<u>1,714,281</u>	<u>2,185,835</u>	<u>414,939</u>	<u>414,939</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

15. Creditors: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Repayable other than by instalments	900,000	-	414,939	414,939

Group:

Other creditors include £184,845 (2012: £176,919) payable under invoice discounting arrangement which is secured by a charge over book debts of the company and personal guarantee from a director.

Other creditors also include £478,628 (2012: £493,929) due from directors and shareholders and carries interest at the rate of 9% p.a.

Bank loans carry an interest rate of 4.5% above LIBOR and secured by:

Unlimited inter company composite guarantee with accession between Ralph Peters & Sons Limited, Slush Puppie Limited and all UK subsidiary companies including Frutina Limited and dormant companies.

Debentures incorporating a full fixed and floating charge over all UK assets and undertakings, with appropriate waivers over book debts for the invoice discounting agreement.

Company:

This represents the loan payable to subsidiary company, Slush Puppie Limited. This is an interest free loan and in directors' opinion will not be repaid within 5 years.

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	371,273	207,032	-	-

16. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
2 Special shares of £1 each	2	2
	50,002	50,002

Each special share of £1 has weighted voting rights to enable the holder to determine any resolution and has no rights on a distribution of income. Special share has preferential rights on a return of capital over the ordinary shares and equal rights on a return of capital against other shares of the same class and are not redeemable.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

17. Reserves

	Profit and loss account £
Group	
At 1 January 2013	1,527,930
Profit for the financial year	588,637
	<u>2,116,567</u>
At 31 December 2013	
Company	
At 1 January 2013	3,648
Profit for the financial year	5,856
	<u>9,504</u>
At 31 December 2013	

18. Net cash flow from operating activities

	2013 £	2012 £
Operating profit	1,059,850	820,965
Amortisation of intangible fixed assets	176,240	176,240
Depreciation of tangible fixed assets	515,888	479,978
Loss on disposal of tangible fixed assets	971	15,937
Decrease in stocks	67,488	13,768
(Increase)/decrease in debtors	(221,682)	42,586
(Decrease)/increase in creditors	(607,575)	457,160
Net cash inflow from operating activities	<u>991,180</u>	<u>2,006,634</u>

19. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	1,348	-
Interest paid	(173,205)	(220,722)
Hire purchase interest	(40,223)	(16,396)
Net cash outflow from returns on investments and servicing of finance	<u>(212,080)</u>	<u>(237,118)</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

19. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £	2012 £
Capital expenditure and financial investment		
Sale of intangible fixed assets	84,712	-
Purchase of tangible fixed assets	(714,903)	(655,758)
Sale of tangible fixed assets	3,430	1,367
Net cash outflow from capital expenditure	(626,761)	(654,391)
	2013 £	2012 £
Financing		
Repayment of loans	(277,203)	(489,752)
Other new loans	900,000	-
Repayment of directors loan	-	(900,000)
New finance leases	236,380	195,510
Net cash inflow/(outflow) from financing	859,177	(1,194,242)

20. Analysis of changes in net debt

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	87,755	589,480	-	677,235
Bank overdraft	(181,303)	181,303	-	-
	(93,548)	770,783	-	677,235
Debt:				
Debts due within one year	(802,508)	(859,177)	539,436	(1,122,249)
Debts falling due after more than one year	(731,837)	-	(539,436)	(1,271,273)
Net debt	(1,627,893)	(88,394)	-	(1,716,287)

21. Contingent liabilities

The company and its subsidiaries have entered into cross guarantees relating to certain bank borrowings. The borrowings outstanding at 31 December 2013 was £569,781 (2012: £1,091,473).

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

22. Capital commitments

At 31 December 2013 the group and company had capital commitments as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Contracted for but not provided in these financial statements	41,000	-	-	-

23. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £38,528 (2012: £33,434). Contributions totalling £2,974 (2012: £2,706) were payable to the fund at the balance sheet date and are included in other creditors.

24. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
Group				
Expiry date:				
Within 1 year	-	-	168,000	84,974
After more than 5 years	148,000	148,000	-	-

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2013

25. Related party transactions

As at 31 December 2013, the amount due to R.P. Peters, a director of the parent company, was £Nil (2012: £15,301). The highest amount due to him during the year was £15,301. The advance carries interest at the rate of 9% p.a. and does not have a fixed repayment date. Interest accrued but not paid at the end of the year amounted to £3,628 (2012: £3,004) and is included in accruals.

As at 31 December 2013, the amount due to M.J. Peters, a director, was £1,197,628 (2012: £1,197,628). The highest amount due to him during the year was £1,197,628. The loan carries interest at the rate of 9% p.a. and does not have a fixed repayment date. Interest accrued but not paid at the end of the year amounted to £259,475 (2012: £175,988) and is included in other creditors.

M J Peters has also given a personal guarantee to the invoice discounting bank of £975,000. The maximum guarantee outstanding at year end was £184,845 (2012: £176,919).

As at 31 December 2013, the amount due to E.A. Peters was £181,000 (2012: £181,000). The highest amount due to her during the year was £181,000. The loan carries interest at the rate of 9% p.a. and does not have a fixed repayment date. Interest accrued but not paid at the end of the year amounted to £51,061 (2012: £33,305) and is included in accruals. E.A. Peters is related to one of the directors.

The company has taken advantage of the exemption under Financial Reporting Standard 8 Related Party Disclosures, not to disclose details of any transactions or balances between the group that have been eliminated on consolidation.

26. Ultimate controlling party

The company's ultimate controlling party is M. J. Peters, the majority shareholder in the company.