

Sanquhar Tile Services Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number SC9331



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Sanquhar Tile Services Limited

**Report and financial statements
for the year ended 31 December 2012**

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Directors

D. Watters
D. Lind
F.C. Williamson

Secretary and registered office

W.J.M. Secretaries Limited, The Industrial Estate, Blackaddie Road, Sanquhar, Dumfriesshire DG4 6DB

Company number

SC9331

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

Bank of Scotland, , 33 Old Broad Street, London Branch, P O Box 1000, BX2 1LB

Solicitors

Wright, Johnston & Mackenzie, , 302 St. Vincent Street, Glasgow, G25RZ

Sanquhar Tile Services Limited

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

Dividends of £95,000 on ordinary shares were paid during the year. The directors do not recommend the payment of a final dividend.

Principal activities, review of business and future developments

The company is engaged in the manufacture and commission manufacture of carpet tiles for the UK and EU markets. There have been no changes in the group's activities in the year under review.

The profit and loss account is set out on page 5 and shows turnover for the year of £14.427m compared with the previous year of £13.448m representing an increase of 7.3%. Gross Profit of £1.794m (2011 : £1.707m) increased by 5.2%.

Operating Profit of £0.325m (2011 : £0.228m) increased by 43.0%. Net Profit before Tax (excluding other financial income) of £0.288m (2011 : £0.197m) increased by 46.7%. 2012 was a much better year than 2011, with considerable stability of raw material prices. Following customer price increases from the final quarter of 2011 to early 2012, we have since been able to hold prices, and would hope to continue to do so, for as long as possible.

New customers and new business will continue to be developed going forward, although continued increases in raw material prices remains a concern.

Regular maintenance of plant and machinery continues to be carried out.

There have been no events since the balance sheet date which materially affect the position of the company.

Principal risks and uncertainties

The market for carpet tiles remains highly competitive. Nevertheless, the company continues to pursue its objectives of providing both a high quality product and a high quality service to its customers, and in increasing the overall business level and activity. We continue to pursue all possibilities for reducing unit costs.

Oil prices affect a significant proportion of our raw material costs and continue to pose both risk and uncertainty for the company.

Trade Debtor management is carried out by ensuring timely collections, the carrying out of credit checks and the operation of a Trade Credit Insurance policy.

The company monitors cash flow as part of its day to day control procedures and repayments of Bank of Scotland Term Loan and Hire Purchase commitments are in line with agreed schedules.

Directors

The directors of the company during the year were:

D. Waters
D. Lind
F.C. Williamson

Sanquhar Tile Services Limited

Report of the directors for the year ended 31 December 2012 (continued)

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 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board


D Watters

Director

30 April 2013

Sanquhar Tile Services Limited

Independent auditor's report

To the members of Sanquhar Tile Services Limited

We have audited the financial statements of Sanquhar Tile Services Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 website at 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 company's affairs as at 31 December 2012 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sanquhar Tile Services Limited

Independent auditor's report (*continued*)

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.

BDO LLP

Neil Craig (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

30 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sanquhar Tile Services Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	14,426,763	13,448,437
Cost of sales		12,632,658	11,741,755
Gross profit		1,794,105	1,706,682
Distribution costs		924,199	892,982
Administrative expenses		545,310	585,520
Operating profit	3	324,596	228,180
Other interest receivable and similar income		2	2
Interest payable and similar charges	6	(36,469)	(31,343)
Other finance income	7	74,000	61,000
Profit on ordinary activities before taxation		362,129	257,839
Taxation on profit on ordinary activities	8	81,118	55,245
Profit on ordinary activities after taxation		281,011	202,594

All amounts relate to continuing activities.

The notes on pages 9 to 25 form part of these financial statements.

Sanquhar Tile Services Limited

Statement of total recognised gains and losses for the year ended 31 December 2012

	Note	2012 £	2011 £
Statement of total recognised gains and losses			
Profit for the financial year		281,011	202,594
Actuarial loss on pension scheme, net of deferred tax at 23% (2011 - 25%)		(84,700)	(363,000)
Total recognised gains and losses for the financial year		196,311	(160,406)

The notes on pages 9 to 25 form part of these financial statements.

Sanquhar Tile Services Limited

Balance sheet at 31 December 2012

Company number SC9331	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	10		1,554,378		1,651,199
Current assets					
Stocks	11	2,265,168		2,392,521	
Debtors	12	3,294,109		2,966,464	
Cash at bank and in hand		5,949		6,170	
		<u>5,565,226</u>		<u>5,365,155</u>	
Creditors: amounts falling due within one year	13	<u>3,022,656</u>		<u>2,979,822</u>	
Net current assets			<u>2,542,570</u>		<u>2,385,333</u>
Total assets less current liabilities			<u>4,096,948</u>		<u>4,036,532</u>
Creditors: amounts falling due after more than one year	14	153,119		217,543	
Provisions for liabilities	15	<u>99,987</u>		<u>114,138</u>	
			<u>253,106</u>		<u>331,681</u>
Net assets excluding pension scheme assets			<u>3,843,842</u>		<u>3,704,851</u>
Pension scheme assets	16		<u>224,070</u>		<u>261,750</u>
Net assets including pension scheme assets			<u>4,067,912</u>		<u>3,966,601</u>

The notes on pages 9 to 25 form part of these financial statements.

Sanquhar Tile Services Limited

Balance sheet at 31 December 2012 (continued)

	Note	2012 £	2012 £	2011 £	2011 £
Capital and reserves					
Called up share capital	17		67,720		67,720
Profit and loss account	18		4,000,192		3,898,881
Shareholders' funds	19		4,067,912		3,966,601

The financial statements were approved by the board of directors and authorised for issue on 30 April 2013.



D Watters
Director

The notes on pages 9 to 25 form part of these financial statements.

Sanquhar Tile Services Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

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

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Styletuff Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Freehold land and buildings	- depreciated over varying periods ranging between 10 and 20 years depending on the anticipated life of the asset concerned
Plant and machinery	- depreciated over varying periods ranging between 5 and 10 years depending on the anticipated life of the asset concerned
Motor vehicles	- depreciated over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:-

Costs incurred in bringing each product to its present location and condition:

Raw materials - purchase cost on a first in, first out basis.

Work-in-progress and finished goods - cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of

Sanquhar Tile Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)**

1 Accounting policies (continued)

Deferred taxation (continued)

the underlying timing differences.
Deferred tax balances are not discounted.

Leased assets

Where assets are financed by hire purchase agreements, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum hire purchase payments payable during the lease term. The corresponding hire purchase commitments are shown as amounts payable on HP contracts. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease on a straight-line basis. The capital part reduces the amounts payable on the hire purchase contract.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The difference between the fair value of the assets held in the company's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the company are charged to the profit and loss account or the statement of total recognised gains and losses in accordance with FRS 17 'Retirement benefits'.

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

Deferred government grants

Deferred government grants represent grants received on capital expenditure, and for approved regional projects. The grants are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates.

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

2 Turnover

	2012 £	2011 £
Analysis by geographical market:		
United Kingdom	12,664,298	11,296,804
Europe	1,762,465	2,151,633
	<u>14,426,763</u>	<u>13,448,437</u>

Turnover is wholly attributable to the principal activity of the company.

3 Operating profit

	2012 £	2011 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	278,670	356,439
Hire of plant and machinery - operating leases	69,235	73,515
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	20,000	20,000
Non-audit services	7,700	7,700
Defined benefit pension cost (see below)	251,000	228,000
Release of government grants	-	(6,000)
	<u>251,000</u>	<u>228,000</u>

Defined benefit pension costs charged in arriving at the operating loss comprise the following:

	2012 £	2011 £
Current service cost	<u>251,000</u>	<u>228,000</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

4 Employees

Staff costs (including directors) consist of:

	2012 £	2011 £
Wages and salaries	2,839,552	2,737,128
Social security costs	224,748	220,023
Other pension costs	276,210	252,478
	<u>3,340,510</u>	<u>3,209,629</u>

The average number of employees (including directors) during the year was as follows:

	2012 Number	2011 Number
Management and administration	11	11
Production, installation and sales	102	102
	<u>113</u>	<u>113</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

5 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	<u>243,129</u>	<u>254,444</u>

There were 3 directors in the company's defined benefit pension scheme during the year (2011 - 3).

The total amount payable to the highest paid director in respect of emoluments was £85,972 (2011 - £90,012). He is a member of a defined benefit scheme, under which the accrued pension at the year end was £39,370 (2011 - £37,767).

6 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	21,269	15,067
Hire purchase contracts	15,200	16,276
	<u>36,469</u>	<u>31,343</u>

7 Other finance income

	2012 £	2011 £
Expected return on pension scheme assets	332,000	334,000
Interest on pension scheme liabilities	(258,000)	(273,000)
	<u>74,000</u>	<u>61,000</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

8 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	82,097	58,297
Adjustment in respect of previous periods	-	(125)
Group relief	8,192	9,518
Total current tax	90,289	67,690
<i>Deferred tax</i>		
Origination and reversal of timing differences	(14,151)	(9,814)
Adjustment in respect of previous periods	-	(11)
Deferred tax on pension scheme asset	4,980	(2,620)
Movement in deferred tax provision	(9,171)	(12,445)
Taxation on profit on ordinary activities	81,118	55,245

Of the total taxation of £81,118 (2011 - £55,245), £(14,151) (2011 - £(9,825)) relates to the movement in deferred tax provision and £4,980 (2011 - £(2,620)) relates to the movement in deferred tax on pension scheme assets/liabilities.

The tax assessed for the year differs from the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	362,129	257,839
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.49% (2011 - 26.49%)	89,119	68,302
Effect of:		
Expenses not deductible for tax purposes	1,592	6,472
Depreciation for period in excess of capital allowances	3,997	1,984
Adjustment to tax charge in respect of previous periods	-	(125)
Other timing differences	41	(1,128)
Marginal relief	(4,460)	(7,815)
Current tax charge for the year	90,289	67,690

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

9 Dividends

	2012 £	2011 £
Ordinary shares		
Interim paid of £1.403 (2011 - £1.115) per share	95,000	75,500

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2012	1,149,906	5,237,296	5,124	6,392,326
Additions	5,192	176,657	-	181,849
	<u>1,155,098</u>	<u>5,413,953</u>	<u>5,124</u>	<u>6,574,175</u>
At 31 December 2012				
<i>Depreciation</i>				
At 1 January 2012	731,490	4,004,513	5,124	4,741,127
Provided for the year	47,323	231,347	-	278,670
	<u>778,813</u>	<u>4,235,860</u>	<u>5,124</u>	<u>5,019,797</u>
At 31 December 2012				
<i>Net book value</i>				
At 31 December 2012	<u>376,285</u>	<u>1,178,093</u>	<u>-</u>	<u>1,554,378</u>
At 31 December 2011	<u>418,416</u>	<u>1,232,783</u>	<u>-</u>	<u>1,651,199</u>

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under hire purchase contracts as follows:

	2012 £	2011 £
<i>Net book value</i>		
Plant and machinery	506,442	498,835
	<u>506,442</u>	<u>498,835</u>
<i>Depreciation charged</i>		
Plant and machinery	74,778	64,171
	<u>74,778</u>	<u>64,171</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

11 Stocks

	2012 £	2011 £
Raw materials and consumables	1,590,606	1,810,099
Finished goods and goods for resale	674,562	582,422
	<u>2,265,168</u>	<u>2,392,521</u>

12 Debtors

	2012 £	2011 £
Trade debtors	2,039,634	1,939,678
Amounts owed by group undertakings	1,108,110	874,756
Other debtors	80,985	68,817
Prepayments and accrued income	65,380	83,213
	<u>3,294,109</u>	<u>2,966,464</u>

All amounts shown under debtors fall due for payment within one year.

13 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts (secured)	154,487	299,376
Trade creditors	1,494,997	1,577,351
Amounts owed to group undertakings	287,988	192,988
Corporation tax	82,097	58,297
Other taxation and social security	289,338	232,068
Obligations under hire purchase contracts	130,803	118,681
Other creditors	278,863	196,081
Accruals and deferred income	304,083	304,980
	<u>3,022,656</u>	<u>2,979,822</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

14 Creditors: amounts falling due after more than one year

	2012 £	2011 £		
Bank loans (secured)	70,925	97,305		
Obligations under hire purchase contracts	82,194	120,238		
	<u>153,119</u>	<u>217,543</u>		
Maturity of debt:				
	Bank loans and overdrafts 2012 £	Bank loans and overdrafts 2011 £	Hire Purchase 2012 £	Hire Purchase 2011 £
In one year or less, or on demand	<u>154,487</u>	<u>299,376</u>	<u>130,803</u>	<u>118,681</u>
In more than one year but not more than two years	29,255	29,256	75,678	78,681
In more than two years but not more than five years	<u>41,670</u>	<u>68,049</u>	<u>6,516</u>	<u>41,557</u>
	70,925	97,305	82,194	120,238

The hire purchase obligations are secured on the assets being purchased.

A loan of £250,000 was received from the Bank of Scotland in August 2006. The loan is repayable in equal monthly instalments by July 2016 and bears interest at 2% over base rate. The bank holds a standard security over property owned by the company and a floating charge over its whole assets.

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

15 Provisions for liabilities

	Deferred taxation £	
At 1 January 2012	114,138	
Credited to profit and loss account	(14,151)	
At 31 December 2012	99,987	
<i>Deferred taxation</i>		
	2012 £	2011 £
Accelerated capital allowances	103,261	117,463
Sundry timing differences	(3,274)	(3,325)
	99,987	114,138

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

16 Pensions

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held in a separate Trustee administered fund. The pension cost is assessed in accordance with the advice of a professionally qualified actuary on the basis of the valuations using the projected unit method.

The contributions for the year ended 31 December 2012 in respect of this scheme were £171,006 (2011-£169,434). The contributions made in the period 1 January 2012 to 31 December 2012 for the company were at the rates of 8.885% and 6.885% of Pensionable Salaries for Category A members and Category B members respectively. Employee contributions were 3.5% of Pensionable Salaries for Category A members and 5.5% of Pensionable Salaries for Category B members. Contribution rates will be reviewed at the date of the next actuarial valuation as at 1 April 2013.

There were outstanding contributions at the end of the financial year of £12,770 (2011 - £11,866) for Category A and £5,366 (2011 - £5,514) for Category B.

In addition to the above, the company contributes to a life assurance scheme. The cost of providing life cover during the year was £58,537 (2011 - £49,234).

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £25,210 (2011 - £24,479).

There were outstanding contributions at the end of the financial year of £2,856 (2011 - £2,345).

	2012 £	2011 £
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	5,334,000	4,985,000
Current service cost	252,000	228,000
Interest cost	258,000	273,000
Contributions by participants	84,000	83,000
Actuarial (gains)/losses	216,000	(123,000)
Benefits paid	(83,000)	(82,000)
Past service costs	(27,000)	(30,000)

At the end of the year	6,034,000	5,334,000
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	2012 £	2011 £
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	(6,034,000)	(5,334,000)

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

16 Pensions (continued)

	2012 £	2011 £
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	5,683,000	5,766,000
Expected rate of return on plan assets	332,000	334,000
Actuarial gains/(losses)	106,000	(607,000)
Contributions by company	230,000	219,000
Contributions by participants	84,000	83,000
Benefits paid	(83,000)	(82,000)
Settlements	(27,000)	(30,000)
At the end of the year	6,325,000	5,683,000
	2012 £	2011 £
<i>Reconciliation to balance sheet</i>		
Present value of funded obligations	(6,034,000)	(5,334,000)
Fair value of plan assets	6,325,000	5,683,000
Plan surplus	291,000	349,000
Related deferred tax liability	(66,930)	(87,250)
Net asset	224,070	261,750
	2012 £	2011 £
<i>The amounts recognised in profit and loss are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost	(251,000)	(228,000)
<i>Included in other finance (income)/expense:</i>		
Interest cost	(258,000)	(273,000)
Expected return of plan assets	332,000	334,000
	(177,000)	(167,000)

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

16 Pensions (continued)

	2012 £	2011 £
<i>Analysis of amount recognised in statement of total recognised gains and losses</i>		
Actual return less expected return on pension plan assets	106,000	(607,000)
Experience gains and losses arising on the scheme liabilities	375,000	430,000
Changes in assumptions underlying the present value of the scheme liabilities	(591,000)	(307,000)
Actuarial losses recognised in the statement of total recognised gains and losses	(110,000)	(484,000)

	2012 £	2011 £
<i>Cumulative amount of gains/(losses) recognised in the statement of total recognised gains and losses</i>	(44,260)	40,440

	2012 £	2011 £
<i>Composition of plan assets</i>		
European equities	4,659,000	4,279,000
European bonds	870,000	806,000
Cash	796,000	598,000
Total plan assets	6,325,000	5,683,000

Narrative description of the basis used to determine the overall expected rate of return of assets

Overall expected rate of return on plan assets is based upon historical returns of the investment performance adjusted to reflect expectations of future long-term returns by asset class.

	2012 £	2011 £
<i>Actual return on plan assets</i>	438,000	(941,000)

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

16 Pensions (*continued*)

	2012 %	2011 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates	4.40	4.75
Expected rates of return on plan assets		
Equities	6.25	6.25
Bonds	6.25	6.25
Property	2.00	2.00
Cash	2.80	2.70
Future salary increases	3.70	3.75
Future pension increases	2.30	2.20

	2012 £	2011 £	2010 £	2009 £	2008 £
<i>Five year history</i>					
Present value of the plan liabilities	(6,034,000)	(5,334,000)	(4,985,000)	(4,839,000)	(3,673,000)
Fair value of the plan assets	6,325,000	5,683,000	5,766,000	5,013,000	4,109,000
Surplus on the pension plans	291,000	349,000	781,000	174,000	436,000
<i>Experience adjustments arising on:</i>					
Plan liabilities	375,000	430,000	601,000	142,000	61,000
Plan assets	106,000	(607,000)	269,000	446,000	(1,185,000)

The best estimate of contributions to be paid by the employer to the scheme for the period beginning after 31 December 2012 is £235,000.

The mortality rates denoted by pa92mc are base rates in accordance with the pa92 tables published by the Actuarial Profession. An allowance has been made for future improvements in longevity in accordance with the medium cohort effect.

Longevity at age 65 for current pensioners : men 22.8 years, women 26.0 years.

Longevity at age 65 for future pensioners now aged 45 : men 24.7 years, women 28.1 years.

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

17 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>67,720</u>	<u>67,720</u>

18 Reserves

	Profit and loss account £
At 1 January 2012	3,898,881
Profit for the year	281,011
Dividends	(95,000)
Actuarial gain on pension scheme, net of deferred tax	<u>(84,700)</u>
At 31 December 2012	<u>4,000,192</u>

19 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the year	281,011	202,594
Dividends	<u>(95,000)</u>	<u>(75,500)</u>
	186,011	127,094
Actuarial (loss)/gain on pension scheme , net of deferred tax at 23% (2011 - 25%)	<u>(84,700)</u>	<u>(363,000)</u>
Net additions to/(deductions from) shareholders' funds	101,311	(235,906)
Opening shareholders' funds	<u>3,966,601</u>	<u>4,202,507</u>
Closing shareholders' funds	<u>4,067,912</u>	<u>3,966,601</u>

Sanquhar Tile Services Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)**

20 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Plant and vehicles 2012 £	Plant and vehicles 2011 £
Operating leases which expire:		
Within one year	21,684	5,408
In two to five years	40,182	50,835
	<u>61,866</u>	<u>56,243</u>

21 Related party disclosures

Balances due by group undertakings are included in note 12. Balances due to group undertakings are included in note 13. The company has taken advantage of the exemptions to disclose group transactions as conferred by section 3(c) of Financial Reporting Standard No.8.

At 31 December 2012 the trading balance owing to the company by Marlin Contract b.v. , an associate company of Styletuft Limited, was £143,567 (2011- £145,410). Turnover arising from trading with associated company was £467,978. As the interest in associated company was acquired towards the end of December 2011 no comparative figure for turnover has been disclosed.

22 Ultimate parent company

The directors regard Styletuft Limited as the company's ultimate parent company.

Styletuft Limited is the only company within the group of companies for which group financial statements are drawn up and of which the company is a member. No single party has overall control of Styletuft Limited.

23 Capital commitments

	2012 £	2011 £
Contracted but not provided for	<u>76,453</u>	<u>44,828</u>

Sanquhar Tile Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

24 Deferred grant reserve

	2012 £	2011 £
As at 1 January 2012	-	6,000
Released to profit and loss account	-	(6,000)
As at 31 December 2012	-	-

CROSS VENTURES LP

ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2012



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CROSS VENTURES LP



PARTNERS' CERTIFICATE

We approve the accounts set out on pages 3 to 6 disclosing a profit of £61,191 and confirm that we have made available all relevant records and information for their preparation.

A handwritten signature in black ink, appearing to read 'Linda Cross', is written over a dotted line.

Director of Cross Ventures (GP)
Limited, Linda Cross

Date: 25/03/2013

CROSS VENTURES LP



ACCOUNTANTS' REPORT TO CROSS VENTURES LP

In accordance with our engagement letter we have prepared for your approval the accounts of Cross Ventures LP for the period ended 31 March 2012 set out on pages 3 to 6 from the accounting records and information and explanations you have given to us.

As a practicing member firm of the Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements.

Our report is made solely to you in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval of the accounts of Cross Ventures LP and state those matters that we have agreed to state to you in accordance with the requirements of the Institute of Chartered Accountants of Scotland. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partners, for our work or for this report.

We have not been instructed to carry out an audit or review of the accounts of Cross Ventures LP. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

A handwritten signature in dark ink, appearing to read 'D. M. B.', is written over a horizontal line.

ANDERSON ANDERSON & BROWN LLP

9 Queens Road
Aberdeen
AB15 4YL

CROSS VENTURES LP

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PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2012

	£	£
OTHER INCOME		
Other operating income	66,975	
Loan interest	29,259	
Bank interest	2,922	
		99,156
LESS: EXPENSES		
Legal and professional	35,325	
Accountancy fees	2,640	
		37,965
NET PROFIT FOR THE PERIOD		61,191

PARTNERS' APPROPRIATION ACCOUNT

	2012 £
Thomas Cross	611
Linda Cross	611
Matthew Cross	19,875
Claudia Cross	19,875
Bethany Cross	19,875
Cross Ventures (LP) Limited	344
	61,191

CROSS VENTURES LP**BALANCE SHEET
AS AT 31 MARCH 2012**

	Note	£	£
FIXED ASSETS			
Fixed asset investments	1		1,981,000
DEBTORS DUE AFTER MORE THAN ONE YEAR	2		2,981,819
CURRENT ASSETS			
Debtors due in less than 1 year	2	136,336	
CREDITORS DUE WITHIN ONE YEAR	3	(4,178)	
NET CURRENT ASSETS			132,158
NET ASSETS			5,094,977
REPRESENTED BY:			
PARTNERS' ACCOUNTS			
Thomas Cross	4		50,611
Linda Cross			84,397
Matthew Cross			1,644,875
Claudia Cross			1,644,875
Bethany Cross			1,644,875
Cross Ventures (LP) Limited			25,344
			5,094,977

**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2012**
1. FIXED ASSET INVESTMENTS

	Listed Investments £
Cost or valuation	
Additions	1,981,000
At 31 March 2012	<u>1,981,000</u>
Net book value	
At 31 March 2012	<u><u>1,981,000</u></u>

Listed investments

The market value of the listed investments at 31 March 2012 was £1,981,000.

2. DEBTORS

	2012 £
Due after more than one year	
Loan to Parkmead	<u><u>2,981,819</u></u>
Due within one year	
Trade debtors	82,442
Other debtors	40,103
Accrued income	13,791
	<u><u>136,336</u></u>

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

	£
Trade creditors	1,440
Accruals and deferred income	2,738
	<u><u>4,178</u></u>

CROSS VENTURES LP

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2012

4. PARTNERS' CAPITAL ACCOUNTS

	Thomas Cross £	Linda Cross £	Matthew Cross £	Claudia Cross £	Bethany Cross £	Cross Ventures (GP) Limited £	Total £
Capital introduced	100	100	3,250	3,250	3,250	50	10,000

PARTNERS' CURRENT ACCOUNTS

Introduced	49,900	49,900	1,621,750	1,621,750	1,621,750	24,950	4,990,000
Fees paid on behalf of the partnership	-	33,786	-	-	-	-	33,786
Share of profit	611	611	19,875	19,875	19,875	344	61,191
Total	50,511	84,297	1,641,625	1,641,625	1,641,625	25,294	5,084,977

TOTAL PARTNERS ACCOUNTS

Total	50,611	84,397	1,644,875	1,644,875	1,644,875	25,344	5,094,977
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