

Company Registration Number 83667

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COMPANIES HOUSE

**Kent Blaxill & Co. Limited**

**Financial statements**

**for the year ended**

**31 December 2010**

**Kent Blaxill & Co. Limited**

**Financial statements**

**Year ended 31 December 2010**

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# **Kent Blaxill & Co. Limited**

## **Officers and professional advisers**

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### **The board of directors**

Mr A J Blaxill  
Mr H R Blaxill  
Mr S C Blaxill  
Mrs E A Cash  
Mr B R Kent  
Mr J S Kent  
Mr K R Sturdy  
Mr J D Ford  
Mr P George

### **Company secretary**

Mr K R Sturdy

### **Registered office**

129-139 Layer Road  
Colchester  
Essex  
CO2 9JY

### **Auditor**

Chantrey Vellacott DFK LLP  
Chartered Accountants  
Statutory Auditor  
Town Wall House  
Balkerne Hill  
Colchester  
Essex  
CO3 3AD

### **Bankers**

Barclays Bank PLC  
P O Box 1  
9 High Street  
Colchester  
Essex  
CO1 1DD

### **Solicitors**

Birkett Long LLP  
Essex House  
42 Crouch Street  
Colchester  
Essex  
CO3 3HH

# **Kent Blaxill & Co Limited**

## **Directors' report**

### **Year ended 31 December 2010**

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The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 December 2010

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

The principal activities of the Company are

- i) The supply of building and landscaping materials to the construction and maintenance industries
- ii) The supply of decorative materials to professional painters and decorators
- iii) The supply of glass and glazing services and the fabrication of glass into secondary double glazing products

#### **Results and key performance indicators**

The results for the year and financial position of the Company at the year-end are set out in the following financial statements. In summary, turnover for 2010 was £25.5m, a decrease on the prior year of 1.5% (2009 £25.9m). The profit before tax was £326,641 (2009 £686,172).

The extremely challenging market conditions, which first took hold in 2008, continued into the year under review.

The recession, coupled with the severe winter weather, led to a reduction in demand for building products in nearly all sectors and there has also been increasing pressure on gross margins. The Company has continued to monitor its overhead costs (including tight control of headcount) whilst making strategic investments in the business to take advantage of the upturn in business activity when it occurs. The Company has worked well within its banking facilities.

#### **Going concern**

On the basis of the directors' assessment of the Company's financial position, there is every expectation that the Company will be able to continue in existence for the foreseeable future. Thus the annual financial statements are prepared on a going concern basis.

#### **Principal risks and uncertainties**

The Company has identified the principal risks and uncertainties facing it and has adopted policies and procedures to manage and minimise these risks.

Management information reports and accounts, alongside bank and economic briefing papers, are produced each month for directors and managers to review.

Suppliers are constantly monitored for the price and quality of products and the Company periodically considers alternative sources for products.

Cash requirements are managed on a day-to-day basis and the Company ensures that it has no exposure to exchange rate fluctuations.

Credit control procedures within the business require stringent assessment of prospective customers and careful monitoring of larger and high risk customers.

#### **Corporate social responsibility**

The Company operates a quality management system (ISO9000) for its timber and glass and glazing operations. In addition, the Company has certification with FSC and PEFC for its timber depots to ensure that, wherever possible, timber products are purchased only from sustainable sources.

The Company has pursued its objective of recycling more of its waste. To support this objective, the Company is working towards the implementation of an environmental management system (ISO14001).

## Kent Blaxill & Co. Limited

### Directors' report (*continued*)

#### Year ended 31 December 2010

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The Company recognises the importance of its employees and has policies and procedures designed to ensure equal opportunities regardless of colour, ethnic or national origin, nationality, religion, sex or marital status. Depending on their skills and abilities, disabled personnel within the Company have the same career opportunities as other personnel.

The Company is committed to providing a safe and healthy working environment for all employees and policies and procedures are reviewed and updated regularly. Safety committees meet regularly, giving employees an opportunity to provide feedback and to assist managers in ensuring procedures are followed at all times. To enhance its procedures, the implementation of an occupational health and safety management system, such as OHSAS180000, is being pursued.

#### Results and dividends

The profit for the year, after taxation, amounted to £258,314. Particulars of dividends paid are detailed in note 11 to the financial statements.

#### Directors

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

|                   |                            |
|-------------------|----------------------------|
| Mr S R D Fanshawe | (retired 31 December 2010) |
| Mr A J Blaxill    |                            |
| Mr H R Blaxill    |                            |
| Mr S C Blaxill    |                            |
| Mrs E A Cash      |                            |
| Mr B R Kent       |                            |
| Mr J S Kent       |                            |
| Mr K R Sturdy     |                            |
| Mr J D Ford       |                            |
| Mr P George       | (appointed post year end)  |

#### 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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Kent Blaxill & Co. Limited**

**Directors' report** *(continued)*

**Year ended 31 December 2010**

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Insofar as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**Auditor**

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



Mr K R Sturdy  
Company Secretary

Approved by the directors on

18<sup>th</sup> March 2011

## **Kent Blaxill & Co. Limited**

### **Independent auditor's report to the shareholders of Kent Blaxill & Co. Limited**

#### **Year ended 31 December 2010**

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We have audited the group and parent company financial statements ("the financial statements") of Kent Blaxill & Co. Limited for the year ended 31 December 2010 which comprise the group profit and loss account, group statement of total recognised gains and losses, group balance sheet and company balance sheet, group 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, 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**

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 directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Kent Blaxill & Co Limited**

**Independent auditor's report to the shareholders of Kent Blaxill & Co Limited**  
*(continued)*

**Year ended 31 December 2010**

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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

*Chantrey Vellacott DFK LLP*

MELINDA SIMPSON (Senior Statutory Auditor)  
for and on behalf of CHANTREY VELLACOTT DFK LLP  
Chartered Accountants and Statutory Auditor  
Town Wall House  
Balkerne Hill  
Colchester  
Essex  
CO3 3AD

*11.5.11*



**Kent Blaxill & Co. Limited****Group profit and loss account****Year ended 31 December 2010**

|  | Note      | 2010<br>£             | 2009<br>£             |
|--|-----------|-----------------------|-----------------------|
| <b>Group turnover</b>                                | <b>2</b>  | <b>25,515,248</b>     | <b>25,899,818</b>     |
| Cost of sales  |           | <u>16,672,662</u>     | <u>16,663,224</u>     |
| <b>Gross profit</b>                                  |           | <b>8,842,586</b>      | <b>9,236,594</b>      |
| Distribution costs                                   |           | 228,230               | 259,979               |
| Administrative expenses                              |           | 8,256,031             | 8,272,743             |
| Other operating income                               | <b>3</b>  | <u>(12,856)</u>       | <u>(27,352)</u>       |
| <b>Operating profit</b>                              | <b>4</b>  | <b>371,181</b>        | <b>731,224</b>        |
| Interest receivable                                  | <b>7</b>  | 5                     | 176                   |
| Interest payable and similar charges                 | <b>8</b>  | <u>(44,545)</u>       | <u>(45,228)</u>       |
| <b>Profit on ordinary activities before taxation</b> |           | <b>326,641</b>        | <b>686,172</b>        |
| Tax on profit on ordinary activities                 | <b>9</b>  | 68,327                | 147,576               |
| <b>Profit for the financial year</b>                 | <b>10</b> | <u><b>258,314</b></u> | <u><b>538,596</b></u> |

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

**The notes on pages 13 to 24 form part of these financial statements**

**Kent Blaxill & Co. Limited**

**Group statement of total recognised gains and losses**

**Year ended 31 December 2010**

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|   | <b>2010</b>      | <b>2009</b>    |
|---|------------------|----------------|
|   | <b>£</b>         | <b>£</b>       |
| Profit for the financial year<br>attributable to the shareholders of the parent company | 258,314          | 538,596        |
| Unrealised loss on revaluation of certain fixed assets                                  | (528,637)        | —              |
| Total gains and losses recognised since the last annual report                          | <u>(270,323)</u> | <u>538,596</u> |

**The notes on pages 13 to 24 form part of these financial statements**

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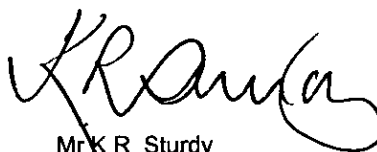
**Kent Blaxill & Co. Limited****Group balance sheet****As at 31 December 2010**

|   | Note | 2010<br>£        | 2009<br>£         |
|---|------|------------------|-------------------|
| <b>Fixed assets</b>   |      |                  |                   |
| Intangible assets   | 12   | —                | —                 |
| Tangible assets   | 13   | 6,222,777        | 6,606,895         |
| Investments   | 14   | 200              | 200               |
|   |      | <u>6,222,977</u> | <u>6,607,095</u>  |
| <b>Current assets</b>   |      |                  |                   |
| Stocks  | 15   | 4,341,352        | 3,641,862         |
| Debtors due within one year                                   | 16   | 3,286,206        | 2,987,556         |
| Cash at bank and in hand                                      |      | 11,126           | 553,752           |
|   |      | <u>7,638,684</u> | <u>7,183,170</u>  |
| <b>Creditors amounts falling due within one year</b>          | 18   | <u>4,188,232</u> | <u>3,617,206</u>  |
| <b>Net current assets</b>                                     |      | 3,450,452        | 3,565,964         |
| <b>Total assets less current liabilities</b>                  |      | <u>9,673,429</u> | <u>10,173,059</u> |
| <b>Creditors amounts falling due after more than one year</b> | 19   | 246,778          | 378,000           |
|   |      | <u>9,426,651</u> | <u>9,795,059</u>  |
| <b>Capital and reserves</b>                                   |      |                  |                   |
| Called up equity share capital                                | 24   | 65,390           | 65,390            |
| Share premium account   | 25   | 2,810            | 2,810             |
| Revaluation reserve   | 25   | 2,696,466        | 3,225,103         |
| Profit and loss account                                       | 25   | 6,661,985        | 6,501,756         |
| <b>Shareholders' funds</b>                                    | 26   | <u>9,426,651</u> | <u>9,795,059</u>  |

These financial statements were approved by the directors and authorised for issue on 18<sup>th</sup> March '11, and are signed on their behalf by



Mr S C Blaxill



Mr K R Sturdy

The notes on pages 13 to 24 form part of these financial statements

# Kent Blaxill & Co. Limited

## Balance sheet

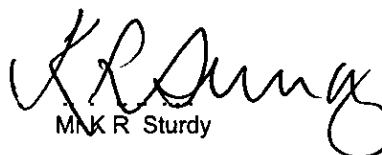
As at 31 December 2010

|   | Note | 2010<br>£        | 2009<br>£        |
|---|------|------------------|------------------|
| <b>Fixed assets</b>   |      |                  |                  |
| Intangible assets   | 12   | —                | —                |
| Tangible assets   | 13   | 6,121,838        | 6,499,449        |
| Investments   | 14   | 6,002            | 6,002            |
|   |      | <u>6,127,840</u> | <u>6,505,451</u> |
| <b>Current assets</b>   |      |                  |                  |
| Stocks  | 15   | 2,726,423        | 2,342,093        |
| Debtors due within one year                                   | 16   | 2,773,672        | 3,745,799        |
| Debtors due after one year                                    | 16   | 1,300,000        | —                |
| Cash at bank and in hand                                      |      | 133,919          | 532,238          |
|   |      | <u>6,934,014</u> | <u>6,620,130</u> |
| <b>Creditors amounts falling due within one year</b>          | 18   | <u>3,739,013</u> | <u>3,181,897</u> |
| <b>Net current assets</b>                                     |      | 3,195,001        | 3,438,233        |
| <b>Total assets less current liabilities</b>                  |      | <u>9,322,841</u> | <u>9,943,684</u> |
| <b>Creditors amounts falling due after more than one year</b> | 19   | <u>274,643</u>   | <u>405,865</u>   |
|   |      | <u>9,048,198</u> | <u>9,537,819</u> |
| <b>Capital and reserves</b>                                   |      |                  |                  |
| Called up equity share capital                                | 24   | 65,390           | 65,390           |
| Share premium account   | 25   | 2,810            | 2,810            |
| Revaluation reserve   | 25   | 2,696,466        | 3,225,103        |
| Profit and loss account                                       | 25   | 6,283,532        | 6,244,516        |
| <b>Shareholders' funds</b>                                    |      | <u>9,048,198</u> | <u>9,537,819</u> |

These financial statements were approved by the directors and authorised for issue on 18<sup>th</sup> March 11 and are signed on their behalf by



Mr S C Blaxill



Mr K R Sturdy

Company Registration Number 83667

The notes on pages 13 to 24 form part of these financial statements

**Kent Blaxill & Co Limited****Group cash flow statement****Year ended 31 December 2010**

|  | Note | 2010<br>£   | 2009<br>£ |
|--|------|-------------|-----------|
| <b>Net cash (outflow)/inflow from operating activities</b>                                       |      | (610,373)   | 2,638,106 |
| <b>Returns on investments and servicing of finance</b>   |      |             |           |
| Interest received  |      | 5           | 176       |
| Interest paid  |      | (33,139)    | (33,764)  |
| Interest element of hire purchase and finance lease  |      | (11,406)    | (11,464)  |
| <b>Net cash outflow from returns on investments and servicing of finance</b>                     |      | (44,540)    | (45,052)  |
| <b>Taxation</b>  |      | (159,210)   | (280,689) |
| <b>Capital expenditure and financial investment</b>  |      |             |           |
| Payments to acquire intangible fixed assets  |      | (10,000)    | —         |
| Payments to acquire tangible fixed assets  |      | (460,988)   | (163,846) |
| Receipts from sale of fixed assets   |      | 12,816      | 24,726    |
| Acquisition of investments   |      | —           | (90)      |
| <b>Net cash outflow for capital expenditure and financial investment</b>                         |      | (458,172)   | (139,210) |
| <b>Equity dividends paid</b>   |      | (98,085)    | (81,738)  |
| <b>Cash (outflow)/inflow before financing</b>  |      | (1,370,380) | 2,091,417 |
| <b>Financing</b>   |      |             |           |
| Repayment of bank loans  |      | (75,000)    | (75,000)  |
| Capital element of hire purchase and finance lease   |      | (55,055)    | (55,514)  |
| <b>Net cash outflow from financing</b>   |      | (130,055)   | (130,514) |
| <b>(Decrease)/increase in cash</b>   |      | (1,500,435) | 1,960,903 |
| <b>Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b> |      |             |           |
|  |      | 2010<br>£   | 2009<br>£ |
| Operating profit   |      | 371,181     | 731,224   |
| Amortisation   |      | 10,000      | —         |
| Depreciation   |      | 302,487     | 347,039   |
| Loss/(Profit) on disposal of fixed assets  |      | 1,166       | (6,894)   |
| (Increase)/decrease in stocks  |      | (699,490)   | 1,204,763 |
| Increase in debtors  |      | (309,007)   | (78,530)  |
| (Decrease)/increase in creditors   |      | (286,710)   | 440,504   |
| <b>Net cash (outflow)/inflow from operating activities</b>                                       |      | (610,373)   | 2,638,106 |

The notes on pages 13 to 24 form part of these financial statements

**Kent Blaxill & Co. Limited****Group cash flow statement****Year ended 31 December 2010****Reconciliation of net cash flow to movement in net debt**

|  | 2010<br>£   | 2009<br>£   |
|--|-------------|-------------|
| (Decrease)/increase in cash in the period                  | (1,500,435) | 1,960,903   |
| Net cash outflow from bank loans                           | 75,000      | 75,000      |
| Cash outflow in respect of hire purchase and finance lease | 55,055      | 55,514      |
| Change in net debt resulting from cash flows               | (1,370,380) | 2,091,417   |
| New finance leases   | —           | (84,009)    |
| Movement in net debt in the period                         | (1,370,380) | 2,007,408   |
| Net debt at 1 January 2010                                 | (1,073,231) | (3,080,639) |
| Net debt at 31 December 2010                               | (2,443,611) | (1,073,231) |

**Analysis of changes in net debt**

|  | At<br>1 Jan 2010<br>£ | Cash flows<br>£ | At<br>31 Dec 2010<br>£ |
|--|-----------------------|-----------------|------------------------|
| Net cash                                   |                       |                 |                        |
| Cash in hand and at bank                   | 553,752               | (542,626)       | 11,126                 |
| Overdrafts                                 | (1,120,094)           | (957,809)       | (2,077,903)            |
|  | (566,342)             | (1,500,435)     | (2,066,777)            |
| Debt                                       |                       |                 |                        |
| Debt due within 1 year                     | (75,000)              | —               | (75,000)               |
| Debt due after 1 year                      | (187,500)             | 75,000          | (112,500)              |
| Hire purchase and finance lease agreements | (244,389)             | 55,055          | (189,334)              |
|  | (506,889)             | 130,055         | (376,834)              |
| Net debt                                   | (1,073,231)           | (1,370,380)     | (2,443,611)            |

The notes on pages 13 to 24 form part of these financial statements

**Notes to the financial statements**

**Year ended 31 December 2010**

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**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards, subject to the departures referred to below

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**Turnover**

The turnover shown in the group profit and loss account represents amounts invoiced during the year.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - in the year of purchase

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                    |   |  |
|--------------------|---|--|
| Leasehold Property | - | straight line over the period of the lease |
| Plant & Machinery  | - | 10% and 20% straight line                  |
| Office Equipment   | - | 25% and 33.33% straight line               |
| Motor Vehicles     | - | 16.66 and 25% straight line                |

No depreciation has been provided on Freehold Property as the group maintains its freehold premises to such a high standard that both accumulated depreciation and the annual depreciation charge would be immaterial to the financial statements. This departure from Financial Reporting Standard 15 is required in order for the financial statements to show a true and fair view.

**Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

**Notes to the financial statements**

**Year ended 31 December 2010**

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

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

**Leasing and hire purchase commitments hire purchase agreements**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the group profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

**Deferred taxation**

In accordance with Financial Reporting Standard 19 the charge for tax takes into account tax deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred tax liabilities and recoverable deferred tax assets are recognised in respect of timing differences under the liability method. No provision is made for deferred tax liabilities arising in respect of timing differences on the revaluation of non-monetary assets such as equity investments and properties, unless there is a binding agreement to sell the assets.

**2 Turnover**

The turnover and operating profit for the year was derived from the group's principal activity and was earned out wholly in the UK.

**3 Other operating income**

|                        | <b>2010</b>   | <b>2009</b>   |
|------------------------|---------------|---------------|
|                        | <b>£</b>      | <b>£</b>      |
| Rent receivable        | 9,540         | 12,540        |
| Other operating income | 3,316         | 14,812        |
|                        | <u>12,856</u> | <u>27,352</u> |



# Kent Blaxill & Co. Limited

## Notes to the financial statements

Year ended 31 December 2010

### 4 Operating profit

Operating profit is stated after charging/(crediting)

|  | 2010           | 2009           |
|--|----------------|----------------|
|  | £              | £              |
| Amortisation of intangible assets  | 10,000         | —              |
| Depreciation of owned fixed assets   | 251,429        | 295,980        |
| Depreciation of assets held under hire purchase and finance lease agreements | 51,058         | 51,059         |
| Loss/(Profit) on disposal of fixed assets                                    | 1,166          | (6,894)        |
| Auditor's remuneration   |                |                |
| - as auditor   | 24,350         | 26,275         |
| - for other services   | 1,500          | 1,500          |
| Operating lease costs  |                |                |
| - Plant and equipment  | 30,813         | 34,914         |
| - Other  | <u>251,672</u> | <u>255,873</u> |

### 5 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

|  | 2010       | 2009       |
|--|------------|------------|
|  | No         | No         |
| Warehousing, transport and manufacturing | 90         | 90         |
| Sales                                    | 91         | 89         |
| Directors                                | 9          | 9          |
| General administration                   | 40         | 41         |
|  | <u>230</u> | <u>229</u> |

The aggregate payroll costs of the above were

|                       | 2010             | 2009             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 4,689,963        | 4,619,294        |
| Social security costs | 441,348          | 438,383          |
| Other pension costs   | 195,500          | 192,579          |
|                       | <u>5,326,811</u> | <u>5,250,256</u> |

**Kent Blaxill & Co. Limited****Notes to the financial statements****Year ended 31 December 2010**

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**6 Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

|  | 2010           | 2009           |
|--|----------------|----------------|
|  | £              | £              |
| Aggregate remuneration   | 431,817        | 409,367        |
| Value of company pension contributions to money purchase schemes | 37,513         | 35,443         |
|  | <u>469,330</u> | <u>444,810</u> |

**Remuneration of highest paid director**

|  | 2010           | 2009           |
|--|----------------|----------------|
|  | £              | £              |
| Total remuneration (excluding pension contributions)             | 128,135        | 137,804        |
| Value of company pension contributions to money purchase schemes | 13,716         | 15,998         |
|  | <u>141,851</u> | <u>153,802</u> |

The number of directors who accrued benefits under company pension schemes was as follows

|                        | 2010     | 2009     |
|------------------------|----------|----------|
|                        | No       | No       |
| Money purchase schemes | <u>3</u> | <u>3</u> |

**7 Interest receivable**

|                           | 2010     | 2009       |
|---------------------------|----------|------------|
|                           | £        | £          |
| Other interest receivable | <u>5</u> | <u>176</u> |

**8 Interest payable and similar charges**

|                                    | 2010          | 2009          |
|------------------------------------|---------------|---------------|
|                                    | £             | £             |
| Interest payable on bank borrowing | 33,139        | 33,386        |
| Finance charges                    | 11,406        | 11,464        |
| Interest on other loans            | —             | 378           |
|                                    | <u>44,545</u> | <u>45,228</u> |

**Kent Blaxill & Co. Limited****Notes to the financial statements****Year ended 31 December 2010****9 Taxation on ordinary activities****(a) Analysis of charge in the year**

|  | 2010<br>£     | 2009<br>£      |
|--|---------------|----------------|
| Current tax  |               |                |
| In respect of the year   |               |                |
| UK Corporation tax based on the results for the year at 28% (2009 - 28%) | 63,844        | 214,154        |
| (Over)/under provision in prior year                                     | (5,874)       | (50,381)       |
| Total current tax  | 57,970        | 163,773        |
| Deferred tax   |               |                |
| Origination and reversal of timing differences (note 17)                 |               |                |
| Capital allowances   | 10,357        | (16,197)       |
| Tax on profit on ordinary activities                                     | <u>68,327</u> | <u>147,576</u> |

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

|   | 2010<br>£      | 2009<br>£      |
|---|----------------|----------------|
| Profit on ordinary activities before taxation           | <u>326,641</u> | <u>686,172</u> |
| Profit on ordinary activities multiplied by rate of tax | 91,459         | 192,128        |
| Expenses not deductible for tax purposes                | 2,281          | 15,793         |
| Capital allowances in period in excess of depreciation  | (14,430)       | -              |
| Depreciation for period in excess of capital allowances | 5,099          | 11,149         |
| Under provision of tax in previous year                 | (5,874)        | (50,381)       |
| Marginal relief and rate differences                    | (20,565)       | (4,916)        |
| Total current tax (note 9(a))                           | <u>57,970</u>  | <u>163,773</u> |

**10 Profit attributable to members of the parent company**

The profit dealt with in the financial statements of the parent company was £137,101 (2009 - £383,115)

**11 Dividends****Equity dividends**

|                                     | 2010<br>£     | 2009<br>£     |
|-------------------------------------|---------------|---------------|
| Paid                                |               |               |
| Equity dividends on ordinary shares | <u>98,085</u> | <u>81,738</u> |

# Kent Blaxill & Co. Limited

## Notes to the financial statements

Year ended 31 December 2010

### 12 Intangible fixed assets

|                            |                       |
|----------------------------|-----------------------|
| <b>Group and company</b>   | <b>Goodwill<br/>£</b> |
| <b>Cost</b>                |                       |
| Additions                  | 10,000                |
| <b>At 31 December 2010</b> | <u>10,000</u>         |
| <b>Amortisation</b>        |                       |
| Charge for the year        | 10,000                |
| <b>At 31 December 2010</b> | <u>10,000</u>         |
| <b>Net book value</b>      |                       |
| <b>At 31 December 2010</b> | -                     |
| <b>At 31 December 2009</b> | -                     |

### 13 Tangible fixed assets

| <b>Group</b>             | <b>Freehold<br/>£</b> | <b>Leasehold<br/>£</b> | <b>Investment<br/>Properties<br/>£</b> | <b>Plant &amp;<br/>Machinery<br/>£</b> | <b>Other<br/>Assets<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|-----------------------|------------------------|--|--|-------------------------------|--------------------|
| <b>Cost or valuation</b> |                       |                        |  |  |                               |                    |
| At 1 Jan 2010            | 5,555,339             | 109,336                | 240,000                                | 1,408,062                              | 1,879,037                     | 9,191,774          |
| Additions                | -                     | -                      | -                                      | 104,077                                | 356,911                       | 460,988            |
| Disposals                | -                     | -                      | -                                      | (18,049)                               | (81,424)                      | (99,473)           |
| Revaluation              | (533,637)             | -                      | 5,000                                  | -                                      | -                             | (528,637)          |
| Transfers                | (26,702)              | -                      | -                                      | -                                      | 26,702                        | -                  |
| <b>At 31 Dec 2010</b>    | <u>4,995,000</u>      | <u>109,336</u>         | <u>245,000</u>                         | <u>1,494,090</u>                       | <u>2,181,226</u>              | <u>9,024,652</u>   |
| <b>Depreciation</b>      |                       |                        |  |  |                               |                    |
| At 1 Jan 2010            | -                     | 49,673                 | -                                      | 1,082,279                              | 1,452,927                     | 2,584,879          |
| Charge for the year      | -                     | 4,162                  | -                                      | 109,401                                | 188,924                       | 302,487            |
| On disposals             | -                     | -                      | -                                      | (11,806)                               | (73,685)                      | (85,491)           |
| <b>At 31 Dec 2010</b>    | <u>-</u>              | <u>53,835</u>          | <u>-</u>                               | <u>1,179,874</u>                       | <u>1,568,166</u>              | <u>2,801,875</u>   |
| <b>Net book value</b>    |                       |                        |  |  |                               |                    |
| <b>At 31 Dec 2010</b>    | <u>4,995,000</u>      | <u>55,501</u>          | <u>245,000</u>                         | <u>314,216</u>                         | <u>613,060</u>                | <u>6,222,777</u>   |
| <b>At 31 Dec 2009</b>    | <u>5,555,339</u>      | <u>59,663</u>          | <u>240,000</u>                         | <u>325,783</u>                         | <u>426,110</u>                | <u>6,606,895</u>   |

In accordance with FRS15 the freehold properties are subject to a full revaluation every five years and an interim valuation in year three. In March 2011, the premises were subject to a full valuation by Whybrow Chartered Surveyors has been incorporated within these accounts.

The investment property is subject to an annual valuation based on the present market value which is carried out by the executive directors of the company.

Notes to the financial statements

Year ended 31 December 2010

13 Tangible fixed assets (*continued*)

Hire purchase and finance lease agreements

Included within the net book value of £6,222,777 is £171,024 (2009 - £222,082) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £51,058 (2009 - £51,059).

| Company                  | Freehold<br>£    | Leasehold<br>£ | Investment<br>Properties<br>£ | Plant &<br>Machinery<br>£ | Other<br>Assets<br>£ | Total<br>£       |
|--------------------------|------------------|----------------|-------------------------------|---------------------------|----------------------|------------------|
| <b>Cost or valuation</b> |                  |                |                               |                           |                      |                  |
| At 1 Jan 2010            | 5,555,339        | 46,902         | 240,000                       | 1,356,645                 | 1,815,313            | 9,014,199        |
| Additions                | —                | —              | —                             | 104,077                   | 328,611              | 432,688          |
| Disposals                | —                | —              | —                             | (18,048)                  | (80,701)             | (98,749)         |
| Revaluation              | (533,637)        | —              | 5,000                         | —                         | —                    | (528,637)        |
| Transfers                | (26,702)         | —              | —                             | —                         | 26,702               | —                |
| <b>At 31 Dec 2010</b>    | <b>4,995,000</b> | <b>46,902</b>  | <b>245,000</b>                | <b>1,442,674</b>          | <b>2,089,925</b>     | <b>8,819,501</b> |
| <b>Depreciation</b>      |                  |                |                               |                           |                      |                  |
| At 1 Jan 2010            | —                | 46,902         | —                             | 1,060,243                 | 1,407,605            | 2,514,750        |
| Charge for the year      | —                | —              | —                             | 100,087                   | 168,318              | 268,405          |
| On disposals             | —                | —              | —                             | (11,806)                  | (73,686)             | (85,492)         |
| <b>At 31 Dec 2010</b>    | <b>—</b>         | <b>46,902</b>  | <b>—</b>                      | <b>1,148,524</b>          | <b>1,502,237</b>     | <b>2,697,663</b> |
| <b>Net book value</b>    |                  |                |                               |                           |                      |                  |
| <b>At 31 Dec 2010</b>    | <b>4,995,000</b> | <b>—</b>       | <b>245,000</b>                | <b>294,150</b>            | <b>587,688</b>       | <b>6,121,838</b> |
| At 31 Dec 2009           | 5,555,339        | —              | 240,000                       | 296,402                   | 407,708              | 6,499,449        |

Hire purchase and finance lease agreements

Included within the net book value of £6,121,838 is £171,024 (2009 - £222,082) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £51,058 (2009 - £51,059).

14 Investments

| Group                                    | Other<br>Investments<br>£ |
|--|---------------------------|
| <b>Cost</b>                              |                           |
| At 1 January 2010 and 31 December 2010   | 200                       |
| <b>Net book value</b>                    |                           |
| At 31 December 2010 and 31 December 2009 | 200                       |

# Kent Blaxill & Co Limited

## Notes to the financial statements

Year ended 31 December 2010

### 14 Investments (continued)

#### Company

The company owns 100% of the issued ordinary share capital of the following companies, all incorporated in the UK

|                                       | 2010<br>£ | 2009<br>£ |
|---------------------------------------|-----------|-----------|
| <b>Aggregate capital and reserves</b> |           |           |
| Boston Factors Ltd                    | 5,500     | 5,500     |
| William Cheshire & Son Ltd            | 300       | 300       |
| Global Stone (Colchester) Ltd         | 2         | 2         |

| Company                                  | Subsidiary<br>Undertakings<br>£ | Other<br>Investments<br>£ | Total<br>£   |
|--|---------------------------------|---------------------------|--------------|
| <b>Cost</b>                              |                                 |                           |              |
| At 1 January 2010 and 31 December 2010   | <u>5,802</u>                    | <u>200</u>                | <u>6,002</u> |
| <b>Net book value</b>                    |                                 |                           |              |
| At 31 December 2010 and 31 December 2009 | <u>5,802</u>                    | <u>200</u>                | <u>6,002</u> |

### 15 Stocks

|                | 2010<br>£        | Group<br>2009<br>£ | 2010<br>£        | Company<br>2009<br>£ |
|----------------|------------------|--------------------|------------------|----------------------|
| Raw materials  | 173,720          | 257,017            | 173,720          | 257,017              |
| Finished goods | 4,167,632        | 3,384,845          | 2,552,703        | 2,085,076            |
|                | <u>4,341,352</u> | <u>3,641,862</u>   | <u>2,726,423</u> | <u>2,342,093</u>     |

In the opinion of the directors the replacement cost of the stocks is not materially different from the balance sheet value

### 16 Debtors

|                                    | 2010<br>£        | Group<br>2009<br>£ | 2010<br>£        | Company<br>2009<br>£ |
|------------------------------------|------------------|--------------------|------------------|----------------------|
| Trade debtors                      | 3,020,625        | 2,700,689          | 2,576,578        | 2,276,520            |
| Amounts owed by group undertakings | —                | —                  | 1,300,000        | 1,300,000            |
| Other debtors                      | 7,023            | 35,517             | 7,023            | 11,220               |
| Deferred taxation (Note 17)        | 29,652           | 40,009             | 23,876           | 37,223               |
| Prepayments and accrued income     | 228,906          | 211,341            | 166,195          | 120,836              |
|                                    | <u>3,286,206</u> | <u>2,987,556</u>   | <u>4,073,672</u> | <u>3,745,799</u>     |

# Kent Blaxill & Co. Limited

## Notes to the financial statements

Year ended 31 December 2010

### 16 Debtors (continued)

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

|                                    | 2010 | Group | 2010      | Company   |
|------------------------------------|------|-------|-----------|-----------|
|                                    | £    | 2009  | £         | 2009      |
|                                    | £    | £     | £         | £         |
| Amounts owed by group undertakings | —    | —     | 1,300,000 | 1,300,000 |

### 17 Deferred taxation

The movement in the deferred taxation asset during the year was

|                              | Group         |               | Company       |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2010          | 2009          | 2010          | 2009          |
|                              | £             | £             | £             | £             |
| Asset brought forward        | 40,009        | 23,812        | 37,223        | 21,000        |
| (Decrease)/Increase in asset | (10,357)      | 16,197        | (13,347)      | 16,223        |
| Asset carried forward        | <u>29,652</u> | <u>40,009</u> | <u>23,876</u> | <u>37,223</u> |

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

| Group   | 2010          |            | 2009          |            |
|---|---------------|------------|---------------|------------|
|   | Provided      | Unprovided | Provided      | Unprovided |
|   | £             | £          | £             | £          |
| Excess of depreciation over taxation allowances | <u>29,652</u> | —          | <u>40,009</u> | —          |

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

| Company   | 2010          |            | 2009          |            |
|---|---------------|------------|---------------|------------|
|   | Provided      | Unprovided | Provided      | Unprovided |
|   | £             | £          | £             | £          |
| Excess of depreciation over taxation allowances | <u>23,876</u> | —          | <u>37,223</u> | —          |

### 18 Creditors amounts falling due within one year

|                                    | 2010             | Group            | 2010             | Company          |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | £                | 2009             | £                | 2009             |
|                                    | £                | £                | £                | £                |
| Bank loans and overdrafts          | 2,152,903        | 1,195,094        | 2,152,903        | 1,188,723        |
| Trade creditors                    | 1,050,546        | 1,400,713        | 821,210          | 1,121,371        |
| Amounts owed to group undertakings | —                | —                | 66,394           | 33,904           |
| Hire purchase and finance lease    | 55,056           | 53,889           | 55,056           | 53,889           |
| Corporation tax                    | 63,844           | 165,084          | 27,064           | 107,209          |
| Other taxation and social security | 324,102          | 277,846          | 316,163          | 272,085          |
| Other creditors                    | 124,316          | 82,580           | 40,498           | —                |
| Accruals and deferred income       | 417,465          | 442,000          | 259,725          | 404,716          |
|                                    | <u>4,188,232</u> | <u>3,617,206</u> | <u>3,739,013</u> | <u>3,181,897</u> |

The bank overdraft and loan are secured by a fixed and floating charge over the company's premises at Colchester, Bury and Melton. There is a further facility which is secured over the trade debtors.

# Kent Blaxill & Co. Limited

## Notes to the financial statements

Year ended 31 December 2010

### 19 Creditors amounts falling due after more than one year

|  | 2010           | Group          | 2010           | Company        |
|--|----------------|----------------|----------------|----------------|
|  | £              | 2009           | £              | 2009           |
|  |                | £              |                | £              |
| Bank loans                                 | 112,500        | 187,500        | 112,500        | 187,500        |
| Amounts owed to group undertakings         | -              | -              | 27,865         | 27,865         |
| Hire purchase and finance lease agreements | 134,278        | 190,500        | 134,278        | 190,500        |
|  | <u>246,778</u> | <u>378,000</u> | <u>274,643</u> | <u>405,865</u> |

The bank loan is repayable in quarterly instalments over a ten year period and is subject to variable interest rates, based upon underlying LIBOR rates

### 20 Commitments under hire purchase and finance lease agreements

Future commitments under hire purchase and finance lease agreements are as follows

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | £              | £              |
| <b>Group and Company</b>                |                |                |
| Amounts payable within 1 year           | 55,056         | 53,889         |
| Amounts payable between 2 to 5 years    | 134,278        | 183,499        |
| Amounts payable after more than 5 years | -              | 7,001          |
|   | <u>189,334</u> | <u>244,389</u> |

Obligations under finance leases and hire purchase contracts are secured on the assets concerned

### 21 Commitments under operating leases

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

| Group                         | 2010               |               | 2009               |               |
|-------------------------------|--------------------|---------------|--------------------|---------------|
|                               | Land and buildings | Other items   | Land and buildings | Other items   |
|                               | £                  | £             | £                  | £             |
| Operating leases which expire |                    |               |                    |               |
| Within 1 year                 | -                  | 5,294         | -                  | 4,140         |
| Within 2 to 5 years           | 79,920             | 9,595         | 79,920             | 25,071        |
| After more than 5 years       | 164,014            | -             | 164,014            | -             |
|                               | <u>243,934</u>     | <u>14,889</u> | <u>243,934</u>     | <u>29,211</u> |



# Kent Blaxill & Co Limited

## Notes to the financial statements

Year ended 31 December 2010

### 21 Commitments under operating leases (continued)

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

| Company                       | 2010                    |                  | 2009                    |                  |
|-------------------------------|-------------------------|------------------|-------------------------|------------------|
|                               | Land and buildings<br>£ | Other items<br>£ | Land and buildings<br>£ | Other items<br>£ |
| Operating leases which expire |                         |                  |                         |                  |
| Within 1 year                 | -                       | 4,312            | -                       | 4,140            |
| Within 2 to 5 years           | 79,920                  | 4,863            | 79,920                  | 14,653           |
| After more than 5 years       | 35,770                  | -                | 35,770                  | -                |
|                               | <u>115,690</u>          | <u>9,175</u>     | <u>115,690</u>          | <u>18,793</u>    |

### 22 Transactions with the transactions with the directors

During the year the company made sales of £9,579 (2009 - £20,569) to directors. At the year end £525 (2009 £nil) was due to the company in respect of these transactions. All transactions were carried out on an arms length basis.

### 23 Related party transactions

Except as disclosed above, no transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

No one individual has control of the company.

### 24 Share capital

#### Authorised share capital

|                                    | 2010<br>£      | 2009<br>£      |
|------------------------------------|----------------|----------------|
| 10,000 Ordinary shares of £10 each | <u>100,000</u> | <u>100,000</u> |

#### Allotted, called up and fully paid

|                                   | 2010         |               | 2009         |               |
|-----------------------------------|--------------|---------------|--------------|---------------|
|                                   | No           | £             | No           | £             |
| 6,539 Ordinary shares of £10 each | <u>6,539</u> | <u>65,390</u> | <u>6,539</u> | <u>65,390</u> |

# Kent Blaxill & Co. Limited

## Notes to the financial statements

Year ended 31 December 2010

### 25 Reserves

| Group   | Share premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Profit and loss<br>account<br>£ |
|---|-------------------------------|-----------------------------|---------------------------------|
| Balance brought forward                                 | 2,810                         | 3,225,103                   | 6,501,756                       |
| Profit for the year                                     | —                             | —                           | 258,314                         |
| Equity dividends  | —                             | —                           | (98,085)                        |
| Other gains and losses<br>- Revaluation of fixed assets | —                             | (528,637)                   | —                               |
| Balance carried forward                                 | <u>2,810</u>                  | <u>2,696,466</u>            | <u>6,661,985</u>                |

| Company   | Share premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Profit and loss<br>account<br>£ |
|---|-------------------------------|-----------------------------|---------------------------------|
| Balance brought forward                                 | 2,810                         | 3,225,103                   | 6,244,516                       |
| Profit for the year                                     | —                             | —                           | 137,101                         |
| Equity dividends  | —                             | —                           | (98,085)                        |
| Other gains and losses<br>- Revaluation of fixed assets | —                             | (528,637)                   | —                               |
| Balance carried forward                                 | <u>2,810</u>                  | <u>2,696,466</u>            | <u>6,283,532</u>                |

### 26 Reconciliation of movements in shareholders' funds

|  | 2010<br>£        | 2009<br>£        |
|--|------------------|------------------|
| Profit for the financial year                      | 258,314          | 538,596          |
| Other net recognised gains and losses              | (528,637)        | —                |
| Equity dividends                                   | (98,085)         | (81,738)         |
| Net (reduction of)/addition to shareholders' funds | (368,408)        | 456,858          |
| Opening shareholders' funds                        | 9,795,059        | 9,338,201        |
| Closing shareholders' funds                        | <u>9,426,651</u> | <u>9,795,059</u> |