

Company Registration Number 83667

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Kent Blaxill & Co. Limited

Financial statements

for the year ended

31 December 2009

03-06-10 137

Kent Blaxill & Co. Limited

Financial statements

Year ended 31 December 2009

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Kent Blaxill & Co. Limited

Officers and professional advisers

The board of directors

Mr S R D Fanshawe
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

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
9 High Street
Colchester
Essex
CO1 1DD

Solicitors

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

Directors' report

Year ended 31 December 2009

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 December 2009

Principal activities and business review

The principal activities of the Group 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

The results for the year and financial position of the Group at the year-end are set out in the following financial statements. In summary, turnover for 2009 was £25.9m, a decrease on the prior year of 9.3% (2008: £28.5m). The profit before tax was £686,172 (2008: £883,696).

Despite the difficult economic conditions, trading throughout the year was considerably better than expected and, although there has been pressure on turnover, excellent results have been achieved across all segments of the business. Through initiatives and efficiencies the Group has improved its overdraft position and is well positioned to continue its successful trading in the foreseeable future.

The Group 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 Group periodically considers alternative sources for products.

Cash requirements are managed on a day-to-day basis and the Group 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 higher risk customers.

The Group 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 Group have the same career opportunities as other personnel.

The Group 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 OHSAS18000, is being pursued.

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

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

Results and dividends

The profit for the year, after taxation, amounted to £538,596 (2008: £607,901). Particulars of dividends paid are detailed in note 11 to the financial statements.

Directors' report (continued)

Year ended 31 December 2009

Directors

The directors who served the group during the year were as follows

Mr S R D Fanshawe
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

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

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

● Kent Blaxill & Co. Limited

Directors' report *(continued)*

Year ended 31 December 2009

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

19th March 2010

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

Year ended 31 December 2009

We have audited the group and parent company financial statements ("the financial statements") of Kent Blaxill & Co Limited for the year ended 31 December 2009 which comprise the group profit and loss account, 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 Sections 495 and 496 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 page 3, 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 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 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 2009 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 matters 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

Year ended 31 December 2009

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

21.4.2010

Kent Blaxill & Co. Limited

Group profit and loss account

Year ended 31 December 2009

	Note	2009 £	2008 £
Group turnover	2	25,899,818	28,547,695
Cost of sales		16,663,224	18,501,228
Gross profit		9,236,594	10,046,467
Distribution costs		259,979	260,039
Administrative expenses		8,272,743	8,742,324
Other operating income	3	(27,352)	(17,582)
Operating profit	4	731,224	1,061,686
Interest receivable	7	176	616
Interest payable and similar charges	8	(45,228)	(178,606)
Profit on ordinary activities before taxation		686,172	883,696
Tax on profit on ordinary activities	9	147,576	275,795
Profit for the financial year	10	538,596	607,901

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

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 12 to 22 form part of these financial statements

Kent Blaxill & Co. Limited

Group balance sheet

As at 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	12	6,606,895	6,723,911
Investments	13	200	110
		<u>6,607,095</u>	<u>6,724,021</u>
Current assets			
Stocks	14	3,641,862	4,846,625
Debtors due within one year	15	2,987,556	2,892,829
Cash at bank and in hand		553,752	7,021
		<u>7,183,170</u>	<u>7,746,475</u>
Creditors amounts falling due within one year	17	<u>3,617,206</u>	<u>4,696,580</u>
Net current assets		3,565,964	3,049,895
Total assets less current liabilities		<u>10,173,059</u>	<u>9,773,916</u>
Creditors amounts falling due after more than one year	18	<u>378,000</u>	<u>435,715</u>
		<u>9,795,059</u>	<u>9,338,201</u>
Capital and reserves			
Called up equity share capital	23	65,390	65,390
Share premium account	24	2,810	2,810
Revaluation reserve	24	3,225,103	3,225,103
Profit and loss account	24	6,501,756	6,044,898
Shareholders' funds	25	<u>9,795,059</u>	<u>9,338,201</u>

These financial statements were approved by the directors and authorised for issue on ^{19th March 2010} and are signed on their behalf by



Mr S C Blaxill



Mr K R Sturdy

The notes on pages 12 to 22 form part of these financial statements

Kent Blaxill & Co. Limited

Balance sheet

As at 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	12	6,499,449	6,680,022
Investments	13	6,002	5,692
		<u>6,505,451</u>	<u>6,685,714</u>
Current assets			
Stocks	14	2,342,093	2,620,885
Debtors due within one year	15	2,445,799	2,752,121
Debtors due after one year	15	1,300,000	2,061,346
Cash at bank and in hand		532,238	6,950
		<u>6,620,130</u>	<u>7,441,302</u>
Creditors amounts falling due within one year	17	<u>3,181,897</u>	<u>4,426,994</u>
Net current assets		3,438,233	3,014,308
Total assets less current liabilities		<u>9,943,684</u>	<u>9,700,022</u>
Creditors amounts falling due after more than one year	18	405,865	463,580
		<u>9,537,819</u>	<u>9,236,442</u>
Capital and reserves			
Called up equity share capital	23	65,390	65,390
Share premium account	24	2,810	2,810
Revaluation reserve	24	3,225,103	3,225,103
Profit and loss account	24	6,244,516	5,943,139
Shareholders' funds		<u>9,537,819</u>	<u>9,236,442</u>

These financial statements were approved by the directors and authorised for issue on *19th March 2010*, and are signed on their behalf by


Mr S C Blaxill


Mr K R Sturdy

Company Registration Number 83667

The notes on pages 12 to 22 form part of these financial statements

Kent Blaxill & Co. Limited

Group cash flow statement

Year ended 31 December 2009

	2009	2008
	£	£
Net cash inflow from operating activities	2,638,106	833,786
Returns on investments and servicing of finance		
Interest received	176	616
Interest paid	(33,764)	(177,963)
Interest element of hire purchase and finance leases	(11,464)	(643)
Net cash outflow from returns on investments and servicing of finance	(45,052)	(177,990)
Taxation	(280,689)	(351,607)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(163,846)	(108,502)
Receipts from sale of fixed assets	24,726	10,230
Acquisition of investments	(90)	-
Net cash outflow for capital expenditure and financial investment	(139,210)	(98,272)
Equity dividends paid	(81,738)	(147,127)
Cash inflow before financing	2,091,417	58,790
Financing		
Repayment of bank loans	(75,000)	(75,000)
Capital element of hire purchase and finance leases	(55,514)	(13,513)
Net cash outflow from financing	(130,514)	(88,513)
Increase/(decrease) in cash	<u>1,960,903</u>	<u>(29,723)</u>
Reconciliation of operating profit to net cash inflow from operating activities		
	2009	2008
	£	£
Operating profit	731,224	1,061,686
Depreciation	347,039	350,367
(Profit)/Loss on disposal of fixed assets	(6,894)	1,212
Decrease/(increase) in stocks	1,204,763	(323,694)
(Increase)/decrease in debtors	(78,530)	969,538
Increase/(decrease) in creditors	440,504	(1,225,323)
Net cash inflow from operating activities	<u>2,638,106</u>	<u>833,786</u>

The notes on pages 12 to 22 form part of these financial statements

Kent Blaxill & Co. Limited

Group cash flow statement

Year ended 31 December 2009

Reconciliation of net cash flow to movement in net debt

	2009	2008
	£	£
Increase/(decrease) in cash in the period	1,960,903	(29,723)
Net cash outflow from bank loans	75,000	75,000
Cash outflow in respect of hire purchase and finance leases	55,514	13,513
Change in net debt resulting from cash flows	2,091,417	58,790
New finance leases	(84,009)	(224,532)
Movement in net debt in the period	<u>2,007,408</u>	<u>(165,742)</u>
Net debt at 1 January 2009	(3,080,639)	(2,914,897)
Net debt at 31 December 2009	<u>(1,073,231)</u>	<u>(3,080,639)</u>

Analysis of changes in net debt

	At		Other	At
	1 Jan 2009	Cash flows	changes	31 Dec 2009
	£	£	£	£
Net cash				
Cash in hand and at bank	7,021	546,731	-	553,752
Overdrafts	(2,534,266)	1,414,172	-	(1,120,094)
	<u>(2,527,245)</u>	<u>1,960,903</u>	<u>-</u>	<u>(566,342)</u>
Debt				
Debt due within 1 year	(75,000)	-	-	(75,000)
Debt due after 1 year	(262,500)	75,000	-	(187,500)
Hire purchase and finance lease agreements	(215,894)	55,514	(84,009)	(244,389)
	<u>(553,394)</u>	<u>130,514</u>	<u>(84,009)</u>	<u>(506,889)</u>
Net debt	<u>(3,080,639)</u>	<u>2,091,417</u>	<u>(84,009)</u>	<u>(1,073,231)</u>

The notes on pages 12 to 22 form part of these financial statements

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 receivable during the year.

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 Schedule 4 to the Companies Act 1985, 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.

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.

Notes to the financial statements

Year ended 31 December 2009

1 Accounting policies (continued)

Finance lease, hire purchase and operating lease 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 carried out wholly in the UK.

3 Other operating income

	2009	2008
	£	£
Rent receivable	12,540	9,235
Other operating income	14,812	8,347
	<u>27,352</u>	<u>17,582</u>

Notes to the financial statements

Year ended 31 December 2009

4 Operating profit

Operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation of owned fixed assets	295,980	336,560
Depreciation of assets held under hire purchase and finance lease agreements	51,059	13,807
(Profit)/Loss on disposal of fixed assets	(6,894)	1,212
Auditor's remuneration		
- as auditor	24,775	23,125
- for other services	1,500	1,375
Operating lease costs		
- Plant and equipment	34,914	40,467
- Other	<u>255,873</u>	<u>213,607</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

	2009	2008
	No	No
Warehousing, transport and manufacturing	90	92
Sales	89	96
Directors	9	9
General administration	41	43
	<u>229</u>	<u>240</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	4,619,294	4,844,691
Social security costs	438,383	473,113
Other pension costs	192,579	178,849
	<u>5,250,256</u>	<u>5,496,653</u>

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Aggregate remuneration	409,367	426,980
Value of company pension contributions to money purchase schemes	35,443	35,443
	<u>444,810</u>	<u>462,423</u>

Remuneration of highest paid director

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	137,804	150,542
Value of company pension contributions to money purchase schemes	15,998	15,998
	<u>153,802</u>	<u>166,540</u>

Notes to the financial statements

Year ended 31 December 2009

6 Directors' remuneration (continued)

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

	2009	2008
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

7 Interest receivable

	2009	2008
	£	£
Other interest receivable	<u>176</u>	<u>616</u>

8 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	33,386	177,963
Finance charges	11,464	643
Interest on other loans	378	-
	<u>45,228</u>	<u>178,606</u>

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 28%)	214,154	282,000
(Over)/under provision in prior year	<u>(50,381)</u>	<u>2,607</u>
Total current tax	163,773	284,607
Deferred tax		
Origination and reversal of timing differences (note 16)		
Capital allowances	<u>(16,197)</u>	<u>(8,812)</u>
Tax on profit on ordinary activities	<u>147,576</u>	<u>275,795</u>

Notes to the financial statements

Year ended 31 December 2009

9 Taxation on ordinary activities (continued)

(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% (2008 - 28%)

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>686,172</u>	<u>883,696</u>
Profit on ordinary activities multiplied by rate of tax	192,128	247,435
Expenses not deductible for tax purposes	15,793	33,161
Depreciation for period in excess of capital allowances	11,149	6,124
(Over) / under provision of tax in previous year	(50,381)	2,607
Marginal relief and rate differences	(4,916)	(4,720)
Total current tax (note 9(a))	<u>163,773</u>	<u>284,607</u>

10 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £383,115 (2008 - £509,359)

11 Dividends

Equity dividends

	2009	2008
	£	£
Paid		
Equity dividends on ordinary shares	<u>81,738</u>	<u>147,127</u>

12 Tangible fixed assets

Group	Freehold	Leasehold	Investment	Plant &	Other	Total
	£	£	Properties	Machinery	Assets	£
	£	£	£	£	£	£
Cost or valuation						
At 1 Jan 2009	5,555,339	46,902	240,000	1,746,331	2,141,668	9,730,240
Additions	-	62,434	-	97,928	87,493	247,855
Disposals	-	-	-	(436,197)	(350,124)	(786,321)
At 31 Dec 2009	<u>5,555,339</u>	<u>109,336</u>	<u>240,000</u>	<u>1,408,062</u>	<u>1,879,037</u>	<u>9,191,774</u>
Depreciation						
At 1 Jan 2009	-	46,902	-	1,367,030	1,592,397	3,006,329
Charge for the year	-	2,771	-	109,625	234,643	347,039
On disposals	-	-	-	(394,376)	(374,113)	(768,489)
At 31 Dec 2009	<u>-</u>	<u>49,673</u>	<u>-</u>	<u>1,082,279</u>	<u>1,452,927</u>	<u>2,584,879</u>
Net book value						
At 31 Dec 2009	<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>
At 31 Dec 2008	<u>5,555,339</u>	<u>-</u>	<u>240,000</u>	<u>379,301</u>	<u>549,271</u>	<u>6,723,911</u>

Notes to the financial statements

Year ended 31 December 2009

In accordance with FRS15 the freehold properties are subject to a full revaluation every five years and an interim valuation in year three. In January 2007, the premises were subject to a full valuation by Whybrow Chartered Surveyors that was incorporated in the previous year.

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.

Hire purchase and finance lease agreements

Included within the net book value of £6,606,895 is £222,082 (2008 - £192,995) 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 £51,059 (2008 - £13,807).

Company	Freehold	Leasehold	Investment	Plant &	Motor	Total
	£	£	Properties	Machinery	Vehicles	£
	£	£	£	£	£	£
Cost or valuation						
At 1 Jan 2009	5,555,339	46,902	240,000	1,718,415	2,086,038	9,646,694
Additions	–	–	–	74,427	101,349	175,776
Disposals	–	–	–	(436,197)	(372,074)	(808,271)
At 31 Dec 2009	<u>5,555,339</u>	<u>46,902</u>	<u>240,000</u>	<u>1,356,645</u>	<u>1,815,313</u>	<u>9,014,199</u>
Depreciation						
At 1 Jan 2009	–	46,902	–	1,349,736	1,570,034	2,966,672
Charge for the year	–	–	–	104,883	219,778	324,661
On disposals	–	–	–	(394,376)	(382,207)	(776,583)
At 31 Dec 2009	<u>–</u>	<u>46,902</u>	<u>–</u>	<u>1,060,243</u>	<u>1,407,605</u>	<u>2,514,750</u>
Net book value						
At 31 Dec 2009	<u>5,555,339</u>	<u>–</u>	<u>240,000</u>	<u>296,402</u>	<u>407,708</u>	<u>6,499,449</u>
At 31 Dec 2008	<u>5,555,339</u>	<u>–</u>	<u>240,000</u>	<u>368,679</u>	<u>516,004</u>	<u>6,680,022</u>

Hire purchase and finance lease agreements

Included within the net book value of £6,499,449 is £222,082 (2008 - £192,995) 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 £51,059 (2008 - £13,807).

Notes to the financial statements

Year ended 31 December 2009

13 Investments

Group	Other Investments £
Cost	
At 1 January 2009	110
Additions	90
At 31 December 2009	<u>200</u>
Net book value	
At 31 December 2009	<u>200</u>
At 31 December 2008	<u>110</u>

Company

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

	2009 £	2008 £
Aggregate capital and reserves		
Boston Factors Ltd	5,500	5,500
William Cheshire & Son Ltd	300	300
Global Stone (Colchester) Ltd	2	2

Company	Subsidiary Undertakings £	Other Investments £	Total £
Cost			
At 1 January 2009	5,582	110	5,692
Additions	220	90	310
At 31 December 2009	<u>5,802</u>	<u>200</u>	<u>6,002</u>
Net book value			
At 31 December 2009	<u>5,802</u>	<u>200</u>	<u>6,002</u>
At 31 December 2008	<u>5,582</u>	<u>110</u>	<u>5,692</u>

14 Stocks

	2009 £	Group 2008 £	2009 £	Company 2008 £
Raw materials	257,017	300,517	257,017	300,517
Finished goods	3,384,845	4,546,108	2,085,076	2,320,368
	<u>3,641,862</u>	<u>4,846,625</u>	<u>2,342,093</u>	<u>2,620,885</u>

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

Notes to the financial statements

Year ended 31 December 2009

15 Debtors

	2009	Group	2009	Company
	£	2008	£	2008
		£		£
Trade debtors	2,700,689	2,698,888	2,276,520	2,268,495
Amounts due from subsidiary undertakings	-	-	1,300,000	2,394,703
Other debtors	35,517	14,084	11,220	13,984
Deferred taxation (Note 16)	40,009	23,812	37,223	21,000
Prepayments and accrued income	211,341	156,045	120,836	115,285
	<u>2,987,556</u>	<u>2,892,829</u>	<u>3,745,799</u>	<u>4,813,467</u>

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

	2009	Group	2009	Company
	£	2008	£	2008
		£		£
Amounts due from subsidiary undertakings	-	-	1,300,000	2,061,346

16 Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Asset brought forward	23,812	15,000	21,000	15,000
Increase in asset	16,197	8,812	16,223	6,000
Asset carried forward	<u>40,009</u>	<u>23,812</u>	<u>37,223</u>	<u>21,000</u>

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

Group	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>40,009</u>	<u>-</u>	<u>23,812</u>	<u>-</u>

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

Company	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>37,223</u>	<u>-</u>	<u>21,000</u>	<u>-</u>

Notes to the financial statements

Year ended 31 December 2009

17 Creditors amounts falling due within one year

	2009	Group	2009	Company
	£	2008	£	2008
		£		£
Bank loans and overdrafts	1,195,094	2,609,266	1,188,723	2,496,632
Trade creditors	1,400,713	999,457	1,121,371	929,299
Amounts due to subsidiary undertakings	-	-	33,904	-
Hire purchase and finance lease agreements	53,889	42,679	53,889	42,679
Corporation tax	165,084	282,000	107,209	250,413
Other taxation and social security	277,846	340,919	272,085	324,038
Other creditors	82,580	36,010	-	20,184
Accruals and deferred income	442,000	386,249	404,716	363,749
	<u>3,617,206</u>	<u>4,696,580</u>	<u>3,181,897</u>	<u>4,426,994</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.

18 Creditors amounts falling due after more than one year

	2009	Group	2009	Company
	£	2008	£	2008
		£		£
Bank loans	187,500	262,500	187,500	262,500
Amounts due to subsidiary undertakings	-	-	27,865	27,865
Hire purchase and finance lease agreements	190,500	173,215	190,500	173,215
	<u>378,000</u>	<u>435,715</u>	<u>405,865</u>	<u>463,580</u>

19 Commitments under hire purchase and finance lease agreements

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

	2009	2008
	£	£
Group and Company		
Amounts payable within 1 year	53,889	42,679
Amounts payable between 2 to 5 years	183,499	173,215
Amounts payable after more than 5 years	7,001	-
	<u>244,389</u>	<u>215,894</u>

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

Notes to the financial statements

Year ended 31 December 2009

20 Commitments under operating leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	4,140	-	25,494
Within 2 to 5 years	79,920	25,071	79,920	30,492
After more than 5 years	164,014	-	35,770	-
	<u>243,934</u>	<u>29,211</u>	<u>115,690</u>	<u>55,986</u>

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

Company	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	4,140	-	24,596
Within 2 to 5 years	79,920	14,653	79,920	18,792
After more than 5 years	35,770	-	35,770	-
	<u>115,690</u>	<u>18,793</u>	<u>115,690</u>	<u>43,388</u>

21 Transactions with the directors

During the year the company made sales of £20,569 (2008 - £10,604) to directors. At the year end nil (2008 £673) was due to the company in respect of these transactions. All transactions were carried out on an arms length basis.

22 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.

23 Share capital

Authorised share capital

	2009	2008
	£	£
10,000 Ordinary shares of £10 each	<u>100,000</u>	<u>100,000</u>

Management information

Year ended 31 December 2009

23 Share capital (continued)

Allotted, called up and fully paid

	2009		2008	
	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>

24 Reserves

Group	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance brought forward	2,810	3,225,103	6,044,898
Profit for the year	-	-	538,596
Equity dividends	-	-	(81,738)
Balance carried forward	<u>2,810</u>	<u>3,225,103</u>	<u>6,501,756</u>
Company	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance brought forward	2,810	3,225,103	5,943,139
Profit for the year	-	-	383,115
Equity dividends	-	-	(81,738)
Balance carried forward	<u>2,810</u>	<u>3,225,103</u>	<u>6,244,516</u>

25 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	538,596	607,901
Equity dividends	(81,738)	(147,127)
Net addition to shareholders' funds	<u>456,858</u>	<u>460,774</u>
Opening shareholders' funds	9,338,201	8,877,427
Closing shareholders' funds	<u>9,795,059</u>	<u>9,338,201</u>