

# Financial Statements

## Harrison Castings Limited

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**For the year ended 30 June 2012**

**Registered number: 00370237**



## Company Information

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | R C Harrison<br>P R Harrison<br>M J Cole<br>M D Beach<br>M S Jenney<br>M A Burton (appointed 1 July 2012)                     |
| <b>Company secretary</b> | M D Beach   |
| <b>Company number</b>    | 00370237  |
| <b>Registered office</b> | Gough Road<br>Leicester<br>LE5 4AP  |
| <b>Auditor</b>           | Grant Thornton UK LLP<br>Chartered Accountants & Registered Auditor<br>Regent House<br>80 Regent Road<br>Leicester<br>LE1 7NH |
| <b>Bankers</b>           | Barclays Bank Plc<br>1-3 Haymarket Towers<br>Humberstone Gate<br>Leicester  |

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## Directors' Report

For the year ended 30 June 2012

The directors present their report and the financial statements for the year ended 30 June 2012

### Principal activities and business review

The company is principally engaged in business as a non-ferrous metal foundry

The company monitors its financial performance by reference to turnover, profit and cash levels

High customer demand for most of the year, with a reduction in the final quarter of the year, has lead to a small increase in turnover of 2%

Increased output has been offset by cost increases resulting in pre-tax profits decreasing to £458,276

An increase in reserves of £443,938 following the revaluation of freehold property, together with retained profits for the year, has lead to an increase in shareholders funds of £803,511

The current lower level of demand and continuing uncertain economic outlook mean the company is likely to record lower figures for the new financial year

### Results

The profit for the year after taxation amounted to £359,573 (2011 - £401,800)

### Directors

The directors who served during the year were

R C Harrison  
P R Harrison  
M J Cole  
M D Beach  
M S Jenney

M A Burton was appointed as a director on 1 July 2012

### Financial instruments

The company uses various financial instruments including cash and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year

## Directors' Report

For the year ended 30 June 2012

### Financial risk management objectives and policies

#### Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably

#### Credit risk

In order to limit credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Debtor balances are reviewed on a regular basis in conjunction with debt ageing and collection history

### Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

### Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Harrison Castings Limited

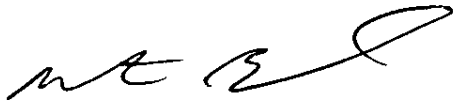
## Directors' Report

For the year ended 30 June 2012

### Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 2 November 2012 and signed on its behalf



.....  
M D Beach  
Director

## Independent Auditor's Report to the Members of Harrison Castings Limited

We have audited the financial statements of Harrison Castings Limited for the year ended 30 June 2012, which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## Independent Auditor's Report to the Members of Harrison Castings Limited

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

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

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

A handwritten signature in black ink, appearing to read "John Bowler".

John Bowler (Senior statutory auditor)  
for and on behalf of

**Grant Thornton UK LLP**  
Chartered Accountants  
Registered Auditor  
East Midlands

2 November 2012



## Profit and Loss Account

For the year ended 30 June 2012

|   | Note | 2012<br>£   | 2011<br>£   |
|---|------|-------------|-------------|
| <b>Turnover</b>   | 1,2  | 12,282,664  | 12,049,735  |
| Change in stocks of finished goods and work in progress |      | 312,777     | 324,607     |
| Raw materials and consumables                           |      | (7,043,492) | (6,825,117) |
| Other external charges                                  |      | (1,470,320) | (1,676,964) |
| Staff costs   |      | (3,364,680) | (3,093,693) |
| Net depreciation written off fixed assets               |      | (263,638)   | (253,504)   |
| <b>Operating profit</b>                                 | 3    | 453,311     | 525,064     |
| Interest receivable and similar income                  |      | 4,965       | 5,315       |
| <b>Profit on ordinary activities before taxation</b>    |      | 458,276     | 530,379     |
| Tax on profit on ordinary activities                    | 6    | (98,703)    | (128,579)   |
| <b>Profit for the financial year</b>                    | 15   | 359,573     | 401,800     |

All amounts relate to continuing operations

The notes on pages 10 to 19 form part of these financial statements

## Statement of Total Recognised Gains and Losses

For the year ended 30 June 2012

|   | 2012<br>£             | 2011<br>£             |
|---|-----------------------|-----------------------|
| <b>Profit for the financial year</b>                          | <b>359,573</b>        | <b>401,800</b>        |
| Unrealised surplus on revaluation of tangible fixed assets    | <u>443,938</u>        | <u>-</u>              |
| <b>Total recognised gains and losses relating to the year</b> | <b><u>803,511</u></b> | <b><u>401,800</u></b> |

## Note of Historical Cost Profits and Losses

For the year ended 30 June 2012

|  | 2012<br>£             | 2011<br>£             |
|--|-----------------------|-----------------------|
| <b>Reported profit on ordinary activities before taxation</b>        | <b>458,276</b>        | <b>530,379</b>        |
| Realisation of valuation gains of previous periods                   | <u>17,333</u>         | <u>17,333</u>         |
| <b>Historical cost profit on ordinary activities before taxation</b> | <b><u>475,609</u></b> | <b><u>547,712</u></b> |
| <b>Historical cost profit for the year after taxation</b>            | <b><u>376,906</u></b> | <b><u>419,133</u></b> |

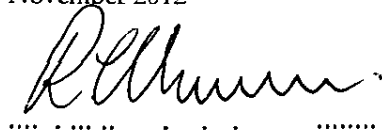
The notes on pages 10 to 19 form part of these financial statements

## Balance Sheet

As at 30 June 2012

|   | Note | £                | 2012<br>£               | £                | 2011<br>£               |
|---|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets</b>   |      |                  |                         |                  |                         |
| Tangible assets   | 7    |                  | 3,512,940               |                  | 2,832,195               |
| Investments   | 8    |                  | 15,100                  |                  | 15,100                  |
|   |      |                  | <u>3,528,040</u>        |                  | <u>2,847,295</u>        |
| <b>Current assets</b>   |      |                  |                         |                  |                         |
| Stocks  | 9    | 1,510,655        |                         | 1,094,966        |                         |
| Debtors   | 10   | 2,250,771        |                         | 2,676,205        |                         |
| Cash at bank and in hand                                      |      | 780,579          |                         | 972,021          |                         |
|   |      | <u>4,542,005</u> |                         | <u>4,743,192</u> |                         |
| <b>Creditors</b> amounts falling due within one year          | 11   | (2,593,448)      |                         | (2,908,781)      |                         |
| <b>Net current assets</b>                                     |      |                  | <u>1,948,557</u>        |                  | <u>1,834,411</u>        |
| <b>Total assets less current liabilities</b>                  |      |                  | <u>5,476,597</u>        |                  | <u>4,681,706</u>        |
| <b>Creditors</b> amounts falling due after more than one year | 12   |                  | (9,735)                 |                  | (20,355)                |
| <b>Provisions for liabilities</b>                             |      |                  |                         |                  |                         |
| Deferred tax  | 13   |                  | (128,000)               |                  | (126,000)               |
| <b>Net assets</b>   |      |                  | <u><u>5,338,862</u></u> |                  | <u><u>4,535,351</u></u> |
| <b>Capital and reserves</b>                                   |      |                  |                         |                  |                         |
| Called up share capital                                       | 14   |                  | 250,000                 |                  | 250,000                 |
| Revaluation reserve   | 15   |                  | 1,930,025               |                  | 1,503,420               |
| Profit and loss account                                       | 15   |                  | 3,158,837               |                  | 2,781,931               |
| <b>Shareholders' funds</b>                                    | 16   |                  | <u><u>5,338,862</u></u> |                  | <u><u>4,535,351</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 November 2012



R C Harrison



P R Harrison

The notes on pages 10 to 19 form part of these financial statements

## Cash Flow Statement

For the year ended 30 June 2012

|   | Note | 2012<br>£        | 2011<br>£     |
|---|------|------------------|---------------|
| Net cash flow from operating activities         | 17   | 363,636          | 381,594       |
| Returns on investments and servicing of finance | 18   | 4,965            | 5,315         |
| Taxation  |      | (133,203)        | (29,079)      |
| Capital expenditure and financial investment    | 18   | (500,445)        | (318,162)     |
| <b>Cash (outflow)/inflow before financing</b>   |      | <b>(265,047)</b> | <b>39,668</b> |
| Financing                                       | 18   | (10,620)         | (10,620)      |
| <b>(Decrease)/increase in cash in the year</b>  |      | <b>(275,667)</b> | <b>29,048</b> |

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 30 June 2012

|  | 2012<br>£        | 2011<br>£      |
|--|------------------|----------------|
| (Decrease)/increase in cash in the year                | (275,667)        | 29,048         |
| Cash outflow from decrease in debt and lease financing | 10,620           | 10,620         |
| <b>Movement in net funds in the year</b>               | <b>(265,047)</b> | <b>39,668</b>  |
| Net funds at 1 July 2011                               | 591,226          | 551,558        |
| <b>Net funds at 30 June 2012</b>                       | <b>326,179</b>   | <b>591,226</b> |

The notes on pages 10 to 19 form part of these financial statements

# Notes to the Financial Statements

For the year ended 30 June 2012

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### 1.2 Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

### 1.3 Turnover

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

Revenue is recognised when goods are despatched or services provided.

### 1.4 Tangible fixed assets and depreciation

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

|                     |   |                        |
|---------------------|---|------------------------|
| Freehold property   | - | 50 years               |
| Plant & machinery   | - | 10 years               |
| Motor vehicles      | - | Between 3 and 5 years  |
| Fixtures & fittings | - | Between 4 and 10 years |

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

### 1.5 Revaluation of tangible fixed assets

Freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

# Notes to the Financial Statements

For the year ended 30 June 2012

## 1. Accounting Policies (continued)

### 1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

### 1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

### 1.8 Deferred taxation

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

### 1.9 Pensions

The company operates defined contribution pension schemes for its directors and employees and the pension charge represents the amounts payable by the company to the funds in respect of the year. The assets of the schemes are held separately from those of the company

## 2. Turnover

Turnover and profit before tax are attributable to the one principal activity of the company

A geographical analysis of turnover is as follows

|                | 2012<br>£         | 2011<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 12,005,187        | 11,871,504        |
| Rest of World  | 277,477           | 178,231           |
|                | <u>12,282,664</u> | <u>12,049,735</u> |

Overseas turnover relates to sales made to Sweden, the Czech Republic and the USA

# Notes to the Financial Statements

For the year ended 30 June 2012

## 3. Operating profit

The operating profit is stated after charging/(crediting)

|                                       | 2012     | 2011     |
|---------------------------------------|----------|----------|
|                                       | £        | £        |
| Depreciation of tangible fixed assets |          |          |
| - owned by the company                | 302,363  | 267,797  |
| Auditor's remuneration                | 9,900    | 9,600    |
| Profit on sale of fixed assets        | (38,725) | (14,293) |

## Limited liability agreement

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 June 2012. The proportionate liability agreement follows the standard terms in appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.

## 4. Staff costs

Staff costs, including directors' remuneration, were as follows

|                       | 2012             | 2011             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,749,823        | 2,502,004        |
| Social security costs | 287,692          | 265,041          |
| Other pension costs   | 327,165          | 326,648          |
|                       | <u>3,364,680</u> | <u>3,093,693</u> |

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

|                                | 2012       | 2011      |
|--------------------------------|------------|-----------|
|                                | No.        | No.       |
| Number of production staff     | 96         | 83        |
| Number of administrative staff | 10         | 10        |
|                                | <u>106</u> | <u>93</u> |

# Notes to the Financial Statements

For the year ended 30 June 2012

## 5. Directors' remuneration

|   | 2012<br>£      | 2011<br>£      |
|---|----------------|----------------|
| Emoluments  | <u>681,478</u> | <u>713,301</u> |
| Company pension contributions to defined contribution pension schemes | <u>309,152</u> | <u>308,814</u> |

During the year retirement benefits were accruing to 5 directors (2011 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £243,056 (2011 - £249,524)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £101,127 (2011 - £101,127)

## 6. Taxation

|  | 2012<br>£     | 2011<br>£      |
|--|---------------|----------------|
| <b>Analysis of tax charge in the year</b>        |               |                |
| <b>Current tax</b>                               |               |                |
| UK corporation tax charge on profit for the year | 97,500        | 134,000        |
| Adjustments in respect of prior periods          | (797)         | (421)          |
| <b>Total current tax</b>                         | <u>96,703</u> | <u>133,579</u> |
| <b>Deferred tax (see note 13)</b>                |               |                |
| Origination and reversal of timing differences   | 2,000         | (5,000)        |
| <b>Tax on profit on ordinary activities</b>      | <u>98,703</u> | <u>128,579</u> |



# Notes to the Financial Statements

For the year ended 30 June 2012

## 6. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25.5% (2011 - 27.5%). The differences are explained below

|  | 2012          | 2011           |
|--|---------------|----------------|
|  | £             | £              |
| Profit on ordinary activities before tax   | 458,276       | 530,379        |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011 - 27.5%) | 116,860       | 145,854        |
| <b>Effects of:</b>   |               |                |
| Expenses not deductible for tax purposes   | 7,519         | 8,876          |
| Capital allowances for year in excess of depreciation  | (10,646)      | (6,273)        |
| Adjustments to tax charge in respect of prior periods  | (797)         | (421)          |
| Other timing differences   | (2,111)       | 1,441          |
| Marginal relief  | (14,122)      | (15,898)       |
| <b>Current tax charge for the year</b>   | <b>96,703</b> | <b>133,579</b> |

## Notes to the Financial Statements

For the year ended 30 June 2012

**7. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£       |
|--------------------------|---------------------------|---------------------------|------------------------|-----------------------------|------------------|
| <b>Cost or valuation</b> |                           |                           |                        |                             |                  |
| At 1 July 2011           | 1,882,994                 | 3,047,442                 | 276,460                | 199,121                     | 5,406,017        |
| Additions                | 25,526                    | 398,609                   | 104,074                | 29,066                      | 557,275          |
| Disposals                | -                         | (54,237)                  | (88,431)               | (30,861)                    | (173,529)        |
| Revaluation surplus      | 331,480                   | -                         | -                      | -                           | 331,480          |
| At 30 June 2012          | <u>2,240,000</u>          | <u>3,391,814</u>          | <u>292,103</u>         | <u>197,326</u>              | <u>6,121,243</u> |
| <b>Depreciation</b>      |                           |                           |                        |                             |                  |
| At 1 July 2011           | 83,788                    | 2,111,839                 | 198,850                | 179,345                     | 2,573,822        |
| Charge for the year      | 28,670                    | 227,871                   | 34,655                 | 11,167                      | 302,363          |
| On disposals             | -                         | (44,640)                  | (79,923)               | (30,861)                    | (155,424)        |
| On revalued assets       | (112,458)                 | -                         | -                      | -                           | (112,458)        |
| At 30 June 2012          | <u>-</u>                  | <u>2,295,070</u>          | <u>153,582</u>         | <u>159,651</u>              | <u>2,608,303</u> |
| <b>Net book value</b>    |                           |                           |                        |                             |                  |
| At 30 June 2012          | <u>2,240,000</u>          | <u>1,096,744</u>          | <u>138,521</u>         | <u>37,675</u>               | <u>3,512,940</u> |
| At 30 June 2011          | <u>1,799,206</u>          | <u>935,603</u>            | <u>77,610</u>          | <u>19,776</u>               | <u>2,832,195</u> |

The freehold properties were revalued in April 2012 by external valuers, APB Commercial Property Consultants, on the basis of open market value at £2,240,000

If the freehold properties had not been included at valuation they would have been included under the historical cost convention as follows

|                          | 2012<br>£      | 2011<br>£      |
|--------------------------|----------------|----------------|
| Cost                     | 566,876        | 541,350        |
| Accumulated depreciation | (256,901)      | (245,564)      |
| Net book value           | <u>309,975</u> | <u>295,786</u> |

# Notes to the Financial Statements

For the year ended 30 June 2012

## 8. Fixed asset investments

|                                 | Investments<br>in subsidiary<br>companies<br>£ |
|---------------------------------|--|
| <b>Cost or valuation</b>        |  |
| At 1 July 2011 and 30 June 2012 | <u>15,100</u>                                  |
| <b>Net book value</b>           |  |
| At 30 June 2012                 | <u>15,100</u>                                  |
| At 30 June 2011                 | <u>15,100</u>                                  |

The company owns the whole of the issued ordinary share capital of both W & T Jackson Limited and R C Harrison & Son Limited. Both subsidiary undertakings are registered in England and Wales and neither traded during the year.

The aggregate capital and reserves was £100 for R C Harrison & Sons Limited and £15,000 for W & T Jackson & Co Limited.

## 9. Stocks

|                  | 2012<br>£        | 2011<br>£        |
|------------------|------------------|------------------|
| Raw materials    | 391,438          | 288,526          |
| Work in progress | 1,119,217        | 806,440          |
|                  | <u>1,510,655</u> | <u>1,094,966</u> |

## 10. Debtors

|                                | 2012<br>£        | 2011<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 2,161,435        | 2,606,229        |
| Prepayments and accrued income | 89,336           | 69,976           |
|                                | <u>2,250,771</u> | <u>2,676,205</u> |

# Notes to the Financial Statements

For the year ended 30 June 2012

## 11. Creditors: Amounts falling due within one year

|                                    | 2012             | 2011             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Bank overdrafts                    | 434,045          | 349,820          |
| Other loans                        | 10,620           | 10,620           |
| Trade creditors                    | 1,365,637        | 1,645,215        |
| Amounts owed to group undertakings | 15,100           | 15,100           |
| Corporation tax                    | 97,500           | 134,000          |
| Social security and other taxes    | 233,977          | 314,116          |
| Accruals and deferred income       | 436,569          | 439,910          |
|                                    | <u>2,593,448</u> | <u>2,908,781</u> |

On 31 August 2012 the company's bankers took out a fixed charge over the main building of the company as security over the company's overdraft facility

## 12. Creditors: Amounts falling due after more than one year

|             | 2012         | 2011          |
|-------------|--------------|---------------|
|             | £            | £             |
| Other loans | <u>9,735</u> | <u>20,355</u> |

The company took out an interest free loan from the Carbon Trust during the year ended 30 June 2010. This loan is repayable in equal instalments over 48 months.

## 13. Deferred taxation

|                                   | 2012           | 2011           |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| At beginning of year              | 126,000        | 131,000        |
| Charge for/(released during) year | 2,000          | (5,000)        |
| At end of year                    | <u>128,000</u> | <u>126,000</u> |

The provision for deferred taxation is made up as follows

|                                | 2012           | 2011           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Accelerated capital allowances | 121,000        | 121,000        |
| Other timing differences       | 7,000          | 5,000          |
|                                | <u>128,000</u> | <u>126,000</u> |

# Notes to the Financial Statements

For the year ended 30 June 2012

## 13. Deferred taxation (continued)

No provision has been made for deferred tax on gains recognised on revaluing properties to their market values as there is no intention to dispose of these properties in the foreseeable future

## 14. Share capital

|   | 2012<br>£      | 2011<br>£      |
|---|----------------|----------------|
| <b>Allotted, called up and fully paid</b> |                |                |
| 250,000 Ordinary shares shares of £1 each | <u>250,000</u> | <u>250,000</u> |

## 15. Reserves

|   | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ |
|---|-----------------------------|---------------------------------|
| At 1 July 2011                              | 1,503,420                   | 2,781,931                       |
| Profit for the year                         | -                           | 359,573                         |
| Surplus on revaluation of freehold property | 443,938                     | -                               |
| Transfer                                    | (17,333)                    | 17,333                          |
| At 30 June 2012                             | <u>1,930,025</u>            | <u>3,158,837</u>                |

## 16. Reconciliation of movement in shareholders' funds

|   | 2012<br>£        | 2011<br>£        |
|---|------------------|------------------|
| Opening shareholders' funds                       | 4,535,351        | 4,133,551        |
| Profit for the year                               | 359,573          | 401,800          |
| Other recognised gains and losses during the year | 443,938          | -                |
| Closing shareholders' funds                       | <u>5,338,862</u> | <u>4,535,351</u> |

## 17. Net cash flow from operating activities

|   | 2012<br>£      | 2011<br>£      |
|---|----------------|----------------|
| Operating profit                            | 453,311        | 525,064        |
| Depreciation of tangible fixed assets       | 302,363        | 267,797        |
| Profit on disposal of tangible fixed assets | (38,725)       | (14,293)       |
| Increase in stocks                          | (415,689)      | (342,611)      |
| Decrease/(increase) in debtors              | 425,434        | (832,447)      |
| (Decrease)/increase in creditors            | (363,058)      | 778,084        |
| Net cash inflow from operating activities   | <u>363,636</u> | <u>381,594</u> |

## Notes to the Financial Statements

For the year ended 30 June 2012

**18. Analysis of cash flows for headings netted in cash flow statement**

|  | 2012<br>£        | 2011<br>£        |
|--|------------------|------------------|
| <b>Returns on investments and servicing of finance</b> |                  |                  |
| Interest received                                      | 4,965            | 5,315            |
|  | <u>4,965</u>     | <u>5,315</u>     |
|  | 2012<br>£        | 2011<br>£        |
| <b>Capital expenditure and financial investment</b>    |                  |                  |
| Purchase of tangible fixed assets                      | (557,275)        | (332,455)        |
| Sale of tangible fixed assets                          | 56,830           | 14,293           |
|  | <u>(500,445)</u> | <u>(318,162)</u> |
| <b>Net cash outflow from capital expenditure</b>       |                  |                  |
|  | 2012<br>£        | 2011<br>£        |
| <b>Financing</b>                                       |                  |                  |
| Repayment of loans                                     | (10,620)         | (10,620)         |
|  | <u>(10,620)</u>  | <u>(10,620)</u>  |

**19. Analysis of changes in net debt**

|  | 1 July<br>2011<br>£ | Cash flow<br>£   | Other<br>non-cash<br>changes<br>£ | 30 June<br>2012<br>£ |
|--|---------------------|------------------|-----------------------------------|----------------------|
| Cash at bank and in hand                     | 972,021             | (191,442)        | -                                 | 780,579              |
| Bank overdraft                               | (349,820)           | (84,225)         | -                                 | (434,045)            |
|  | <u>622,201</u>      | <u>(275,667)</u> | <u>-</u>                          | <u>346,534</u>       |
| <b>Debt</b>                                  |                     |                  |                                   |                      |
| Debt due within one year                     | (10,620)            | 10,620           | (10,620)                          | (10,620)             |
| Debt falling due after more than<br>one year | (20,355)            | -                | 10,620                            | (9,735)              |
|  | <u>591,226</u>      | <u>(265,047)</u> | <u>-</u>                          | <u>326,179</u>       |
| <b>Net funds</b>                             |                     |                  |                                   |                      |
|  | <u>591,226</u>      | <u>(265,047)</u> | <u>-</u>                          | <u>326,179</u>       |

**20. Capital commitments**

At 30 June 2012 the company had capital commitments as follows

|   | 2012<br>£      | 2011<br>£     |
|---|----------------|---------------|
| Contracted for but not provided in these financial statements | 585,000        | 35,000        |
|   | <u>585,000</u> | <u>35,000</u> |