

A ALGEO LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011

Company Registration Number 437100

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14/01/2012

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COMPANIES HOUSE

RSM Tenon Limited

Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

A ALGEO LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

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A ALGEO LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 AUGUST 2011

The directors present their report and the financial statements of the company for the year ended 31 August 2011

Principal activities and business review

The company's principal activity is the supply of materials to the medical, orthopaedic, physiotherapy and chiropody professions and shoe making industries

During the past financial year the company has grown its revenues by over a third with growth in all of our divisions. This level of activity has allowed us to strengthen staff levels and improve our market share

The purchase of Nova Instruments three years ago took us into the Podiatry wholesale market and this move can now be judged to have been successful. Sales to the more traditional Orthotic device manufacturers remain solid whilst our rehabilitation division has produced growth which can only be described as phenomenal

Once again Export sales have been a main focus of activity. Europe and Scandinavia continue to grow and we won a major contract in Saudi. Our office in Dubai in the free trade area is fully operational and is also looking after India and Asia, as well as the Middle East in general. Regular shipments will start shortly to the USA and we have set up our own company in California

We have decided to transfer the shares of A Algeo Ltd into a newly formed company under the auspices of the John Joseph Trust which is the ultimate owner of the majority of shares in AAL. The new company, ALG International Holdings Ltd, like the Trust is based in the Isle of Man and will be the vehicle through which new and overseas company are formed. We have already placed the shares in our operations in India and Australia through this holding company. We bought our partner's share of our Melbourne company on September 1st 2011 and now have full control

Although one is aware of difficult economic conditions in the so called Eurozone countries and which are forecast to become worse next year, we are fortunate these have not so far affected the company and we are looking forward again with optimism to 2012

Thanks as always are expressed to our management team and staff for their efforts. We value the support given to us by our staff and prize their loyalty

Results and dividends

The profit for the year, after taxation, amounted to £243,998. Particulars of dividends proposed are detailed in note 7 to the financial statements

A ALGEO LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 AUGUST 2011

Financial risk management objectives and policies

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits and where necessary bank borrowings to fund expansion or capital expenditure programmes.

The management objectives are to

- retain sufficient liquid funds to enable it to meet its day to day requirements,
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings, and
- match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

Where appropriate, funds are invested in sterling bank deposit accounts. As such, there is little price risk exposure.

Where appropriate, funds are held in short term variable rate deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in their finance markets as they arise. All deposits are with reputable banks and the directors believe that their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

Directors

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

Mr J A Sheridan
Mrs D V Sheridan
Mrs M Lappin
Mr G Jones
Mr C W Howard

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

A ALGEO LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 AUGUST 2011

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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company'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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
Sheridan House
Bridge Industrial Estate
Speke Hall Road
Liverpool
L24 9HB

Signed on behalf of the directors



Mr J A Sheridan
Director

Approved by the directors on

Y. L. T. 12

A ALGEO LIMITED
INDEPENDENT AUDITOR'S REPORT TO A ALGEO LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of A Algeo Limited for the year ended 31 August 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Julie Flintoff, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date 10/1/2012

A ALGEO LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2011

	Note	2011 £	2010 £
Turnover		10,336,135	7,424,177
Cost of Sales and Other operating income		(6,384,916)	(4,407,214)
Distribution costs		(1,319,724)	(1,130,268)
Administrative expenses		(2,271,574)	(1,607,169)
Operating profit	2	<u>359,921</u>	<u>279,526</u>
Attributable to			
Operating profit before exceptional items		559,921	279,526
Exceptional items	2	(200,000)	—
		<u>359,921</u>	<u>279,526</u>
Interest payable and similar charges	5	(37,349)	(29,179)
Profit on ordinary activities before taxation		<u>322,572</u>	<u>250,347</u>
Tax on profit on ordinary activities	6	(78,574)	(52,278)
Profit for the financial year		<u><u>243,998</u></u>	<u><u>198,069</u></u>

All of the activities of the company are classed as continuing

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

The notes on pages 7 to 16 form part of these abbreviated accounts

A ALGEO LIMITED
Registered Number 437100

ABBREVIATED BALANCE SHEET

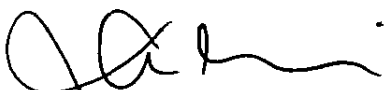
31 AUGUST 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	8		—		50,000
Tangible assets	9		707,219		634,321
Investments	10		20		20
			<u>707,239</u>		<u>684,341</u>
Current assets					
Stocks	11	1,551,041		1,045,267	
Debtors	12	1,969,624		1,429,547	
Cash at bank and in hand		61,265		69,960	
		<u>3,581,930</u>		<u>2,544,774</u>	
Creditors' Amounts falling due within one year	13	<u>(2,530,711)</u>		<u>(1,697,705)</u>	
Net current assets			1,051,219		847,069
Total assets less current liabilities			<u>1,758,458</u>		<u>1,531,410</u>
Creditors. Amounts falling due after more than one year	14		(290,453)		(317,538)
Provisions for liabilities					
Deferred taxation	17		(43,427)		(28,292)
			<u>1,424,578</u>		<u>1,185,580</u>
Capital and reserves					
Called-up share capital	19		4,500		4,500
Profit and loss account	20		1,420,078		1,181,080
Shareholders' funds	21		<u>1,424,578</u>		<u>1,185,580</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on and are signed on their behalf by

3rd. January 2012



Mr J A Sheridan
Director

The notes on pages 7 to 16 form part of these abbreviated accounts

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

1. Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is preparing medium-sized abbreviated accounts

Turnover

The turnover in the profit and loss account represents the value of all goods sold and services provided during the year, less returns received, at selling price exclusive of value added tax and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the products have been transferred to the customer

Research and development

Research and development expenditure is written off in the year in which it is incurred

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is written down to recoverable amount where it is deemed that the asset is impaired in any way

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows

Goodwill - Over its estimated economic life of 4 yrs

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost is defined as all expenditure incurred in bringing the asset to a useable condition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Leasehold Property	- 2% straight line
Plant & Machinery	- 15-25% reducing balance
Motor Vehicles	- 25% straight line
Computer Equipment	- 33 3% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock cost includes invoiced cost of materials only

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

1. Accounting policies *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset at its fair value and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Joint ventures

An entity is treated as a joint venture where the company holds a long term interest and shares control under a contractual interest. The investment in the joint venture is shown at cost.

Government grants

Government grants received in relation to fixed assets are deferred and recognised over the life of the asset.

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

2. Operating profit

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Amortisation of intangible assets	50,000	50,000
Depreciation of owned fixed assets	71,150	85,728
Depreciation of assets held under finance lease agreements	36,452	30,869
Profit on disposal of fixed assets	(6,097)	(175)
Auditors remuneration	6,000	6,000
Operating lease costs		
-Plant and machinery	673	254
Net loss on foreign currency translation	-	7,652
Exceptional item	<u>200,000</u>	<u>-</u>

The exceptional item during the year related to the write-off of an amount due from A Algeo (Aust) PTY Limited that was irrecoverable. This reduced the tax charge in the year by the standard rate.

3 Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011	2010
	No	No
Number of distribution staff	58	50
Number of management staff	5	5
	<u>63</u>	<u>55</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,739,104	1,399,991
Social security costs	168,353	145,019
Other pension costs	38,357	29,495
	<u>1,945,814</u>	<u>1,574,505</u>

4 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	335,778	311,536
Value of company pension contributions to money purchase schemes	4,346	3,838
	<u>340,124</u>	<u>315,374</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

4. Directors' remuneration (continued)

Remuneration of highest paid director.

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	<u>83,179</u>	<u>107,265</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2011	2010
	No	No
Money purchase schemes	<u>2</u>	<u>3</u>

5. Interest payable and similar charges

	2011	2010
	£	£
Interest payable on bank borrowing	17,943	11,329
Finance charges	10,675	7,848
Bank loan interest payable	8,731	10,002
	<u>37,349</u>	<u>29,179</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2011	2010
	£	£
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2010 - 21%)	63,439	52,873
Deferred tax		
Origination and reversal of timing differences	15,135	(595)
Tax on profit on ordinary activities	<u>78,574</u>	<u>52,278</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

6 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2010 - 21%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>322,572</u>	<u>250,347</u>
Profit on ordinary activities by rate of tax	90,320	52,573
Effects of		
Expenses not deductible for tax purposes	6,321	813
Capital allowances for period in excess of depreciation	(10,993)	(513)
Tax chargeable at lower rates	(2,564)	-
Small profits relief	(19,645)	-
Total current tax (note 6(a))	<u>63,439</u>	<u>52,873</u>

(c) Factors that may affect future tax charges

There were no factors that may affect future tax charges

7 Dividends

Equity dividends

	2011 £	2010 £
Proposed at the year-end (recognised as a liability)		
Equity dividends on ordinary shares	<u>5,000</u>	<u>5,000</u>

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2010 and 31 August 2011	<u>100,000</u>
Amortisation	
At 1 September 2010	50,000
Charge for the year	<u>50,000</u>
At 31 August 2011	<u>100,000</u>
Net book value	
At 31 August 2011	<u>-</u>
At 31 August 2010	<u>50,000</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

9. Tangible fixed assets

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Sep 2010	321,997	309,285	168,264	199,669	206,076	1,205,291
Additions	24,396	7,145	9,250	131,472	30,120	202,383
Disposals	—	—	—	(65,476)	(29,096)	(94,572)
At 31 Aug 2011	<u>346,393</u>	<u>316,430</u>	<u>177,514</u>	<u>265,665</u>	<u>207,100</u>	<u>1,313,102</u>
Depreciation						
At 1 Sep 2010	51,645	155,715	96,445	102,077	165,088	570,970
Charge for the year	6,656	23,419	11,700	43,683	22,144	107,602
On disposals	—	—	—	(43,593)	(29,096)	(72,689)
At 31 Aug 2011	<u>58,301</u>	<u>179,134</u>	<u>108,145</u>	<u>102,167</u>	<u>158,136</u>	<u>605,883</u>
Net book value						
At 31 Aug 2011	<u>288,092</u>	<u>137,296</u>	<u>69,369</u>	<u>163,498</u>	<u>48,964</u>	<u>707,219</u>
At 31 Aug 2010	<u>270,352</u>	<u>153,570</u>	<u>71,819</u>	<u>97,592</u>	<u>40,988</u>	<u>634,321</u>

Finance lease agreements

Included within the net book value of £707,219 is £240,752 (2010 - £144,093) relating to assets held under finance lease agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £36,452 (2010 - £30,869).

10. Investments

	Fixed asset investments £
Cost	
At 1 September 2010 and 31 August 2011	<u>20</u>
Net book value	
At 31 August 2011 and 31 August 2010	<u>20</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

10. Investments (continued)

The company holds 50% of the share capital of the following

Name of company	Details of investments	Proportion held by company	Nature of business
A Algeo (Aust) PTY Limited	Ordinary £1	50%	Medical supplies

A Algeo Limited holds a 50% stake in A Algeo (Aust) PTY Limited, a company registered in Australia, as a joint venture. A Algeo (Aust) PTY Limited is a company formed to deal in the supply of materials to the medical, orthopaedic, physiotherapy and chiropody professions and shoe making industries. Per the unaudited management accounts as at 30 June 2011 the company reported profits of \$77,625 AUD (2010 \$96,440 AUD loss) and had net liabilities of \$329,768 AUD (2010 \$407,393 AUD).

Under the provision of section 402 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

11. Stocks

	2011 £	2010 £
Finished goods	<u>1,551,041</u>	<u>1,045,267</u>

12. Debtors

	2011 £	2010 £
Trade debtors	1,825,272	1,319,892
Prepayments	<u>144,352</u>	<u>109,655</u>
	<u>1,969,624</u>	<u>1,429,547</u>

13. Creditors: Amounts falling due within one year

	2011 £	2010 £
Invoice discounting creditor	657,034	275,956
Bank loan and overdraft	35,147	37,962
Trade creditors	1,026,325	792,303
Corporation tax	64,068	52,873
PAYE and social security	53,254	56,390
VAT	212,673	176,005
Finance lease agreements	64,952	43,453
Other creditors	95,000	100,000
Directors current accounts	63	560
Accruals	<u>322,195</u>	<u>162,203</u>
	<u>2,530,711</u>	<u>1,697,705</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

13 Creditors: Amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loan and overdraft	35,147	35,147
Invoice discounting creditor	657,034	275,956
Finance lease agreements	64,952	43,453
	<u>757,133</u>	<u>354,556</u>

14. Creditors. Amounts falling due after more than one year

	2011 £	2010 £
Bank loan	238,391	275,364
Finance lease agreements	52,062	42,174
	<u>290,453</u>	<u>317,538</u>

The bank loan and overdraft amounting to £273,539 (2010 £310,511) are secured by a 1st legal charge over the company's land & buildings

Invoice discounting loans included within other creditors amounting to £657,033 (2010 £275,956) are secured over the company's trade debtors

The bank loan is repayable by 120 monthly instalments commencing January 2009 at interest rates of 2.5% above the Bank of England base rate

The company's finance lease creditors are secured on the assets acquired

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loan	238,391	275,364
Finance lease agreements	52,062	42,174
	<u>290,453</u>	<u>317,538</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2011 £	2010 £
Bank loan	97,802	134,774

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

15. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows

	2011	2010
	£	£
Amounts repayable		
In one year or less or on demand	35,147	37,962
In more than one year but not more than two years	35,147	35,147
In more than two years but not more than five years	105,442	105,443
In more than five years	97,802	134,774
	<u>273,538</u>	<u>313,326</u>

16. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows

	2011	2010
	£	£
Amounts payable within 1 year	64,952	43,453
Amounts payable between 1 and 2 years	52,062	42,174
	<u>117,014</u>	<u>85,627</u>

17 Deferred taxation

The movement in the deferred taxation provision during the year was

	2011	2010
	£	£
At 1 September 2010	28,292	28,887
Profit and loss account movement arising during the year	15,135	(595)
At 31 August 2011	<u>43,427</u>	<u>28,292</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	43,427	28,292
	<u>43,427</u>	<u>28,292</u>

18 Derivatives

The company does not have any financial instruments that fall to be classed as derivatives

19. Share capital

Authorised share capital:

	2011	2010
	£	£
4,500 Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>

A ALGEO LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2011

19. Share capital (continued)

Allotted, called up and fully paid.

	2011		2010	
	No	£	No	£
4,500 Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>

20. Profit and loss account

	2011	2010
	£	£
Balance brought forward	1,181,080	988,011
Profit for the financial year	243,998	198,069
Equity dividends	(5,000)	(5,000)
Balance carried forward	<u>1,420,078</u>	<u>1,181,080</u>

21. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	243,998	198,069
Equity dividends	(5,000)	(5,000)
Net addition to shareholders' funds	238,998	193,069
Opening shareholders' funds	1,185,580	992,511
Closing shareholders' funds	<u>1,424,578</u>	<u>1,185,580</u>

22. Controlling party

The company is controlled by the John Joseph Settlement Trust