Claude Fenton (Holdings) Limited

Report and Financial Statements

Year Ended
30 September 2011

CLAUDE FENTON (HOLDINGS) LIMITED

Sixty-second annual general meeting

Notice is hereby given that the sixty-second Annual General Meeting of the shareholders of the Company will be held on 27 April 2012 at The Premier Suite, Berkshire Conference Centre, Madejski Stadium, Reading for the following purposes

1 To consider the minutes of the sixty-first Annual General Meeting held on 14 April 2011

2 To consider the audited financial statements for the year ended 30 September 2011 and to adopt the financial statements and the reports of the Directors and Auditor

3 To declare a final ordinary dividend

4 To re-elect the following Director – A J Harper retires by rotation and being eligible offers himself for re-election

5 To re-appoint Chantrey Vellacott DFK LLP as Auditor and authorise the Directors to fix their remuneration

6 To transact any other ordinary business of the Company

By order of the Board

M R P Fenton
Secretary

Approved by the directors on 30 March 2012

Unit 1 Kennet Weir Business Park
Arrowhead Road
Theale
Reading
RG7 4AE

Note

A member entitled to attend and vote at this meeting may appoint a proxy to attend and, on a poll, vote instead of him or herself The proxy need not be a member Instruments appointing proxies must be lodged with the Company's Secretary not less than forty-eight hours before the time fixed for the meeting

CLAUDE FENTON (HOLDINGS) LIMITED

Annual report and financial statements
Year ended 30 September 2011

Contents

Directors

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Directors

P R Fenton (Chairman)
M R P Fenton
D B Gammer
A J Harper

Secretary and registered office

M R P Fenton, Unit 1 Kennet Weir Business Park, Arrowhead Road, Theale, Reading, Berkshire, RG7 4AE

Company number

0474108

Auditor

Chantrey Vellacott DFK LLP, Prospect House, 58 Queens Road, Reading, Berkshire, RG1 4RP

CLAUDE FENTON (HOLDINGS) LIMITED

Chairman's Report 2011

I am pleased to report the Group has returned to profit in the year under consideration

Turnover has been increased over 2010 by some £1,500,000 or 14%

Net debt has been decreased by £1,203,031 to £5,724,886 from £6,927,917 (2010) or 17%

Operating profit has increased from £112,694 to £683,932.

Profit before tax has increased from a loss of (£82,189) 2010 to a profit of £627,371

The continued restructuring of administration costs which I mentioned in my last report has resulted in a reduction in cost from £3,463,480 (2010) to £3,008,213

There have been down sides to the year

Subsequent to the year end the Board has decided due to lack of profitable contracts to discontinue the activities of it's subsidiary Claw Scaffold Ltd in the year ending September 2012 During the year ending September 2011 because of this lack of work the subsidiary disposed of some surplus equipment Due to the depressed market for equipment brought about by the recession Claw made a loss on the sale which, along with costs involved in the reduction of staff, has reduced the Group's profits Further costs in respect of this discontinuing activity have been provided for in these accounts

The Board has examined the carrying values of the Group's properties as it does every year After taking third party professional advice the Board has provided a Directors' valuation somewhat below the 2009 professional valuation of Dunster and Morton Chartered Surveyors This has resulted in a reduction of the revaluation reserve by some £1,907,497 to £5,048,051 There will be the tri-annual valuation carried out in 2012 as usual

The Group's properties, despite some turnover in tenants, are still largely occupied and making a positive contribution to the results

I am not able to make a prediction for the current year, as business, if anything, is even more competitive and volatile than last year The Directors' Report on the individual subsidiaries following this page gives further detail

Subject to approval at Annual General Meeting of the Company, the Board of Directors propose to increase the final dividend to 23% which together with the interim dividend of 5% makes a total for the year of 28% (2011 24%)

I would like to thank all the staff and Directors for their efforts during the year

P. R Fenton

P R Fenton
Chairman
30 March 2012

CLAUDE FENTON (HOLDINGS) LIMITED

Report of the Directors
Year ended 30 September 2011

The Directors present their report together with the audited financial statements for the year ended 30 September 2011

Principal activities
The principal activities of the Group continue to be those of building and civil engineering contracting, waste recycling, landfill, waste disposal and associated operations, road haulage, plant hire, scaffolding, and property development

Review of the business and future developments
The Directors' review is aimed at being consistent with the size and nature of the Group's business The Chairman in his report has also referred to the results of the business for the year and future developments

Results and dividends
The results of the Group for the year are set out on page 8 There was a total profit before tax of £627,371 (2010 loss £82,189) There is a taxation charge of £161,265 (2010 £20,959) leaving a profit after tax of £466,106 (2010 loss of £103,148) A final dividend of £145,705 (2010. £120,365) is proposed Following the introduction of Financial Reporting Standard No 21 this final dividend is now accounted for in the year in which it is declared and paid In the year under review the final dividend of £120,365 from the previous year and an interim dividend of £31,675 (2010 £31,675) was paid The retained profit for the year was £313,066 (2010 loss £255,188)

The contribution to turnover analysed over the different classes of activity is disclosed in Note 2 in the notes to the financial statements and shows both the areas in which the Group operates and the changes in percentage contribution year on year with an overall increase of 14%

Overview
The Group's performance in general is closely aligned and dependent on the general economy, contracts and more specifically the performance of the construction industry which can be volatile The ongoing national economic problems which have been particularly severe in the construction sector are of especial concern In addition individual Group companies face ever increasing regulation, specific risks, uncertainties and challenges

The Group is continually reviewing its operations and the strength of its operational management to ensure they are fit to meet the challenges presented No material uncertainties that may cast significant doubt about the ability of the Company and the Group to continue as a going concern have been identified by the Directors

Turning to the individual companies in the Group

Claude Fenton (Holdings) Limited
During the year under review the Company continued with the development of 10 commercial units on part of the Avon site and one unit has been let and one unit was sold

Despite poor market conditions, the Company had successfully managed to keep property voids to a minimum and continued to carefully manage existing tenants to ensure continuity of the rental income

The Company's properties were independently professionally valued as at 30 September 2009 The next tri-annual valuation will take place in September 2012 In accordance with their usual practice the Directors have considered whether the 2009 valuation remains valid in the current market and have taken the view that an interim valuation carried out by the directors, supported by professional advisors, was appropriate Accordingly the carrying values of the properties have been reduced This Directors' valuation is set out in page 26

Alan Hadley Limited
The company continues to operate the Heron's Nest Waste Transfer Station The licensed site near Newbury owned by Claude Fenton (Holdings) Ltd remains available as a long term operational site for the company once the operation at Heron's Nest is completed and in addition the company is investigating alternative future sites.

In the previous year the company secured and commenced operations at a new landfill site near Reading Work at this site has progressed during this year and will continue into the following year During the year the company also completed the restoration of the Field Farm site, which has been successfully handed over to the landowner, and has recommenced restoration at another landfill site near Reading

The difficulties of the construction sector have continued to affect turnover, which fell by 14% year on year, however as a result of continued management action to reduce costs, margins have shown a significant improvement resulting in a profit for the year

The market is expected to continue to be difficult in the forthcoming year and the company, as for many businesses, has to be mindful of the general risks and uncertainties it faces including the general economic recession, the rapid pace of change in recycling markets and in the legislative framework regarding environmental matters

Significant sums of over £700,000 are provided to cover the company's future obligations in respect of restoration of landfill sites The directors have reviewed these provisions to reinstate land after tipping and have concluded, following this review, that adequate provisions have been made

The company continues to be in discussion regarding the acquisition of landfill rights as part of its normal activities These rights may in some cases include an obligation to restore the site at the end of its useful life

Claude Fenton Limited
The company continued to be affected by the poor performance of the local housing market which has been significantly affected by the economic downturn As such, the carrying values of the residential developments have been considered carefully

During the year the company completed and sold four properties from its existing development projects, commenced one new development and sold one further property which was held within fixed assets at the start of the year

Claude Fenton (Construction) Limited
During the year under review the company experienced an increase in turnover but gross margins in a highly competitive market were weaker leading to a loss for the year

Enquiry levels continue to be at a reasonable level but converting enquiries to orders remains challenging Obtaining work from local authorities continues to be difficult due to the changes in procurement practices introduced in the previous year

Claw Scaffold Limited
In light of continuing difficulties and to mitigate ongoing losses the business has been substantially reduced in scale during the year including the disposal of a significant proportion of the company's scaffolding equipment and reductions in manpower In early 2012 the Directors have made the decision to discontinue trading in an orderly fashion following further disposals of scaffolding equipment. Therefore the Directors consider that at the balance sheet date the company was in the process of discontinuing

Claude Fenton (Plant Hire) Limited
The principal activity of the company continues to be the operation of a plant hire business specialising in construction plant, hoists and powered access including the provision of training services

During the year the company has continued to trade from depots at Reading, Swindon and Southampton During the previous year the company terminated the lease relating to the depot in West London Despite the continuing economic situation and consequential impact on construction activity the company achieved turnover growth of 8% with an improvement in margin generating a profit for the year In response to continuing difficult conditions the company continued to maintain tight control of headcount and capital expenditure

Post balance sheet events
Subsequent to balance sheet date Claude Fenton Limited has sold one of its development properties In March 2012 the Company has honoured its guarantee in respect of the bank overdraft and loan of Claw Scaffold Limited following the discontinuing activities of that company and has made a payment to that company's bankers amounting to approximately £1m, which has been fully provided for in the Company's balance sheet at 30 September 2011 This liability is already fully reflected in the Group consolidated balance sheet

A new bank loan amounting to £1,000,000 has been entered into by the Company for a period of five years The Group's banking facilities have been renewed for a further twelve months to 30 March 2013

Directors
The Directors of the Company during the year were as follows

P R Fenton
M R P Fenton
D B Gammer
A J Harper

In accordance with the Articles of Association M R P Fenton retired by rotation at the Annual General Meeting on 14 April 2011 and was duly re-elected

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 judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 Company and 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 Company's and the Group's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor
Chantrey Vellacott DFK LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Signed by order of the Board

M R P Fenton
Secretary

Approved by the Directors on 30 March 2012

CLAUDE FENTON (HOLDINGS) LIMITED

Independent auditor's report to the members of Claude Fenton (Holdings) Limited

We have audited the group and parent company financial statements ("the financial statements") of Claude Fenton (Holdings) Limited for the year ended 30 September 2011 which comprise the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated note of historical cost profits and losses, consolidated balance sheet and company balance sheet, consolidated cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor
As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 30 September 2011 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

Independent auditor's report to the members of Claude Fenton (Holdings) Limited (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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

Ian B Johnson (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
Reading

30 March 2012

CLAUDE FENTON (HOLDINGS) LIMITED

Consolidated profit and loss account
Year ended 30 September 2011

	Note		Total 2011		Total 2010
			£'000		£'000
Turnover	2		12,191		10,697
Cost of sales		(9,845)		(8,349)	
Exceptional cost of sales	3a(i)	(134)		(49)	
			(9,979)		(8,398)
Gross profit			2,212		2,299
Administrative expenses		(3,008)		(3,464)	
Exceptional administrative expenses	3a(i)	(17)		(109)	
			(3,025)		(3,573)
			(813)		(1,274)
Other operating income	3a(ii)		1,497		1,387
Operating profit	3a(i), 3a(ii)		684		113
Interest receivable	6		39		46
Interest payable and similar charges	7		(133)		(174)
Other finance charges	27		(24)		(61)
Unwinding of discount			(11)		(11)
Profit / (Loss) on sale of fixed assets	3b		72		5
			(57)		(195)
Profit / (Loss) on ordinary activities before taxation			627		(82)
Tax on profit / (loss) on ordinary activities	8		(161)		(21)
Profit/(Loss) for the financial year	21, 22		466		(103)

All of the activities of the Group are classed as continuing except for scaffolding activities which are classed as discontinuing

The notes on pages 13 to 44 form part of these financial statements.

CLAUDE FENTON (HOLDINGS) LIMITED

Consolidated statement of total recognised gains and losses and note of historical cost profits and losses
Year ended 30 September 2011

	Note	Group 2011 £'000	Group 2010 £'000
Consolidated statement of total recognised gains and losses			
Profit / (loss) for the financial year		**466**	(103)
Unrealised (deficit) / surplus on revaluation of properties	**21, 22**	**(1,907)**	-
Actuarial (deficit) / gain in respect of the pension scheme	**27, 22**	**(82)**	463
Movement on deferred tax relating to pension deficit	**19, 21, 22 & 27**	**12**	(129)
Total (losses) and gains recognised since the last annual report		**(1,511)**	231
Note of historical cost profits and losses			
Reported profit / (loss) on ordinary activities before taxation		**627**	(82)
Differences between actual and historical cost depreciation	**21**	**3**	3
Realised surplus on sale of revalued properties	**21**	**37**	37
Actuarial (deficit) / gain in respect of the pension scheme	**27**	**(82)**	463
Movement on deferred tax relating to pension deficit	**19, 27 & 21**	**12**	(129)
Historical cost profit on ordinary activities before taxation		**597**	292
Retained historical cost profit for the year after taxation		**436**	271

The notes on pages 13 to 44 form part of these financial statements.

CLAUDE FENTON (HOLDINGS) LIMITED

Consolidated balance sheet
30 September 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed assets					
Intangible assets	11		-		57
Tangible assets	12		18,968		21,821
			18,968		21,878
Current assets					
Stocks	15	3,328		3,068	
Debtors	16	2,505		2,094	
Cash at bank and in hand		323		3	
		6,156		5,165	
Creditors: amounts falling due within one year	17	(6,790)		(6,434)	
Net current (liabilities) / assets			(634)		(1,269)
Total assets less current liabilities			18,334		20,609
Creditors: amounts falling due after more than one year	18	2,380		2,871	
Provisions for liabilities and charges	19	1,057		1,214	
			(3,437)		(4,085)
Net assets excluding pension liability			14,897		16,524
Pension liability	27		(743)		(707)
Net assets			14,154		15,817
Capital and reserves					
Called up share capital	20		633		633
Pension fund deficit	21, 27		(743)		(707)
Revaluation reserve	21		5,048		6,995
Profit and loss account	21		9,216		8,896
Shareholders' funds	22		14,154		15,817

These financial statements were approved by the Board and authorised for issue on 30 March 2012 and were signed on its behalf by:

P R Fenton) **Directors**
A J Harper)

The notes on pages 13 to 44 form part of these financial statements.

CLAUDE FENTON (HOLDINGS) LIMITED

Company balance sheet
30 September 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed assets					
Tangible assets	12		16,433		18,295
Investments	13		1,390		1,494
			17,823		19,789
Current assets					
Stocks	15	178		178	
Debtors	16	2,772		2,241	
Cash at bank and in hand		1,260		836	
		4,210		3,255	
Creditors: amounts falling due within one year	17	(3,480)		(2,810)	
Net current assets			730		445
Total assets less current liabilities			18,553		20,234
Creditors: amounts falling due after more than one year	18	2,061		2,655	
Provisions for liabilities and charges	19	1,165		124	
			(3,226)		(2,779)
Net assets excluding pension liability			15,327		17,455
Pension liability	27		(743)		-
Net Assets			14,584		17,455
Capital and reserves					
Called up share capital	20		633		633
Pension fund deficit	21,27		(743)		-
Revaluation reserve	21		4,901		6,793
Profit and loss account	21		9,793		10,029
Shareholders' funds	22		14,584		17,455

These financial statements were approved by the Board and authorised for issue on 30 March 2012 and were signed on its behalf by

P R Fenton)
) **Directors**
A J Harper)

Company Registration Number 0474108

The notes on pages 13 to 44 form part of these financial statements.

CLAUDE FENTON (HOLDINGS) LIMITED

Consolidated cash flow statement
Year ended 30 September 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Net cash inflow from operating activities	29		1,413		994
Returns on investments and servicing of finance					
Interest received		39		46	
Interest paid		(114)		(123)	
Finance charges		(2)		(12)	
Interest element of hire purchase and finance leases		(17)		(39)	
Net cash (outflow) from returns on investment and servicing of finance			(94)		(128)
Taxation					
UK corporation tax paid		(80)		-	
UK corporation tax refunded		-		107	
			(80)		107
Capital expenditure					
Purchase of tangible fixed assets		(323)		(498)	
Sale of tangible fixed assets		940		638	
Unwinding of discount		(11)		(11)	
			606		129
Equity dividends paid			(152)		(152)
Net cash inflow before financing			1,693		950
Financing					
Increase in debt		1,325		2,800	
Invoice financing facility		(233)		(427)	
Capital element of hire purchase and finance leases		(282)		(762)	
Loan repayments		(1,836)		(3,043)	
Net cash (outflow) from financing			(1,026)		(1,432)
Increase / (Decrease) in cash			667		(482)

Reconciliation of net cash flow to movement in net debt

	Note	2011 £'000	2010 £'000
Increase / (decrease) in cash in the period		667	(482)
Cash outflow from decrease in debt financing		1,026	1,432
Change in net debt resulting from cash flows		1,693	950
New hire purchase and finance leases		(490)	(75)
Movement in net debt in the period		1,203	875
Net debt at 1 October 2010		(6,927)	(7,802)
Net debt at 30 September 2011	30	(5,724)	(6,927)

The notes on pages 13 to 44 form part of these financial statements.

1 Accounting policies

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain land and buildings, scaffolding and other equipment The financial statements are prepared in accordance with applicable accounting standards

The principal accounting policies are:

Basis of consolidation

The Group financial statements consolidate the financial statements of Claude Fenton (Holdings) Limited and all its direct and indirect subsidiary undertakings made up to 30 September 2011 Inter-group sales and profits are eliminated on consolidation No profit and loss account is presented for Claude Fenton (Holdings) Limited as permitted by s408 of the Companies Act 2006

Goodwill

The Group purchased goodwill and licences as part of the acquisition as a going concern of the waste recycling operations of a business based in Theale in a prior year This goodwill and licences are written off over the period of use of the related tipping rights on the basis of the amount of void space consumed which is anticipated will be over a maximum period of 5 years The carrying values of intangible fixed assets are reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account will be taken into account in determining the profit or loss on sale or closure

Joint operations

Where a subsidiary undertaking has a joint operation involving an activity which was not a separate entity the Group records its own assets, liabilities and cash flows according to the terms of the agreement governing the arrangement

Turnover

Turnover represents sales to external customers for work done or services provided during the year less value added tax or local taxes on sales and, in the case of long term contracts, the value of work completed during the year and includes retentions less provision for remedial works

Tipping royalties

Tipping royalties and set up costs are charged to the profit and loss account over the life of the tipping agreement based upon the amount of void space consumed

1 Accounting policies *(continued)*

Deferred costs

Costs and fees incurred in respect of the Group's tipping arrangements in advance are carried forward and spread over the periods to which the agreements relate

Restoration costs

In accordance with Financial Reporting Standard No 12 *Provisions, Contingent liabilities and Contingent Assets* full provision is made for the net present value (NPV) of the Group's anticipated costs in relation to restoration liabilities at its landfill sites, at the inception of the lease of the site Where appropriate this value is capitalised as a fixed asset The restoration provision is calculated by discounting the anticipated future costs at a rate of 3% to arrive at the net present value The movement in the net present value each year represents the unwinding of the discount provision, which is charged to the profit and loss account

In other cases, where appropriate, including the liability assumed in the year ended 30 September 2006, the restoration provisions include a subsidiary company's estimates for the future costs based on its current obligations at the balance sheet date

Warranties and guarantees

Costs, if any, incurred in respect of warranty and guarantee claims are accounted for in the period in which they arise

Revaluation of land and buildings

Financial Reporting Standard No 15 *Tangible Fixed Assets* requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date To achieve this freehold and long leasehold land and buildings are subject to a full valuation every 3 years

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves

Set up costs

Set up costs in respect of new ventures at leasehold premises are capitalised and written off over the period of the lease subject to any impairment review in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Tangible fixed assets

All additions to tangible fixed assets are stated at cost Where existing unimpaired tangible fixed assets are stated at valuation the Group and Company took advantage of the transitional arrangements in FRS 15 to retain these book values Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve

1 Accounting policies *(continued)*

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives It is calculated at the following rates

Freehold buildings	-	1% - 2% per annum
Leasehold land and buildings	-	over length of lease
Leasehold improvements	-	over three years
Other fixed assets	-	Between 2% and 50%

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Investment properties

Investment properties are accounted for in accordance with Statements of Standard Accounting Practice No 19 *Accounting for Investment Properties* The investment properties are revalued annually at their market value by the Directors, such calculations are supported by periodic independent valuations The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, on an individual property, is expected to be permanent, in which case it is recognised in the profit and loss account for the year

No depreciation is provided on investment properties except for short leaseholds The Directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified

Valuation of investments

Investments other than investment properties held as fixed assets are stated at cost less any provision for a permanent diminution in value

Investments held as current assets are stated at the lower of cost and market value

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value on a basis consistent with previous years after taking account of slow moving and obsolete stock

Development land has been valued by the Directors at the lower of cost and net realisable value Where a reclassification from fixed assets to stocks has been made the existing carrying value has been adjusted to original cost with the consequent adjustment to the revaluation surplus previously accounted for

Interest charges on loans for specific developments are included in the cost carried forward until sold

1 Accounting policies *(continued)*

Long term contracts

Long term contracts are stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date and after deducting foreseeable losses if applicable and payments on account

Amounts recoverable on contracts are included in debtors, net of payments received and receivable

Payments made in excess of amounts (i) matched with turnover (ii) off-set against long term contract balances are classified as "Payments on Account" and disclosed under "Creditors Amounts Falling due Within One Year" Turnover has been based on valuation certificates issued and work completed including retentions less provision for remedial costs

Attributable profit is taken on long term contracts when the profitable outcome of the contract can be assessed with reasonable certainty Profit on other contracts is taken on the later of completion or sale after making provision for all costs of sales. Provision is made for any anticipated loss

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Leased and hire purchased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright The amount capitalised is the capital cost of the item financed The corresponding leasing commitments are shown as amounts payable to the lessor Depreciation on the relevant assets is charged to the profit and loss account

Lease payments are analysed between capital and interest components The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated on a straight line basis The capital element reduces the amounts payable to the lessor All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease

1 Accounting policies *(continued)*

Leased and hire purchased assets(continued)

Hire purchased assets are treated in the same manner as finance leases

Operating lease income

Income receivable from operating leases is recognised in the profit and loss account on a straight line basis over the period of the lease

Pension costs

Contributions to the Group's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' expected working lives with the Group Contributions to the Group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Retirement Benefits

The Company fully adopted Financial Reporting Standard No 17 *Retirement benefits* for the accounting treatment of retirement benefits for the year ended 30 September 2006 The effect of this change in accounting policy is to recognise the pension scheme deficit in the Group balance sheet and now in the Company balance sheet

Dividends

The Company adopted Financial Reporting Standard No 21 *Events after the balance sheet date* in a previous financial year Under FRS 21 ordinary dividends proposed after the year-end are no longer recognised as liabilities at the year-end

Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables Financial liabilities such as trade creditors, loans and finance leases and hire purchase are measured at the present value of the obligation An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities

2 Turnover

The turnover is attributable to the following activities after eliminating inter group transactions

	Turnover			
	2011		2010	
	%	**£'000**	%	£'000
Construction and development	**44.99**	**5,485**	28 70	3,070
Scaffolding (discontinuing)	**1.15**	**140**	5 65	604
Plant and lorry hire, waste management and related transport	**53.86**	**6,566**	65 65	7,023
	100.00	**12,191**	100 00	10,697

3(a) Operating profit

		Group		
		2011		2010
		£'000		£'000
i) This is stated after charging				
Auditor's remuneration		**27**		35
Depreciation		**879**		1,057
Amortisation of goodwill		**57**		134
Operating lease rentals				
- Hire of plant and machinery		**191**		187
- Other operating lease payments		**81**		227
Exceptional cost of sales				
- Provision – land and developments in progress	**48**		49	
- Staff costs (see below)	**12**		15	
- Provision for diminution / (augmentation) on revaluation	**74**		(15)	
		134		**49**
Exceptional administrative costs				
- Staff costs (see below)	**12**		78	
- Staff costs (see below)	**5**		31	
		17		109

Hire of plant and machinery includes the cost of operated plant The auditor also received £14,250 (2010 £37,465) for non-audit services which included fees relating to taxation, accountancy and other financial advisory services

	2011	2010
ii) This is stated after crediting		
Rental income	1,497	1,387
Profit / (loss) on sale of fixed assets	62	(2)
Aggregate amounts receivable in respect of operating leases and short term hire income	2,583	2,531

Exceptional items

During the year the Directors considered the net realisable value of land and developments in progress and made an exceptional provision of £48,407 (2010 £49,491) to reflect the current economic climate Exceptional staff costs are £22,728 (2010 £92,467) incurred in respect of workforce redundancy costs

Exceptional other costs of £5,378 (2010 £31,000) are in respect of, £nil (2010 £12,910) incurred during an office relocation, a credit of £nil (2010 £3,802) on the termination of a lease at Shipton Quarry and £5,378 (2010 £22,082) on termination of a further lease due to a change in business organisation

3(b) Profit/(Loss) on sale of fixed assets

	Group	
	2011	2010
	£'000	£'000
Profit/(Loss) on sale of property	**290**	5
Profit/(Loss) on sale of fixed assets	**(218)**	-
	72	5

4 Employees

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

	Group 2011 Number	Group 2010 Number
Office and management	**38**	45
Productive	**63**	87
	101	132

Staff costs for all employees, including executive directors, consist of

	Group 2011 £'000	Group 2010 £'000
Wages and salaries	**3,027**	3,605
Social security costs	**315**	362
Pension costs	**259**	260
Exceptional staff costs	**21**	92
	3,622	4,319

5 Directors

	Group 2011 £'000	Group 2010 £'000
Remuneration	**455**	275
Company pension contributions	**32**	25

Remuneration of

Highest paid director – remuneration	**208**	110
- pension contributions	**8**	17

Amount of accrued pension at
30 September 2011 - £12,909 (2010: £8,675 per annum).

Amount of accrued lump sum
At 30 September 2011 - £Nil (2010 £Nil)

During the year two (2010 two) directors were accruing benefits under the Group's defined benefit scheme, and nil (2010 nil) directors were accruing benefits under the Group's money purchase pension scheme

6 Interest receivable

	Group 2011 £'000	Group 2010 £'000
Bank interest receivable	39	46

7 Interest payable and similar charges

	Group 2011 £'000	Group 2010 £'000
Bank loans and overdrafts	114	123
Interest on finance leases and hire purchase loans	17	39
Invoice financing charges	2	12
	133	174

8 Taxation on profit / (loss) on ordinary activities

	Group 2011 £'000	Group 2010 £'000
Current tax		
UK Corporation tax	289	81
Adjustment in respect of previous years	(5)	(12)
	284	69
Deferred tax		
Origination and reversal of timing differences (note 19)	(135)	(44)
Pension cost relief less than / (in excess of) pension cost charge	12	(4)
Tax on profit / (loss) on ordinary activities	161	21
Factors affecting tax charge for the year		
Profit / (loss) on ordinary activities before tax	627	(82)
Average rate of tax	27%	28%
Profit / (loss) on ordinary activities multiplied by average tax rate in the UK	169	(23)
Expenses/amortisation charges not deductible for corporation tax purposes	4	7
Capital allowances less than depreciation and profits and losses on disposal of assets	81	127
Other adjusting items	(18)	(22)
Lower / higher rate adjustments	(7)	(10)
Chargeable gain on disposal of property	60	2
Adjustments to tax charge in respect of previous periods	(5)	(12)
Current tax charge	284	69

8 Taxation on profit on ordinary activities *(continued)*

The corporation tax charge for the year is after taking account of group relief surrenders which are expected to be available

In the opinion of the Directors, the Company is a close company within the meaning of section 414 of the Income and Corporation Taxes Act 1988

Factors affecting future tax charges

Group
There is a potential liability to deferred taxation amounting to approximately £Nil (2010 £Nil) on the unrealised surplus on the revaluation of the scaffolding, and a further £7,000 (2010 £9,000) regarding skips, which has not been provided in the financial statements In the opinion of the Directors no provision is required as there is no intention to sell the skips in the foreseeable future

There is a potential liability to deferred taxation amounting to approximately £Nil (2010 £1,000,000) on the unrealised surplus on revaluation, rolled over and held over gains and capital allowances, after making an allowance for anticipated allowable future capital losses, in connection with the Group's properties which has not been provided for in these financial statements This would crystallise if the properties were sold at valuation and no other taxation reliefs were available

Company
There is a potential liability to deferred taxation amounting to approximately £Nil (2010 £1,000,000) on the unrealised surplus on revaluation, rolled over and held over gains and capital allowances, after making allowance for anticipated allowable future capital losses, in connection with the Company's properties which has not been provided for in these financial statements which would crystallise if the properties were sold at valuation and no other taxation reliefs were available

9 Dividends paid

	Group	
	2011	2010
	£'000	£'000
Ordinary dividends paid in the year		
2010 Final dividend of 19p per share paid in 2011		
(2009 19 0p per share paid in 2010)	**120**	120
Interim paid of 5p (2010 5 0p) per share	**32**	32
	152	152

10 Retained profit for the financial year

The loss for the year included within the financial statements of the Company amounted to £(83,911) (2010 profit of £1,157,297) The appropriation of profits paid by way of dividends was £152,040 (2010 £152,040)

11. Intangible assets - Group

	Goodwill and licences £'000
Cost	
At 1 October 2010	580
Additions	-
At 30 September 2011	**580**
Amortisation	
At 1 October 2010	523
Charge for the year	57
At 30 September 2011	**580**
Net book value	
At 30 September 2011	-
At 30 September 2010	57

On the 22 September 2006, a subsidiary company purchased goodwill and tipping rights as part of the acquisition as a going concern of the waste recycling operations of a business based in Theale This goodwill is being written off over the period of use of the related tipping rights on the basis of the amount of void space consumed which was anticipated to be over a maximum period of 5 years

CLAUDE FENTON (HOLDINGS) LIMITED

Notes forming part of the financial statements
Year ended 30 September 2011

12 Tangible assets - Group

	Assets under construction £'000	Leasehold improvements £'000	Freehold land and buildings £'000	Investment properties £'000	Other assets £'000	Total £'000
Cost or valuation						
At 1 October 2010	559	73	7,900	10,447	8,855	27,834
Additions	278	-	-	-	535	813
Transfers from stock	-	-	-	-	-	-
Transfers	(190)	-	(1,205)	1,395	-	-
Disposals	(157)	-	-	(135)	(1,232)	(1,524)
Impairment provision	-	-	-	-	-	-
Revaluation adjustment	-	-	(1,203)	(861)	(83)	(2,147)
At 30 September 2011	**490**	**73**	**5,492**	**10,846**	**8,075**	**24,976**
Depreciation						
At 1 October 2010	-	54	72	-	5,887	6,013
Transfer	-	-	-	-	-	-
Provided during the year	-	2	84	-	793	879
Disposals	-	-	-	-	(719)	(719)
Impairment provision	-	-	-	-	-	-
Revaluation adjustment	-	-	(156)	-	(9)	(165)
At 30 September 2011	-	**56**	-	-	**5,952**	**6,008**
Net book value						
At 30 September 2011	**490**	**17**	**5,492**	**10,846**	**2,123**	**18,968**
At 30 September 2010	559	19	7,828	10,447	2,968	21,821

Other assets include plant and machinery, equipment, computer equipment, fixtures and fittings and vehicles An amount of £330,000 (2010 £330,000) has been included in other assets – cost and £330,000 (2010 £330,000) accumulated depreciation representing the net present value of anticipated restoration costs of landfill sites operated by a subsidiary company

Assets under construction represent freehold land acquired and freehold buildings together with plant and machinery in the course of construction, held for the Group's own use, development and investment purposes

12 Tangible assets *(continued)* - Company

	Assets under construction £'000	Freehold land and buildings £'000	Investment properties £'000	Other assets £'000	Total £'000
Cost or valuation					
At 1 October 2010	539	7,900	9,908	208	18,555
Additions	278	-	-	-	278
Transfers from stock	-	-	-	-	-
Transfers	(190)	(1,205)	1,395	-	-
Disposals	(157)	-	-	(89)	(246)
Revaluation adjustment	-	(1,203)	(845)	-	(2,048)
At 30 September 2011	**470**	**5,492**	**10,458**	**119**	**16,539**
Depreciation					
At 1 October 2010	-	72	-	188	260
Provided during the year	-	84	-	7	91
Disposals	-	-	-	(89)	(89)
Revaluation adjustment	-	(156)	-	-	(156)
At 30 September 2011	-	-	-	**106**	**106**
Net book value					
At 30 September 2011	**470**	**5,492**	**10,458**	**13**	**16,433**
At 30 September 2010	539	7,828	9,908	20	18,295

Other assets include equipment, computer equipment, fixtures and fittings

Assets under construction represent freehold land acquired and freehold buildings in the course of construction, held for the Company's and Group's own use, development and investment purposes

12 Tangible assets *(continued)*

Included in other assets above are the following amounts relating to assets acquired under finance leases and hire purchase contracts where the term of those contracts has not yet come to an end

	Group £'000	Company £'000
Net book value		
As at 30 September 2011	**614**	-
Net book value		
As at 30 September 2010	731	-
Depreciation		
Provided during the year	**55**	-

Included in fixed assets are the following amounts held in respect of operating lease and short term hire income

	Group £'000	Company £'000
Cost or valuation		
As at 30 September 2011	**17,246**	**10,458**
Accumulated depreciation		
As at 30 September 2011	**4,610**	-

In addition to the above significant parts of the Group's land and freehold properties, which are currently in excess of the Group's requirement, are let on short operating leases The Directors do not consider it practical to apportion the freehold properties into investment properties where the element occupied on this basis is inseparable from the whole and it is not practical to sell separately. At the professional valuation carried out at 30 September 2009 this element amounted to £3,202,500 and at 30 September 2011 at the Directors' valuation of £2,627,500 The Directors have apportioned the freehold properties based on professional valuations where they consider it practical to do so

During previous years the Directors reallocated, at valuation, various freehold land and buildings to investment properties

Investment properties comprise

	Group		Company	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000
Freehold property	**10,846**	10,447	**10,458**	9,908

12 Tangible assets *(continued)*

For the freehold land and buildings and investment properties included at valuation

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Historical cost				
As at 30 September 2011	**12,912**	12,820	**12,615**	12,425

	Group & Company
Depreciation based on cost	**£'000**
As at 1 October 2010	1,492
Charge for the year (net)	56
As at 30 September 2011	**1,548**

It is not practical to provide an accurate analysis between buildings and land for both valuation and historical cost A depreciation charge has been chosen to reflect a materially accurate position All freehold and leasehold land and buildings occupied by the Group were revalued in accordance with the rules laid down by the Royal Institution of Chartered Surveyors on an existing use value basis at 30 September 2009 by Dunster and Morton, Chartered Surveyors, Reading Investment and surplus to current requirements properties were valued at market value based on a valuation carried out at the same time, by Dunster and Morton, under the same rules In the current economic climate the Directors' have considered it prudent to carry out an interim revaluation of both freehold land and buildings and investment properties at the balance sheet date The Directors' valuation has been arrived at after consultation with external professional advisors If the land and buildings were sold at their valuation, a taxation liability would arise as referred to in Note 8 on the financial statements

Subsequent to the balance sheet date UK property market values have remained uncertain and could rise or fall Such a change in market conditions, and any corresponding adjustment required to the carrying value of the Group's and Company's freehold land and buildings and investment properties, represents a non-adjusting post balance sheet event and therefore no adjustment, should it be required, has been made The Directors consider it is not practical or feasible in the current economic climate to give an estimate of the financial effect

The scaffolding has been revalued by the directors of a subsidiary company in prior periods and the useful economic life and residual values of those assets revised accordingly to reflect the average rates of depreciation applicable Following the substantial reduction in activity and the disposal of a significant proportion of assets held, and in the current economic climate, the subsidiary's directors have further revalued the scaffolding as at 30 September 2011 on the consistent basis of the second hand market value of those assets still in use Fully depreciated assets no longer in use were eliminated on each occasion If the scaffolding were sold at valuation a taxation liability could arise as referred to in Note 8 to the financial statements. The historic cost of assets in total that had been revalued at 30 September 2011 was £173,482 (2010 £1,204,110) and the accumulated historic cost depreciation and impairment provisions was £94,158 (2010 £653,880)

12 Tangible assets *(continued)*

Other assets of the Group include fully depreciated skips which were revalued by the directors of a subsidiary undertaking as at 30 September 2005 on the basis of second hand replacement value. The cost and accumulated depreciation were adjusted accordingly and the revaluation surplus of £50,000 was transferred to the revaluation reserve The directors reviewed the depreciation rate applied to those assets and concluded that the rate should be 10% p a on a reducing balance basis to more accurately reflect the expected life of those assets

The historic cost and accumulated depreciation of the revalued skip assets at 30 September 2011 are both £330,187 (2010 - £330,187) If the skip assets were sold at valuation a taxation liability could arise as referred to in Note 8 to the financial statements

13 Fixed asset investments

		Group		Company	
	Note	**2011**	2010	**2011**	2010
		£'000	£'000	**£'000**	£'000
Shares in subsidiary undertakings	**14**	-	-	**2,692**	2,692
Less provision for diminution		-	-	**(1,495)**	(1,517)
Loans to subsidiary undertakings		-	-	**2,528**	2,724
Less provision for non recovery		-	-	**(2,335)**	(2,405)
		-	-	**1,390**	1,494

The Directors have reviewed the amounts attributed in the balance sheet of the Company to shares in and loans to subsidiary undertakings The review has taken into account any deficiency in shareholders funds or where there was a shortfall in the net assets compared to the cost of the investment at 30 September 2011 and where the support of the Group is required to enable the subsidiary undertaking to continue as a going concern

Based on this review, provisions amounting to £2,335,400 (2010 £2,405,834) against loans to eight (2010 eight) subsidiary undertakings and £1,494,981 (2010 £1,516,756) against the cost of shares in nine (2010· nine) subsidiary undertakings have been made In connection with three of the subsidiary undertakings the parent company has guaranteed various bank and supplier liabilities, these are referred to in Note 25, contingent liabilities, the most significant of these were the bank overdrafts and loans which at 30 September 2011 amounted to £3,119,672 (2010 £3,908,231) Included in this figure is £991,735 relating to one subsidiary company, Claw Scaffold Limited, where subsequent to the balance sheet date the Company has been called on to honour its guarantee in respect of the bank overdraft and the loan In this respect the Company has made a provision for the foreseeable losses as referred to in Note 19

14 Subsidiary undertakings

	Company 2011 £'000	Company 2010 £'000
Cost of shares at 1 October 2010	**2,718**	2,718
Additions during the year	**-**	-
Pre-acquisition profit paid as dividend	**(26)**	(26)
Provision for diminution	**(1,495)**	(1,517)
Net book value of shares at 30 September 2011	**1,197**	1,175

The Company owns all of the ordinary shares, (representing 100% of the voting rights) and in addition in the case of Hill Industrial Limited all the preference shares, of these subsidiary undertakings

Arrowhead Hire Limited	-	Dormant
Alan Hadley Limited	-	Waste management and recycling
Claude Fenton Limited	-	Property Development and Investments
Claude Fenton (Construction) Limited	-	Construction
Claude Fenton (Plant Hire) Limited	-	Plant Hire
Claude Fenton (Plant) Limited	-	Dormant
Claw Scaffold Limited	-	Scaffolding
Fenton Hadley Contracts Limited	-	Dormant
Hill Industrial Limited	-	Dormant
Claude Fenton (BM) Limited	-	Dormant
Claude Fenton Manufacturing Limited	-	Dormant
Sheerhire Limited (Investment held by Claude Fenton (Plant) Limited)	-	Dormant

At 30 September 2011 unrealised inter-group profit on trading of £52,000 (2010 £52,000) was eliminated on consolidation

15 Stocks

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	-	-	-	-
Finished goods	-	-	-	-
Land and developments in progress	**3,328**	3,068	**178**	178
	3,328	3,068	**178**	178

Interest costs accrued amounting £188,114 (2010· £228,611) have been included in stock as part of land and developments in progress.

In light of the current economic climate the Directors have considered the net realisable value of the carrying amount of the Company's development land and work in progress From this consideration an exceptional write down for the year of £48,407 (2010 - £49,491) has been made and in the opinion of the Directors the carrying value reflects a reasonable approach to the properties net realisable value In the light of the current economic climate further falls in value are possible but it is not practical or feasible to give an estimate of the financial effect

16 Debtors

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Trade debtors	**1,980**	1,521	**216**	286
Amounts due from subsidiary undertakings	-	-	**2,479**	1,900
Other debtors	**83**	90	**23**	25
Prepayments and accrued income	**259**	294	**53**	30
Corporation tax repayable	**1**	-	**1**	-
Amounts recoverable on contracts	**182**	189	-	-
	2,505	2,094	**2,772**	2,241

Amounts recoverable on contracts represent ascertained cumulative turnover transferred to the profit and loss account in current and prior years of £8,038,863 (2010 £4,159,634) less payments on account of £7,857,215 (2010 £3,970,957)

Included in other debtors is a deposit of £50,000 (2010 £50,000) in respect of certain of the Group's tipping arrangements that is not repayable until after more than one year

Included in amounts due from subsidiary undertakings for the Company are loans of £1,875,000 (2010. £1,575,000) made during the year of which £1,075,000 (2010 £1,390,000) is repayable within twelve months and the remaining £800,000 (2010 £185,000) after more than one year from the balance sheet date As these loans are considered short-term advances they have been included in current assets rather than part of the cost of investments in subsidiary undertakings

17 Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Bank loans	**3,475**	3,279	**2,273**	1,781
Bank overdrafts	**-**	348	**-**	-
Invoice financing	**-**	233	**-**	-
Obligations under finance leases and hire purchase contracts	**192**	199	**-**	-
Amounts due to subsidiary undertakings	**-**	-	**29**	314
Payments on account	**49**	48	**-**	-
Trade creditors	**1,192**	881	**69**	79
Other creditors	**102**	143	**38**	73
Tax and social security creditor	**443**	287	**140**	44
Corporation tax	**274**	69	**260**	49
Accruals and deferred income	**1,063**	947	**671**	470
	6,790	6,434	**3,480**	2,810

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the Group and the Company, specific charges on book debts, and a composite unlimited guarantee by subsidiary undertakings, and various rights of set off Cash at bank of £1,684,148 (2010 £1,715,989) for the Group and £1,260,162 (2010 £836,244) for the Company have been set off for the purposes of presentation in the financial statements

The Group figures include advances of £nil (2010 £233,482) in respect of an invoice financing facility provided to a subsidiary undertaking, which was a full recourse facility provided by the company's bankers who held a fixed charge over the debts on which the finance had been advanced During the year the subsidiary discontinued the use of this invoice financing facility

18 Creditors: amounts falling due after more than one year

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Bank loans	**2,094**	2,800	**1,861**	2,455
Amount due to subsidiary undertakings	**-**	-	**200**	200
Obligations under finance leases and hire purchase contracts	**286**	71	**-**	-
	2,380	2,871	**2,061**	2,655

18 Creditors: amounts falling due after more than one year *(continued)*

Maturity of total debt:

	Invoice Finance Loans and overdrafts		Finance leases and hire purchases		Amounts due to subsidiary undertakings		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Group								
In one year or less	**3,475**	3,860	**192**	199	-	-	**3,667**	4,059
In more than one year but not more than two years	**380**	701	**176**	53	-	-	**556**	754
In more than two years but not more than five years	**804**	1,122	**110**	18	-	-	**914**	1,140
In more than five years	**910**	977	-	-	-	-	**910**	977
	5,569	6,660	**478**	270	-	-	**6,047**	6,930
Company								
In one year or less	**2,273**	1,781	-	-	**29**	314	**2,302**	2,095
In more than one year but not more than two years	**342**	602	-	-	-	-	**342**	602
In more than two years but not more than five years	**689**	1,019	-	-	-	-	**689**	1,019
In more than five years	**830**	834	-	-	**200**	200	**1,030**	1034
	4,134	4,236	-	-	**229**	514	**4,363**	4,750

18 Creditors: amounts falling due after more than one year *(continued)*

Obligations under finance leases and hire purchase contracts are due as follows

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Amounts payable				
In one year or less	**215**	208	-	-
Between one to two years	**300**	56	-	-
Between two to five years	-	18	-	-
	515	282	-	-
Less Finance charges allocated to future periods	**(37)**	(12)	-	-
	478	270	-	-
Amounts payable·				
In one year or less	**192**	199	-	-
Between two and five years	**286**	71	-	-
	478	270	-	-

Obligations under finance lease and hire purchase contracts are secured upon the assets concerned The finance companies have the right of repossession upon default

19 Provisions for liabilities and charges

Group	Other provisions £'000	Deferred taxation £'000	Total £'000
As at 1 October 2010	903	311	1,214
Additions	97	-	97
Releases	(119)	(135)	(254)
As at 30 September 2011	**881**	**176**	**1,057**

The other provisions include an estimate by the Directors, based on void space consumed and other factors, for re-instatement of land after tipping amounting to £735,006 (2010· £778,863) which includes £167,760 (2010 £214,257) in connection with the acquisition of a business made during a previous year, the performance of which has been guaranteed by the Company Also included in other provisions is £146,336 (2010 £124,336) in respect of a constructive obligation relating to infrastructure and sewage and drainage works on part of the Group's and Company's freehold land Additional provisions have been made in respect of tipping obligations and provisions no longer required have been released

There are potential liabilities to deferred taxation referred to in Note 8

Company	Provision for foreseeable losses in respect of subsidiary £'000	Other provisions (see above) £'000	Deferred taxation £'000	Total £'000
As at 1 October 2010	-	124	-	124
Additions	1,019	22	-	1,041
Releases	-	-	-	-
As at 30 September 2011	**1,019**	**146**	-	**1,165**

In connection with one subsidiary company whose operations have significantly reduced during the year and are discontinuing, the Company, subsequent to the balance sheet date in March 2012 has been called on to honour its guarantee in respect of the bank overdraft and loan liability and has made a payment to the subsidiary company's bankers amounting to approximately £1m In accordance with FRS12 *Provisions, contingent liabilities and assets* the Company has made full provision for the payment under the guarantee and other expected foreseeable losses based on the amounts outstanding at 30 September 2011 This liability is already fully reflected in the Group consolidated balance sheet

Deferred taxation is calculated at 27% (2010 28%), analysed as follows

	Group		Company	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000
Capital allowances in excess of depreciation	**176**	311	-	-
	176	311	-	-

19 Provisions for liabilities and charges *(continued)*

Deferred tax asset relating to pension deficit

	2011 £'000	2010 £'000
Group		
As at 1 October 2010	**275**	400
Deferred tax (released) /charged in profit and loss account (note 8)	**(12)**	4
Deferred tax released/(charged) to the statement of total recognised gains and losses	**12**	(129)
As at 30 September 2011	**275**	275

The deferred tax asset of £274,860 (2010 £274,860) has been deducted in arriving at the net pension deficit on the balance sheet for both the Group and the Company This assumes that over time sufficient taxable profits will be available to offset the pension costs incurred

20 Share capital

	2011 £'000	2010 £'000
Authorised		
1,000,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
633,500 (2010 633,500) ordinary shares of £1 each	**633**	633

21 Reserves

	Pension Fund deficit £'000	Revaluation reserve £'000	Profit and loss account £'000
Group			
At 1 October 2010	(707)	6,995	8,896
Differences between actual and historic cost depreciation	-	(3)	3
Profit for the year	-	-	466
Dividends	-	-	(152)
Revaluation in the year	-	(1,907)	-
Transfer on sale of asset	-	(37)	37
Actuarial deficit	-	-	(82)
Movement on deferred tax relating to pension scheme	-	-	12
Increase in pension deficit	(36)	-	36
At 30 September 2011	**(743)**	**5,048**	**9,216**

Of the total revaluation reserve, a surplus of £1,476,849 (2010 £2,327,654) relates to investment properties The amount of cumulative goodwill written off to reserves in respect of acquisitions prior to 23 December 1989 has not been disclosed as exemption has been taken under SI 1990/355 on the basis that the information cannot be obtained without undue expense Note 8 in the notes to the financial statements refers to unprovided deferred taxation in respect of the revaluation surplus

21 Reserves *(continued)*

Company	Pension Fund Deficit £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 October 2010	-	6,793	10,029
(Loss) for the year	-	-	(84)
Dividends paid (see note 9)	-	-	(152)
Revaluation in the year	-	(1,892)	-
Provision at the year end	(743)	-	-
At 30 September 2011	**(743)**	**4,901**	**9,793**

In order to reduce the Group's pension scheme levy liability, the Company has provided a guarantee to the Trustees of the Claude Fenton (Holdings) Limited Pension Fund in respect of the funding required to meet any shortfall or deficit in the Group pension scheme if any subsidiary company was unable to fulfil its obligations in this respect At the balance sheet date the pension scheme deficit, after deducting deferred taxation, was £743,000 (2010 £707,000) This amount has been included in the consolidated Group financial statements, previously no provisions or adjustments had been included in the Company's own financial statements as the Directors considered the subsidiary companies would continue to be able to meet their obligations for the time being The Directors have re-assessed the position at the balance sheet date and have now incorporated full provision in the Company's balance sheet

The amount of unprovided deferred taxation relating to revaluation surpluses is shown in Note 8

The revaluation reserve of the Company includes a surplus of £1,389,904 (2010 £2,188,649) relating to the freehold investment properties

22 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Profit / (loss) for the year	**466**	(103)	**(84)**	1,157
Dividends	**(152)**	(152)	**(152)**	(152)
Revaluation deficit	**(1,907)**	-	**(1,892)**	-
Actuarial (deficit) / gain	**(82)**	463	-	-
Movement on deferred tax relating to pension scheme	**12**	(129)	-	-
Net pension deficit	-	-	**(743)**	-
Net (depletion) / addition to shareholders' funds	**(1663)**	79	**(2,871)**	1,005
Opening shareholders' funds	**15,817**	15,738	**17,455**	16,450
Closing shareholders' funds	**14,154**	15,817	**14,584**	17,455

23 Related party transactions

Durıng 2009 a subsıdıary company, Claude Fenton (Constructıon) Lımıted, entered ınto a contract wıth Mrs J W Gammer, a shareholder of the parent company, and wıfe of D B Gammer, a Dırector, to buıld four houses on a development sıte owned by her The agreed prıce of £537,150 was cost, ıncludıng full overhead recovery, plus 10% and the contract has now been completed

24 Bank loans

On 16 November 2001 the Company took out a bank loan for a period through to 2016 Thıs had a balance remaınıng of £348,257 (2010 £564,288) as at 30 September 2011 Interest ıs payable at 1 4% over bank base rate

On 25 February 2004 the Company negotıated a bank loan whıch was then renegotıated ın June 2008 to provıde an amount of up to £1,265,000 at an ınterest rate of 1 4% over bank base rate As at 30 September 2011 the balance outstandıng was £716,731 (2010 £871,259)

On 13 July 2005 a further loan for a perıod of 5 years was taken out to purchase S J Gıllham Scaffoldıng whıch was subsequently renegotıated At 30 September 2011 the balance remaınıng was £269,136 (2010 £307,040) Interest ıs payable at 1 25% over bank base rate

On 18 June 2007, a bank loan was taken out to fund the development of 25/27 Readıng Road ın Henley In June 2010 thıs loan, and subsequent extensıons and repayments, was replaced by a facılıty to Claude Fenton Lımıted of £500,000 and a facılıty made avaılable to the Company of £500,000 and both had been fully drawn down at 30 September 2010 The amount drawn by the Company was lent to Claude Fenton Lımıted by means of an ınter company loan ıncluded ın the 2010 comparatıve above Interest was payable at 2 25% above the bank's base rate on the facılıty made avaılable to Claude Fenton Lımıted and 1 25% above Lıbor on the amount made avaılable to the Company Both of these facılıtıes were repaıd durıng the year usıng proceeds from the dısposal of the development

On 18 June 2007, a bank loan for £1,200,000 was taken out to fund the development of Home Park ın Slantıng Hıll, Newbury In June 2010 thıs loan was replaced by a facılıty to Claude Fenton Lımıted of £650,000 and a facılıty made avaılable to the Company of £550,000 As at 30 September 2011 a total of £650,000 (2010 - £375,000) had been drawn down ın respect of the facılıtıes made avaılable to Claude Fenton Lımıted, and £550,000 (2010 £550,000) agaınst those to the Company The amount drawn by the Company has been lent to Claude Fenton Lımıted by means of an ınter company loan ıncluded above Interest ıs payable at 2 50% above the bank's base rate on the facılıty made avaılable to Claude Fenton Lımıted and 1 50% above Lıbor on the amount made avaılable to the Company

On 25 January 2008, a bank loan for £800,000 was taken out to fund the development of Stanford Road, Bradfield, Readıng On 18 September 2009 thıs loan was renegotıated and ıncreased to £1,100,000 In June 2010 thıs loan was replaced by a facılıty to Claude Fenton Lımıted of £575,000 and a facılıty made avaılable to the Company of £525,000. As at 30 September 2011 a total of £35,000 (2010 - £515,000) was outstandıng ın respect of the facılıtıes made avaılable to Claude Fenton Lımıted, and £525,000 (2010 £525,000) agaınst those to the Company after repayments ın the year from the dısposal proceeds of one property from the development The repayments reduced the amount due on Claude Fenton Lımıted's facılıty The amount drawn by the Company has been lent to Claude Fenton Lımıted by means of an ınter company loan of £525,000 ıncluded above Interest ıs payable at 2 50% above the bank's base rate on the facılıty made avaılable to Claude Fenton Lımıted and 1 50% above Lıbor on the amount made avaılable to the Company

24 Bank loans ***(continued)***

In June 2010, a facility to Claude Fenton Limited of £1,200,000 and a facility made available to the Company of £800,000 was made available to fund the development of Grazeley Court Farm, Kybes Lane, Grazeley, near Reading As at 30 September 2011 a total of £410,000 (2010 - £nil) had been drawn down in respect of the facilities made available to Claude Fenton Limited, and £800,000 (2010 £nil) against those to the Company The amount drawn by the Company has been lent to Claude Fenton Limited by means of an inter company loan of £800,000 included above Interest is payable at 2 50% above the bank's base rate on the facility made available to Claude Fenton Limited and 2.40% above Libor on the amount made available to the Company

On 31 January 2008, a bank loan for £300,000 was taken out to fund the development of the wash plant at Moores Farm and as at 30 September 2011 a total of £75,870 (2010 £147,285) had been drawn down Interest is payable at 1 25% above bank base rate

On 14 May 2009 a bank loan of £1,225,000 was drawn down by the Company and is repayable over a period of 15 years Interest is charged at 2 4% above Libor

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Analysis of bank loan repayments				
Due within one year	**3,475**	3,279	**2,273**	1,781
Between one and two years	**380**	701	**342**	602
Between two and five years	**804**	1,122	**689**	1,019
In more than five years	**910**	977	**830**	834
	5,569	6,079	**4,134**	4,236

The bank loans are secured by fixed and floating charges over the Company's and the Group's assets (Note 26) and are payable either on the sale of developments or over a fixed term and are only repayable on demand on a breach of normal banking covenants

25. Contingent liabilities

As at 30 September 2011, there exist contingent liabilities and guarantees of the Group in respect of the following

(a) Bonds given to various authorities in respect of construction work, as is the usual practice in this industry, amounting to £295,165 (2010 £176,050)

(b) The Directors are of the opinion that adequate provision has been made within these financial statements to meet the Group's obligations for the eventual cost of restoration to re-instate land after tipping

(c) An option given to the licensors of a tip to require the Group to purchase the site after tipping for an amount of £40,000 (2010 £40,000)

As at 30 September 2011, there exist contingent liabilities and guarantees of the Company in respect of the following

(a) A composite unlimited guarantee and right of set off on all Group bank overdrafts and loans which amounted to £7,253,533 (2010 £8,143,778) The guaranteed bank overdrafts and loans of other Group companies amounted to £3,119,672 (2010 £3,908,231)

(b) A guarantee for value added tax due by all subsidiary undertakings under the Group election amounting to £217,253 (2010 £144,517)

(c) Guarantees in respect of hire purchase and finance lease agreements for subsidiary undertakings The outstanding balances due under such agreements amount to £151,808 (2010 £269,696) at the balance sheet date.

(d) Guarantees for amounts owed by its subsidiary undertakings to suppliers of up to £100,000 (2010 £100,000) The Company also has guarantees in respect of certain of its subsidiary undertakings to third parties.

(e) A guarantee given to the vendor of the waste recycling operations acquired by Alan Hadley Limited with regard to covenants and obligations relating to restoration works which the directors of that company estimate to be £167,760 (2010 £214,257)

(f) A guarantee for due performance in respect of contracts carried out by a subsidiary undertaking amounting to £295,165 (2010 £176,050)

(g) The Company held two amounts of £100,000 each on behalf of subsidiary undertakings under deeds as deposits in respect of securing the Company's guarantee of certain of the subsidiary undertaking's liabilities

26 Secured liabilities

Royal Bank of Scotland Plc and National Westminster Bank Plc holds a number of debentures secured by various fixed and floating charges over the assets of the Group and Company, specific charges on freehold and leasehold land and buildings and fixed charges on book debts of the Group and the Company, and various rights of set-off

The invoice financing facility, referred to in note 17 above, was secured over the trade debtors of the subsidiary concerned This has now ended as use of the facility was discontinued at the end of 2010.

27 Pensions

The Company is a member of the Claude Fenton (Holdings) Limited Group Pension Fund

The scheme is a defined benefit scheme in the UK and contributions are based on pension costs across the Group as a whole The scheme provides benefits on final pensionable pay and the fund's assets are held independently in trustee administered funds

It is not practical for individual companies within the group scheme to identify separately their share of the individual assets and liabilities In accordance with FRS17 Retirement Benefits, the Company has treated its own contribution as if it were a defined contribution scheme for the year under review As referenced to in note 21, however, due to change in circumstances the Directors have decided to include as at 30 September 2011 the pension deficit in the Company's balance sheet

For the Group scheme contributions are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the Company and the Group

The Contributions to the fund are determined by a qualified independent actuary on the basis of triennial valuations, using the Projected Unit method A full actuarial valuation was carried out as at 6 April 2009 The actuary has provided to the Group the necessary FRS17 disclosures to 30 September 2011

Contributions are currently payable to the Fund at the following rates

	% of pensionable salaries	
	Members	**Company**
Category 1	5 4	18 3
Category 2	6 5	9 7

The Group also meets the fund's expenses and insurance premiums

Up to 5 April 2006 the Group paid contributions of 1 8% of pensionable salaries in relation to Category 3 members The Category 1 scheme is a closed scheme

Commencing on 1 April 2006, the Group introduced a stakeholder pension scheme for new and some existing employees

On 20 August 2010, an agreement was reached between the Trustees and the Group to reduce the deficit, calculated by the actuary at that time, over a seven year period by additional lump sums of £75,000 per annum

27 Pensions *(continued)*

The major assumptions used by the actuary were

	At 30 September 2011	At 30 September 2010
Rate of increase in salaries	**3.00%**	3 00%
Rate of increase of pensions in payment		
- RPI (max 5 00%, min 3 00%)	**3.50%**	3 50%
- RPI (max 2 50%)	**2.20%**	2 20%
Discount rate	**5.00%**	5 00%
Inflation - RPI	**3.00%**	3 00%
Inflation – CPI	**2.50%**	2 50%
Expected return on Fund assets	**5.26%**	5 54%

The assets in the scheme and the expected rate of return were

	Long-term rate of expected return at 30 September 2011	**Value at 30 September 2011 £'000**	Long-term rate of expected return at 30 September 2010	Value at 30 September 2010 £'000
Equities	**7.50%**	**1,955**	7 50%	2,184
Bonds	**5.00%**	**538**	5 00%	582
Property	**7.50%**	**1,075**	7 50%	971
Cash	**0.50%**	**1,320**	0 50%	1,117
Fair value of assets		**4,888**		4,854
Actuarial value of Fund liabilities		**(5,906)**		(5,836)
Net pension liability		**(1,018)**		(982)
Related deferred tax asset		**275**		275
Net pension deficit		**(743)**		(707)

The basis of the actuarial valuation required by FRS 17 is only one method of several that can be used for the purposes of calculating any deficit or surplus in respect of pension scheme liabilities The basis adopted by the Group's pension scheme actuary for the purposes of the triennial review results in a similar expected deficit compared to those included in these financial statements

27 Pensions *(continued)*

Analysis of the amount charged to operating profit	**2011 £'000**	2010 £'000
Current service cost	**79**	94
Past service cost	**-**	-
Curtailment	**-**	-
Total operating charge	**79**	94

Analysis of the amount credited to other finance costs	**2011 £'000**	2010 £'000
Expected return on pension scheme assets	**270**	259
Interest on pension scheme liabilities	**(294)**	(320)
Net return	**(24)**	(61)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	**2011 £'000**	2010 £'000
Actual return less expected return on pension scheme assets	**(258)**	87
Experience gains and losses arising on scheme liabilities	**176**	139
Changes in assumptions underlying the present value of the scheme liabilities	**-**	237
Actuarial (deficit) / gain recognised in the STRGL	**(82)**	463

Movements in deficit during the year	**2011 £'000**	2010 £'000
Deficit in scheme at beginning of year (net of attributable deferred tax asset of £274,860) (2010 - £400,120))	**(707)**	(1,029)
Movement in year		
Current service cost	**(79)**	(94)
Employer contributions	**149**	139
Past service costs	**-**	-
Curtailment	**-**	-
Other finance income	**(24)**	(61)
Actuarial (deficit) / gain	**(82)**	463
Pension cost relief (less than) / in excess of pension cost charge	**(12)**	4
Deferred tax released / (charged) to the STRGL	**12**	(129)
Deficit in scheme at end of year	**(743)**	(707)

27 Pensions *(continued)*

Changes in the present value of the defined benefit obligation	**2011**	2010
	£'000	£'000
Opening value of Fund liabilities	**5,836**	6,000
Current service cost	**79**	94
Contributions by Fund members	**43**	44
Interest cost	**294**	320
Actuarial gains	**(176)**	(376)
Benefits paid	**(170)**	(246)
Closing value of Fund liabilities	**5,906**	5,836

Changes in the fair value of Fund assets	**2011**	2010
	£'000	£'000
Opening fair value of Fund assets	**4,854**	4,571
Expected return	**270**	259
Actuarial (losses) and gains	**(258)**	87
Employer contributions	**149**	139
Employees contributions	**43**	44
Benefits paid	**(170)**	(246)
Closing fair value of Fund assets	**4,888**	4,854
Actual return on Fund assets	**12**	346

History of experience gains and losses

Movements over previous five year period	**2011**	2010	2009	2008	2007
	£000	£000	£000	£000	£000
Fund assets	**4,888**	4,854	4,571	4,214	4,593
Value of Fund liabilities	**(5,906)**	(5,836)	(6,000)	(5,159)	(4,832)
Surplus / (deficit)	**(1,018)**	(982)	(1,429)	(945)	(239)
Experience adjustment on Fund liabilities	**176**	139	(1)	(9)	3
Changes in the assumptions for value of Fund liabilities	**-**	237	(514)	(155)	482
Experience adjustments on Fund assets	**(258)**	87	7	(663)	34

The Company also operates a defined contribution scheme in respect of certain of its employees. Contributions are charged in the financial statements as incurred

The pension charge for the Group, which includes separately insured death-in-service and incapacity benefits and expenses, for the year was £240,407 (2010 £282,716) (before the adjustments for contributions of £149,000 (2010 £139,000) referred to above) in respect of the defined benefit scheme and £18,784 (2010 £29,677) in respect of the defined contribution scheme

27 Pensions *(continued)*

The pension charge for the Company which includes separately insured death-in-service and incapacity benefits and expenses, was £113,926 (2010 £106,305) in respect of the Group scheme and £Nil (2010 £Nil) in respect of the other defined contribution scheme As at 30 September 2011 there were no outstanding or prepaid contributions in respect of the defined benefit scheme or the defined contribution scheme

28 Commitments under operating leases

As at 30 September 2011, the Group had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Group				
Operating leases which expire				
Within one year	**-**	**50**	-	198
In two to five years	**11**	**107**	10	169
After five years	**-**	**-**	-	-
	11	**157**	**10**	**367**
Company				
Operating leases which expire				
Within one year	**-**	**3**	-	-
In two to five years	**-**	**6**	-	6
After five years	**-**	**-**	-	-
	-	**9**	-	6

29 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £'000	2010 £'000
Operating profit	**684**	113
Depreciation	**879**	1,057
Impairment provision	**-**	-
Provision for diminution / (augmentation) on revaluation	**74**	(15)
Amortisation on intangibles	**57**	134
Decrease in tipping and other provisions	**(22)**	(68)
(Profit) / loss on sale of tangible fixed assets	**(62)**	2
(Increase) in stocks	**(260)**	(278)
Stock transferred to fixed assets	**-**	-
(Increase) / decrease in debtors	**(410)**	1,049
Increase / (decrease) in creditors	**543**	(955)
Operating profit attributable to pension adjustments	**(70)**	(45)
Net cash inflow from operating activities	**1,413**	994

30 Analysis of changes in net debt

	At 1 October 2010 £'000	Cash flows £'000	Non-cash flows £'000	At 30 September 2011 £'000
Cash at bank and in hand	3	320	-	323
	3	320	-	**323**
Debt due within one year	(3,627)	152	-	(3,475)
Debt due after more than one year	(2,800)	706	-	(2,094)
Finance leases and hire purchase	(270)	282	(490)	(478)
Invoice financing facility	(233)	233	-	-
	(6,930)	1,373	(490)	**(6,047)**
Total	(6,927)	1,693	(490)	**(5,724)**

Major non-cash transactions

During the year the Group entered into finance leases and hire purchase contracts with a total capital value of £490,145 (2010 £75,142)

31 Post balance sheet events

Subsequent to the balance sheet date Claude Fenton Limited has sold one of its developments As referred to in note 19, in March 2012 the Company has made a payment to a subsidiary company's bankers in respect of a guarantee for an overdraft and loan liability