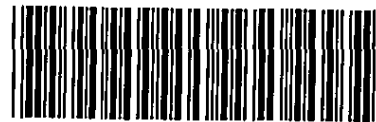


**GODFREY SYRETT LIMITED**

**Report and Financial Statements**

**17 month period ended 31 December 2012**

TUESDAY



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS  
17 MONTH PERIOD ENDED 31 DECEMBER 2012**

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**REPORT AND FINANCIAL STATEMENTS  
17 MONTH PERIOD ENDED 31 DECEMBER 2012**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

W J Rusga (Chairman)  
S F Riddell (Vice Chairman)  
N Tweddle (Managing Director)  
C G Conyers  
Sir Simon Day  
D A Greenwell  
M D Horne  
Lady A B Wakeham  
G Rance  
D J Q Greenwell  
C J Billingham  
D Mitchell (Appointed 11<sup>th</sup> April 2013)

**SECRETARY**

C G Conyers

**REGISTERED OFFICE**

Planet Place  
Killingworth  
Newcastle upon Tyne  
NE12 6DY

**BANKERS**

The Royal Bank of Scotland plc  
31 Grey Street  
Newcastle upon Tyne  
NE1 6ES

**SOLICITORS**

Dickinson Dees LLP  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE99 1SB

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Registered Auditor  
Newcastle upon Tyne  
NE1 2HF

## **DIRECTORS' REPORT**

### **DIRECTOR'S REPORT**

The directors present their annual report and the audited financial statements for the period ended 31 December 2012

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company is a wholly owned subsidiary of Godfrey Syrett (Holdings) Limited

The principal activities of the group are the design, manufacture and sale of office and educational furniture in the UK. There have not been any significant changes in the group's principal activities in the period under review and the directors are not aware, at the date of this report, of any major changes in the group's activities in the medium to long term future.

While the office furniture market continues to be very competitive the directors are pleased to report that the group has been able to grow sales pro rata by 5% and improve gross margin to 24.5%. Distribution costs increased on the previous year due almost entirely to the impact of a particularly difficult contract which was successfully completed during the period but disguised the improvements delivered by bringing the transport function in house.

Taking the above into consideration, net operating margin reduced to 7.8% and with broadly unchanged administrative costs the resulting pro rata operating profit was maintained with the previous period.

The Directors view management of working capital as critical to success and long term future viability. Calculated by comparing the sum of stock and debtors as a percentage of pro rata revenue, the directors are pleased to report that this has reduced from 29.0% to 26.2% with improved credit control contributing to the improvement. Raw material and work in progress were generally stable over the period and management are confident that this improvement will be maintained.

The group continues to invest in product design and development of new products and during the period successfully launched several new ranges. The directors regard such investment as an essential factor in its continuing success in the medium and longer term.

The balance sheet on page 7 of the financial statements shows the group's financial position at the year end. There have been no significant events since the date of the balance sheet.

There have been no significant events since the date of the balance sheet.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressure in the UK and risk of non-payment are the major continuing risks for the business. Wherever possible the business tries to differentiate from its competitors by providing added value services to its customers, a one stop shop service and by maintaining strong relationships with customers.

By focusing on working capital management the company has established significant financial resources and also has additional unutilised overdraft facilities. Previously the business reported that there had been a change in the customer mix with the business being less exposed to the public sector however to counter the increased exposure to the risk of possible non-payment the business continues to insure all main debts.

Current trading is strong and coupled with a solid order book and a robust prospect pipeline the directors believe that the business is well placed to manage its business risks despite the current economic uncertainty.

All sales are made within the UK and there is minimal foreign exchange exposure. However, the company does import some product from the Far East and where necessary minimises exchange risk by entering into currency forward contracts.

There is no interest rate exposure.

The directors have a strong expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts. Further detail is set out in note 1 to the financial statements.

## **DIRECTORS' REPORT (CONTINUED)**

### **FUTURE PROSPECTS**

It is essential that the business is not dependant on any one sector or customer. With the GSE (Godfrey Syrett Education) division now established, sales of residential furniture hitting target and the sales of office furniture operating across several market sectors the dependency on a particular sector is minimised. The prospect pipeline for the GSE Division remains encouraging and we envisage that this will provide strong growth opportunities over the next few years.

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The results for the year are shown in the profit and loss account on page 6.

During the period the total dividends paid were £31.45 per ordinary share (2011 £20.368). After dividend, a reduction in shareholders' funds of £368,461 has been transferred out of reserves (2011 reduction in shareholders' funds of £163,558 transferred out of reserves).

### **DIRECTORS**

The directors who served throughout the year and since were as follows:

D A Greenwell  
Sir Simon Day  
Lady A B Wakeham  
C G Conyers  
W J Rusga  
S F Riddell  
G Rance  
N Tweddle  
M D Horne  
D J Q Greenwell  
C J Billingham

(Appointed 10 October 2011)

(Appointed 26 January 2012)

### **AUDITOR**

Each of the persons who are a director of the company as at the date of this report, confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- b) each director has taken all reasonable steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
C G Conyers  
Director

**DIRECTORS' REPORT (CONTINUED)**

Date 25<sup>th</sup> April 2013

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODFREY SYRETT LIMITED**

We have audited the financial statements of Godfrey Syrett Limited for the 17 month period ended 31 December 2012 which comprise of the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 company's affairs as at 31 December 2012 and of its profit for the 17 month period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

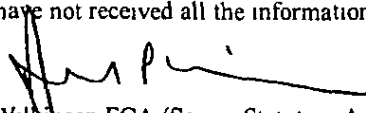
### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

  
David Wilkinson FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne, UK

Date

8<sup>th</sup> May 2013



**PROFIT AND LOSS ACCOUNT**  
**17 month period ended 31 December 2012**

		<b>17 month period ended 31 December 2012 £</b>	<b>Year ended 31 July 2011 £</b>
	<b>Notes</b>		
<b>TURNOVER</b>	<b>2</b>	<b>37,564,056</b>	<b>25,099,496</b>
Cost of sales		<u>(28,416,996)</u>	<u>(19,199,013)</u>
Gross Profit		<u>9,147,060</u>	<u>5,900,483</u>
Distribution costs		(6,234,713)	(3,762,831)
Administrative expenses		<u>(1,760,280)</u>	<u>(1,256,696)</u>
		<u>(7,994,993)</u>	<u>(5,019,527)</u>
<b>OPERATING PROFIT</b>		<b>1,152,067</b>	<b>880,956</b>
Interest receivable and similar income	<b>3</b>	5,451	19,460
Interest payable and similar charges	<b>4</b>	<u>(77,393)</u>	<u>(22,719)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>5</b>	<b>1,080,125</b>	<b>877,697</b>
Tax on profit on ordinary activities	<b>8</b>	<u>(249,119)</u>	<u>(257,085)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>10, 20</b>	<b><u>831,006</u></b>	<b><u>620,612</u></b>

All the above results derive from continuing activities in the United Kingdom

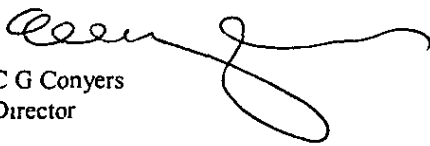
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses for the current period or preceding financial year other than as stated in the profit and loss account

**BALANCE SHEET**  
**At 31 December 2012**

	Notes	31 December 2012 £	31 July 2011 £
<b>FIXED ASSETS</b>			
Intangible assets	11	10,000	10,000
Tangible assets	12	1,746,161	1,709,348
Investments	13	109,008	109,008
		<u>1,865,169</u>	<u>1,828,356</u>
<b>CURRENT ASSETS</b>			
Stock	14	2,238,470	2,152,362
Debtors	15	4,733,016	5,460,444
Cash at bank and in hand		15,432	184,167
		<u>6,986,918</u>	<u>7,796,973</u>
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(4,654,751)</u>	<u>(4,989,532)</u>
<b>NET CURRENT ASSETS</b>		<u>2,332,167</u>	<u>2,807,441</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,197,336</u>	<u>4,635,797</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17	(1,861,670)	(1,861,670)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	-	(70,000)
<b>NET ASSETS</b>		<u>2,335,666</u>	<u>2,704,127</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	38,500	38,500
Profit and loss account	20	2,297,166	2,665,627
<b>SHAREHOLDERS' FUNDS</b>	10	<u>2,335,666</u>	<u>2,704,127</u>

The financial statements of Godfrey Syrett Limited, registered number 751094 were approved by the board of directors and authorised for issue on *25<sup>th</sup> April 2013.*

  
C G Conyers  
Director

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. A summary of principal accounting policies adopted is set out below. All have been applied consistently throughout the current period and prior year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors Report on page 2.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its resources. The banking facility was subject to renewal at the end of March 2013, and the bank have offered renewal terms which have been accepted by the company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

#### **Basis of consolidation**

The directors have taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements. In the opinion of the directors the company is eligible for this exemption on the grounds that it is a subsidiary undertaking.

Accordingly these financial statements present information about the company as an individual undertaking and not as a group. They are included in the consolidated financial statements of Godfrey Syrett (Holdings) Limited, a company registered in England and Wales (see note 24).

#### **Turnover**

Turnover represents amounts receivable for goods supplied by the company net of trade discounts and value added tax. Turnover is recognised when goods are received by the customer. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

#### **Intangible assets - Licenses**

Licenses are included at cost and are not amortised where the company retains the rights for an indefinite renewal of the legal right.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES (continued)**

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on assets, on a reducing balance or straight line basis at the following annual rates in order to write off each asset over its estimated useful life

Freehold land	No depreciation
Freehold buildings	2%
Plant and machinery	15%
Fixtures and fittings	between 15% and 50%
Motor vehicles	25%

#### **Stock**

Stock and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs

#### **Leases**

Operating lease rentals are charged to profit and loss in equal amounts over the lease term

#### **Cash flow statement**

The company has taken advantage of the exemption available to subsidiary undertakings in FRS1 (revised 1996) "Cash Flow Statements" not to disclose a cash flow statement or associated notes

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average 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 that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are non-discounted

### **2. TURNOVER**

All turnover and pre-tax profits originate in the United Kingdom. All net assets are located in the United Kingdom

The directors believe that all turnover is in one business segment

**NOTES TO THE FINANCIAL STATEMENTS**

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>17 month period ended 31 December 2012 £</b>	<b>Year ended 31 July 2011 £</b>
Bank interest	<u>5,451</u>	<u>19,460</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>17 month period ended 31 December 2012 £</b>	<b>Year ended 31 July 2011 £</b>
Bank overdraft charges	<u>77,393</u>	<u>22,719</u>

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>17 month period ended 31 December 2012 £</b>	<b>Year ended 31 July 2011 £</b>
This is stated after charging		
Depreciation of tangible fixed assets owned	263,325	147,779
Rentals under operating leases		
Other operating leases	<u>256,157</u>	<u>187,249</u>

The analysis of auditor's remuneration is as follows

	<b>17 month period ended 31 December 2012 £</b>	<b>Year ended 31 July 2011 £</b>
Fees payable to the company's auditor for the audit of the company's statutory accounts	<u>18,500</u>	<u>18,500</u>
Total audit fees	<u>18,500</u>	<u>18,500</u>
Fees payable to the company's auditor in respect of tax services	<u>3,300</u>	<u>3,300</u>
Total non-audit fees	<u>3,300</u>	<u>3,300</u>

NOTES TO THE FINANCIAL STATEMENTS

6. DIRECTORS' REMUNERATION

	17 month period ended 31 December 2012 £	Year ended 31 July 2011 £
Emoluments	575,548	342,128
Pension contributions	31,160	22,000
	<u>606,708</u>	<u>364,128</u>
<b>Emoluments of highest paid director</b>		
Emoluments	144,073	97,524
Pension contributions	25,500	18,000
	<u>169,573</u>	<u>115,524</u>

Two directors are a member of the defined contribution pension scheme (2011 two)

7. STAFF COSTS AND EMPLOYEES (INCLUDING DIRECTORS)

	17 month period ended 31 December 2012 £	Year ended 31 July 2011 £
Wages and salaries	8,708,824	5,934,939
Social security costs	961,863	571,198
Other pension costs (note 22)	24,667	26,061
	<u>9,695,354</u>	<u>6,532,198</u>

The average weekly number of employees during the period/year was

	No.	No.
Office and management	38	38
Production and sales	170	157
	<u>208</u>	<u>195</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

## a) Analysis of charge in the period/year

	17 month period ended 31 December 2012 £	Year ended 31 July 2011 £
<b>Current tax</b>		
United Kingdom Corporation tax at 24.94% (2011: 27.33%) based on the profit for the year	265,521	272,163
Adjustments in respect of prior year	6,066	(9,493)
	<u>271,587</u>	<u>262,670</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(2,243)	(13,105)
Adjustment in respect of prior years	(22,729)	7,075
Effect of changes in tax rate	2,504	445
	<u>(22,468)</u>	<u>(5,585)</u>
<b>Total tax on profit on ordinary activities</b>	<u>249,119</u>	<u>257,085</u>

## b) Factors affecting tax charge for the current period/year

	17 month period ended 31 December 2012 £	Year ended 31 July 2011 £
Profit on ordinary activities before tax	1,080,125	877,697
Tax at 24.94% (2011: 27.33%) thereon	269,386	239,875
Effects of		
Expenses not deductible for tax purposes	6,645	7,955
Capital allowances in excess of depreciation	4,834	33,132
Change in tax rate	(2,592)	(7,919)
Adjustments in respect of prior years	6,065	(9,493)
Movement in short term timing differences	(12,751)	(880)
<b>Current tax charge for the period</b>	<u>271,587</u>	<u>262,670</u>

The Finance Act 2012, which provides for a reduction in the main rate of UK corporation tax to 23% effective from 1 April 2013 was enacted on 17 July 2012. As this rate was substantively enacted prior to 31 December 2012, it has been reflected in the deferred tax asset at 31 December 2012.

The UK Government has also indicated that it intends to enact further reductions in the main tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes to the main tax rate have not been substantively enacted at the Balance Sheet date, and, therefore, are not included in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**9 DIVIDENDS PAID AND PROPOSED**

	2012 £	2011 £
<b>Ordinary Shares</b>		
Interim paid - £22 87 per ordinary share (2011 £31 55)	<u>1,199,467</u>	<u>784,170</u>

**10 STATEMENT OF MOVEMENTS ON RESERVES**

	Profit and loss account £
At 1 August 2011	2,665,627
Profit for the 17 month period	831,006
Dividends paid	<u>(1,199,467)</u>
At 31 December 2012	<u>2,297,166</u>

**11. INTANGIBLE ASSETS**

	Licenses £
<b>Cost</b>	
At 1 August 2011 & 31 December 2012	<u>10,000</u>



## NOTES TO THE FINANCIAL STATEMENTS

## 12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures and Fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 August 2011	1,369,137	2,102,021	749,180	62,925	4,283,263
Additions	30,112	148,492	87,284	34,250	300,138
At 31 December 2012	1,399,249	2,250,513	836,464	97,175	4,583,401
<b>Accumulated depreciation</b>					
At 1 August 2011	144,000	1,755,536	613,441	60,938	2,573,915
Charge for the period	18,326	168,602	68,211	8,186	263,325
At 31 December 2012	162,326	1,924,138	681,652	69,124	2,837,240
<b>Net book value</b>					
At 31 December 2012	1,236,923	326,375	154,812	28,051	1,746,161
At 31 July 2011	1,225,137	346,485	135,739	1,987	1,709,348

Included in freehold land and buildings is land at cost of £504,223 (2011 £504,223) that is not depreciated

## 13. INVESTMENTS HELD AS FIXED ASSETS

**Investments**

Fixed asset investments are stated at cost less any provision for impairment

	At 31 December 2012 £	At 31 July 2011 £
Shares in subsidiaries at cost	109,008	109,008

The following are wholly owned subsidiaries of Godfrey Syrett Limited

Company name	Activity
Peal Furniture (Durham) Limited	Dormant
Lodge Contracts (1984) Limited	Dormant
Vinyl Master (Northumbria) Limited	Dormant
Hillfield Securities (Wembley) Limited	Dormant
Peal Equipment Limited	Dormant
Herlacross Limited	Dormant
Martock Investments Limited	Dormant

The principal business address for the above companies is Planet Place, Killingworth, Newcastle-upon-Tyne, NE12 6DY

NOTES TO THE FINANCIAL STATEMENTS

14. STOCK

	At 31 December 2012 £	At 31 July 2011 £
Raw materials	906,449	851,193
Work in progress	132,509	134,515
Finished goods	1,199,512	1,166,654
	<u>2,238,470</u>	<u>2,152,362</u>

15. DEBTORS

	At 31 December 2012 £	At 31 July 2011 £
Trade debtors	4,462,208	5,350,795
Other debtors	20,172	40,800
Prepayments and accrued income	221,789	62,470
Deferred tax assets	28,847	6,379
	<u>4,733,016</u>	<u>5,460,444</u>

Deferred taxation

	At 31 December 2012 £	At 31 July 2011 £
<b>Movement in period/year</b>		
Opening asset	6,379	794
Credit to profit and loss account	22,468	5,585
	<u>28,847</u>	<u>6,379</u>

The amount of deferred tax provided in the financial statements is as follows

	At 31 December 2012 £	At 31 July 2011 £
Capital allowances in excess of depreciation	3,515	(1,134)
Short term timing differences	25,332	7,513
	<u>28,847</u>	<u>6,379</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	At 31 December 2012 £	At 31 July 2011 £
Overdraft	694,708	-
Trade creditors	2,654,461	2,861,537
Corporation tax	271,586	272,162
Other taxes and social security costs	370,981	916,961
Other creditors	-	73,401
Accruals and deferred income	663,015	865,471
	<u>4,654,751</u>	<u>4,989,532</u>

Bank overdrafts are secured by a fixed and floating charge on the company's assets

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	At 31 December 2012 £	At 31 July 2011 £
Amount owed to parent undertaking	35,527	35,527
Amount owed to subsidiary undertakings	1,826,143	1,826,143
	<u>1,861,670</u>	<u>1,861,670</u>

The amounts owed to group undertakings are interest free and are repayable after more than one year

**18. PROVISIONS FOR LIABILITIES AND CHARGES**

	Other £
At 1 August 2011	(70,000)
Utilised	<u>70,000</u>
At 31 December 2012	<u>-</u>

Other provisions reflected an estimate of obligations relating to the company's premises

**NOTES TO THE FINANCIAL STATEMENTS**

**19. CALLED UP SHARE CAPITAL**

	At 31 December 2012 £	At 31 July 2011 £
<b>Called up, allotted and fully paid</b>		
38,500 Ordinary shares of £1 each	38,500	38,500

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	At 31 December 2012 £	At 31 July 2011 £
Profit for the financial year	831,006	620,612
Dividends paid and proposed	(1,199,467)	(784,170)
Net reduction in shareholders' funds	(368,461)	(163,558)
Opening shareholders' funds	2,704,127	2,867,685
Closing shareholders' funds	2,335,666	2,704,127

**21. FINANCIAL COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Leases which expire				
Within one year	750	123,751	1,542	35,620
Within two to five years	-	213,533	-	77,027
	750	337,284	1,542	112,647

**NOTES TO THE FINANCIAL STATEMENTS**

**22. PENSION SCHEMES**

The company operates a defined contribution pension scheme. The assets of the scheme are invested and held separately from those of the company.

In addition the company operates three other minor schemes where defined contributions are paid to insurance companies. The payments made were £24,667 in the period (2011 £26,061).

**23. RELATED PARTY TRANSACTIONS**

During the period the company incurred management charges from Genner Trust Limited, a company of which Lady Wakeham is a director, amounting to £164,840 (2011 £203,475). At the financial period end £Nil (2011 £Nil) was due to Genner Trust Limited.

Included within other debtors is an amount of £19,187 (2011 £40,800) due from Godfrey Syrett (Holdings) Limited Pension Fund. During the period the company made pension payments of £6,773 (2011 £45,772) on behalf of the pension fund, and had receipts of £28,386 (2011 £41,900) from the pension fund. All transactions are at arm's length.

The company has taken advantage of the exemption available in Financial Reporting Standard No 8 "Related Party Disclosures", not to disclose transactions with entities that are part of the same group.

**24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent undertaking and controlling entity is Godfrey Syrett (Holdings) Limited, a company registered in England and Wales. Godfrey Syrett (Holdings) Limited is the smallest and largest group which includes the company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Godfrey Syrett (Holdings) Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.