

Registration Number 00810899

**DEREK GLADWIN LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED**

**30TH SEPTEMBER 2006**

**Thain Wildbur  
Chartered Accountants  
36/38 King Street  
King's Lynn  
Norfolk  
PE30 1ES**

**WEDNESDAY**



A08 \*AY3KQRCO\* 18/07/2007 360  
COMPANIES HOUSE

## **DEREK GLADWIN LIMITED**

### **DIRECTORS' REPORT** **FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

The directors present their report and the accounts for the year ended 30th September 2006

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties that the company faces

The company specialises in bodywork and vehicle repairs largely as a recognised vehicle accident repair specialist for a number of insurance companies. The company currently operates from five units within the East of England and continues to look towards further expansion

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole these being turnover, gross profit and capital employed

Overall operating profit has increased to £789,723 (8.65%) from £186,873 (2.1%). After taxation, £515,281 has been retained to be added to reserves

Return on capital employed has increased to 44.6% (10.59%). Return on capital employed is calculated as profits before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less cash, plus overdrafts and other short term borrowings

As for many businesses of this size, the business environment in which we operate continues to be challenging. This aspect of the vehicle repair market is highly competitive

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control

#### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 4 - 5

#### **FIXED ASSETS**

The directors consider that the market value of freehold land and buildings is in excess of the amount shown in the accounts but, as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified

#### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interests in the company are as stated below

	Ordinary shares	
	2006	2005
H R DEATH	750	750
MRS S J DEATH	-	-

**DEREK GLADWIN LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

**DIRECTORS' RESPONSIBILITIES**

We, as directors acknowledge the directors' responsibility for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations

Company law requires to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these we required to

- select suitable accounting policies and apply them consistently.
- make judgements 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 will continue in business

We acknowledge our responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985. We are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware
- we have taken all steps that we ought to have taken as directors in order to make the auditors aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Thain Wildbur will be deemed to be reappointed for each succeeding financial year.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 25th June 2007 and signed on its behalf by



**Mrs. S.J. Death**  
**Director**

**AUDITORS REPORT TO DEREK GLADWIN LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 - 5 to 18 together with the financial statements of Derek Gladwin Limited for the year ended 30th September 2006 prepared under Section 226 of the Companies Act 1985

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing abbreviated accounts in accordance with Section 226 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

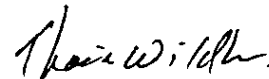
**BASIS OF OPINION**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30th September 2006, and the abbreviated accounts on pages 4 - 5 to 18 are properly prepared in accordance with that provision.

**Dated: 25th June 2007**



**Thain Wildbur  
Registered Auditors  
36/38 King Street  
King's Lynn  
Norfolk  
PE30 1ES**

**DEREK GLADWIN LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

		<b>Continuing operations</b>	
		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>GROSS PROFIT</b>		3,266,521	2,751,761
Administrative expenses		(2,476,798)	(2,564,888)
<b>OPERATING PROFIT</b>	<b>2</b>	<u>789,723</u>	<u>186,873</u>
Interest receivable and similar income	<b>3</b>	6,469	5,213
Interest payable and similar charges	<b>4</b>	<u>(55,818)</u>	<u>(62,336)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		740,374	129,750
Tax on profit on ordinary activities	<b>6</b>	<u>(225,093)</u>	<u>(13,186)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>515,281</u></u>	<u><u>116,564</u></u>

This statement should be read in conjunction with the note on the following page

The notes on pages 8 to 18 form an integral part of these financial statements.

**DEREK GLADWIN LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	515,281	116,564
Unrealised movement on revaluation of certain fixed assets	(10,388)	(12,220)
Total recognised gains relating to the year	<u>504,893</u>	<u>104,344</u>

**The notes on pages 8 to 18 form an integral part of these financial statements.**

**DEREK GLADWIN LIMITED**

**BALANCE SHEET**  
**AS AT 30TH SEPTEMBER 2006**

		2006		2005	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7/8		2,033,457		2,053,193
<b>CURRENT ASSETS</b>					
Stocks	9	47,849		101,536	
Debtors	10	1,383,941		1,170,559	
Cash at bank and in hand		768,511		275,363	
		<u>2,200,301</u>		<u>1,547,458</u>	
<b>CREDITORS:</b>					
amounts due within one year	11	(2,112,006)		(1,940,233)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>88,295</u>		<u>(392,775)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,121,752		1,660,418
<b>CREDITORS:</b>					
amounts due after more than one year	12		(816,387)		(876,356)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14		<u>(48,595)</u>		<u>(32,185)</u>
<b>NET ASSETS</b>			<u>1,256,770</u>		<u>751,877</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		750		750
Revaluation reserve	16		131,707		142,095
Other reserves	16		2,250		2,250
Profit and loss account	16		1,122,063		606,782
<b>SHAREHOLDERS FUNDS</b>	17		<u>1,256,770</u>		<u>751,877</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 25th June 2007 and signed on its behalf by

  
.....  
**H.R. Death**  
**Director**

The notes on pages 8 to 18 form an integral part of these financial statements

**DEREK GLADWIN LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

	Notes	2006 £	2005 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit		789,723	186,873
Depreciation		151,695	144,812
Decrease in stocks		53,687	6,947
(Increase) in debtors		(213,382)	(46,681)
(Decrease) in creditors		(50,090)	717,262
<b>Net cash inflow from operating activities</b>		<u>731,633</u>	<u>1,009,213</u>

**CASH FLOW STATEMENT**

Net cash inflow from operating activities		731,633	1,009,213
Returns on investments and servicing of finance	18	(49,349)	(57,123)
Taxation	18	(26,086)	(237,256)
Capital expenditure	18	(142,347)	(142,604)
		<u>513,851</u>	<u>572,230</u>
Equity dividends paid		-	(540,000)
		<u>513,851</u>	<u>32,230</u>
Financing	18	(57,563)	(60,348)
<b>Increase in cash in the year</b>		<u>456,288</u>	<u>(28,118)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 19)**

<b>Increase in cash in the year</b>	456,288	(28,118)
Cash outflow from increase in debts and lease financing	57,563	60,348
	<u>513,851</u>	<u>32,230</u>
Change in net funds resulting from cash flows	513,851	32,230
New finance leases	-	(20,800)
	<u>513,851</u>	<u>11,430</u>
<b>Movement in net funds in the year</b>	513,851	11,430
<b>Net debt at 1st October 2005</b>	(978,927)	(990,357)
	<u>(978,927)</u>	<u>(978,927)</u>
<b>Net debt at 30th September 2006</b>	(465,076)	(978,927)
	<u>(465,076)</u>	<u>(978,927)</u>



## **DEREK GLADWIN LIMITED**

### **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

#### **1. ACCOUNTING POLICIES**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards issued by the Accounting Standards Board

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales and work done during the year

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Leasehold properties	-	Straight Line over the life of the lease
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance/20% straight line
Motor vehicles	-	25% reducing balance

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the profit and loss account

The directors perform annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the recoverable amount is not lower than the carrying value

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **1.5. Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value

Cost represents purchase price or production cost, calculated on a first-in-first out basis. Production cost includes attributable production overheads

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**1.6. Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year

**1.7. Deferred taxation**

Provision is made for deferred taxation using the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of material timing differences

**2. OPERATING PROFIT**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	148,268	134,367
Loss on disposal of tangible fixed assets	3,427	10,445
Hire of plant and machinery and operating leases	129,487	124,076
Auditors remuneration	8,261	7,065
	<u>          </u>	<u>          </u>

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank interest	6,460	5,209
Other interest	9	4
	<u>          </u>	<u>          </u>
	<u>6,469</u>	<u>5,213</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	54,975	60,791
Hire purchase interest	843	1,545
	<u>          </u>	<u>          </u>
	<u>55,818</u>	<u>62,336</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**5. EMPLOYEES**

**Number of employees**

The average monthly numbers of employees  
(including the directors) during the year were

	<b>2006</b>	<b>2005</b>
Production	83	84
Administration	36	34
	<u>119</u>	<u>118</u>

**Employment costs**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,352,097	3,455,620
Social security costs	355,009	361,925
	<u>3,707,106</u>	<u>3,817,545</u>

**5.1. DIRECTORS' EMOLUMENTS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments (including benefits)	<u>603,749</u>	<u>777,413</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>
	<b>£</b>	<b>£</b>
<b>Highest Paid Director</b> Amounts included above		
Emoluments and other benefits	<u>312,924</u>	<u>396,285</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

<b>Analysis of charge in period</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	208,683	26,086
Total current tax charge	208,683	26,086
<b>Deferred tax</b>		
Timing differences, origination and reversal	16,410	(12,900)
Total deferred tax	16,410	(12,900)
Tax on profit on ordinary activities	225,093	13,186

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	740,374	129,750
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	202,455	24,653
- net of marginal rate relief (30th September 2005 19%)		
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,841	2,081
Depreciation for year in excess of capital allowances	3,387	(648)
Current tax charge for period	208,683	26,086

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**7. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; machinery £</b>	<b>Furniture &amp; office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost/valuation</b>				
At 1st October 2005	798,011	277,956	262,056	1,338,023
Additions	34,150	1,145	117,202	152,497
Disposals	(2,205)	(3,797)	(32,900)	(38,902)
At 30th September 2006	829,956	275,304	346,358	1,451,618
<b>Depreciation</b>				
At 1st October 2005	515,955	107,671	150,082	773,708
On disposals	(1,779)	(2,602)	(20,944)	(25,325)
Charge for the year	47,419	53,708	52,555	153,682
At 30th September 2006	561,595	158,777	181,693	902,065
<b>Net book values</b>				
At 30th September 2006	268,361	116,527	164,665	549,553
At 30th September 2005	282,056	170,285	111,974	564,315

Plant and machinery includes £103,063 at valuation which was undertaken by the directors during the year of their purchase. The original cost of these assets was £2,229 and £100,834 was transferred to a revaluation reserve.

These assets were purchased at a discounted value from the original lessor. The directors have revalued these assets bearing in mind the residual value and expected period of useful economic life. This does not represent a policy of revaluation as defined by FRS 15 tangible fixed assets; it represents a departure from the requirements of FRS 15 which the directors believe is necessary to give a true and fair view.

These assets are being depreciated in accordance with the company's normal accounting policies, and an amount equivalent to the year's depreciation is being deducted from the revaluation reserve.

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	17,325	5,775	23,100	7,700

**8. TANGIBLE FIXED ASSETS - PROPERTY**

	Freehold Church Road Warboys £	Freehold Unit 7 Harding Way St Ives £	Freehold Campbells Meadows King's Lynn £	Leasehold 12 Nuffield Road Cambridge £	Total £
<b>Cost/valuation</b>					
At 1st October 2005 and at 30th September 2006	261,452	140,683	505,614	621,702	1,529,451
<b>Depreciation</b>					
At 1st October 2005	-	-	-	40,573	40,573
Charge for the year	-	-	-	4,974	4,974
At 30th September 2006	-	-	-	45,547	45,547
<b>Net book values</b>					
At 30th September 2006	261,452	140,683	505,614	576,155	1,483,904
At 30th September 2005	261,452	140,683	505,614	581,129	1,488,878

Up to and including 2000 it was the company's policy to revalue freehold properties. In 2001 the company adopted the transitional provisions of FRS 15 tangible fixed assets. Whilst previous valuations have been retained, they have not been updated. From 2001 it is the company's policy not to re-value fixed assets. The last valuation was in 1991.

Freehold property includes £250,000 at valuation which was undertaken in 1991. The original cost of this asset was £177,150 and £72,850 was transferred to a revaluation reserve.

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

<b>9. STOCKS</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	9,570	18,213
Work in progress	38,279	83,323
	<u>47,849</u>	<u>101,536</u>
<b>10 DEBTORS</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,203,203	1,133,413
Other debtors	144,221	10,400
Prepayments and accrued income	36,517	26,746
	<u>1,383,941</u>	<u>1,170,559</u>
<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank overdraft	330,364	293,505
Bank loans	79,903	77,496
Net obligations under finance leases and hire purchase contracts	6,933	6,933
Trade creditors	439,145	438,808
Corporation tax	208,683	26,086
Other taxes and social security costs	1,030,476	721,342
Directors loan account	-	322,511
Accruals and deferred income	16,502	53,552
	<u>2,112,006</u>	<u>1,940,233</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

<b>12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans	812,343	865,378
Net obligations under finance leases and hire purchase contracts	4,044	10,978
	<u>816,387</u>	<u>876,356</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 11)	79,903	77,496
Repayable between one and two years	79,903	77,496
Repayable between two and five years	239,709	232,488
Repayable in five years or more	492,731	555,394
	<u>892,246</u>	<u>942,874</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	6,933	6,933
Repayable between one and five years	4,044	10,978
	<u>10,977</u>	<u>17,911</u>

**13. SECURITY**

The bank overdraft is secured by the following a) A charge over the freehold property at Church Road, Warboys and on the fixed and floating assets of the company on the banks debenture dated 21st April 1988 b) A legal charge over freehold deeds relating to Unit 7, Harding Way, St Ives on a banks form dated 13th September 1993 c) A legal charge over leasehold deeds relating to 12, Nuffield Road, Cambridge on a banks form dated 19th December 1997 d) A legal charge over freehold deeds relating to the Bodyline premises at Campbells Meadows, King's Lynn on a banks form dated 2nd March 2001



**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is analysed over the following timing differences

	<b>Provided</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	48,595	32 185
	<u>          </u>	<u>          </u>
Movements on the provision for deferred taxation are		
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1st October 2005	32 185	45,085
Transferred from profit and loss account	16,410	(12,900)
	<u>          </u>	<u>          </u>
At 30th September 2006	48,595	32,185
	<u>          </u>	<u>          </u>

**15. SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised equity		
3,000 Ordinary shares of £1 each	3,000	3,000
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid equity		
750 Ordinary shares of £1 each	750	750
	<u>          </u>	<u>          </u>

**16. EQUITY RESERVES**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Capital redemption reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st October 2005	142,095	606,782	2,250	751,127
Depreciation on revalued fixed assets	(10,388)	-	-	(10,388)
Profit for the year	-	515,281	-	515,281
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30th September 2006	131,707	1,122,063	2,250	1,256,020
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

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

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the year	515,281	116,564
Other recognised gains or losses	(10,388)	(12,220)
	<hr/>	<hr/>
Net addition to shareholders' funds	504,893	104,344
Opening shareholders' funds	751,877	647,533
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,256,770</u>	<u>751,877</u>

**18. GROSS CASH FLOWS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	6,469	5,213
Interest paid	(55,818)	(62,336)
	<hr/>	<hr/>
	(49,349)	(57,123)
	<hr/>	<hr/>
<b>Taxation</b>		
Corporation tax paid	(26,086)	(237,256)
	<hr/>	<hr/>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(152,497)	(212,954)
Receipts from sales of tangible assets	10,150	70,350
	<hr/>	<hr/>
	(142,347)	(142,604)
	<hr/>	<hr/>
<b>Financing</b>		
Repayment of short term bank loan	(50,629)	(45,792)
Capital element of hire purchase contracts	(6,934)	(14,556)
	<hr/>	<hr/>
	(57,563)	(60,348)
	<hr/>	<hr/>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2006**

continued

**19 ANALYSIS OF CHANGES IN NET DEBT**

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	275,363	493,148		768,511
Overdrafts	(293,505)	(36,859)		(330,364)
	(18,142)	456,289		438,147
Debt due within one year	(77,497)	50,629	(53,035)	(79,903)
Debt due after one year	(865,378)	-	53,035	(812,343)
Finance leases	(17,911)	6,934	-	(10,977)
	(960,786)	57,563	-	(903,223)
Net debt	(978,928)	513,852	-	(465,076)

**20. FINANCIAL COMMITMENTS**

The company has hire car vehicles on leasing commitments over twelve months

**21. TRANSACTIONS WITH DIRECTORS**

The following directors had an interest free loan during the year The balance on this loan was as follows

	Amount Owing 2006 £	2005 £	Maximum in year £
Mr and Mrs H R Death	133,806	-	428,806