

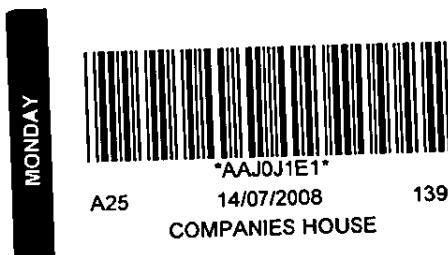
Registration Number 00810899

**DEREK GLADWIN LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED**

**30TH SEPTEMBER 2007**



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

**DEREK GLADWIN LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

The directors present their report and the accounts for the year ended 30th September 2007

**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 six 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 decreased to £647,150 (6.40%) from £789,723 (8.65%). After taxation, £436,700 has been retained to be added to reserves

Return on capital employed has decreased to 12.10% (27.31%). 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

The directors have paid a final dividend amounting to £450,000 in respect of the accounting period ended 30th September 2006

**DIRECTORS AND THEIR INTERESTS**

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

	Ordinary shares	
	2007	2006
H R DEATH	750	750
MRS S J DEATH	-	-

## **DEREK GLADWIN LIMITED**

### **DIRECTORS' REPORT** **FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

#### **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 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 23rd June 2008 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 20 together with the financial statements of Derek Gladwin Limited for the year ended 30th September 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 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 conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated account in the United Kingdom" issued by the Auditing Practices Board. In accordance with that bulletin 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 2007, and the abbreviated accounts on pages 4 - 5 to 20 are properly prepared in accordance with that provision.

**Dated: 23rd June 2008**

*Thain Wildbur*

**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 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
<b>GROSS PROFIT</b>		3,449,704	3,266,521
Administrative expenses		(2,802,554)	(2,476,798)
<b>OPERATING PROFIT</b>	<b>2</b>	647,150	789,723
Interest receivable and similar income	<b>3</b>	36,440	6,469
Interest payable and similar charges	<b>4</b>	(95,029)	(55,818)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		588,561	740,374
Tax on profit on ordinary activities	<b>6</b>	(151,861)	(225,093)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		436,700	515,281
Dividends	<b>7</b>	(450,000)	-
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		(13,300)	515,281

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

The notes on pages 8 to 20 form an integral part of these financial statements.

**DEREK GLADWIN LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	436,700	515,281
Unrealised movement on revaluation of certain fixed assets	(9,827)	1,110,681
Total recognised gains relating to the year	<u>426,873</u>	<u>1,625,962</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

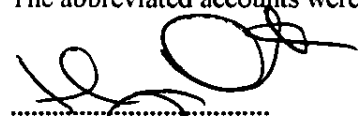
**DEREK GLADWIN LIMITED****BALANCE SHEET**  
**AS AT 30TH SEPTEMBER 2007**

As restated

		2007		2006	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8 / 9		6 159,477		3 154,527
<b>CURRENT ASSETS</b>					
Stocks	10	130,474		47,849	
Debtors	11	1,427,237		1,383 941	
Cash at bank and in hand		848 723		768,511	
		2,406 434		2,200,301	
<b>CREDITORS:</b>					
amounts due within one year	12	(3,059,088)		(2,112 007)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(652,654)		88,294
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,506 823		3,242,821
<b>CREDITORS:</b>					
amounts due after more than one year	13		(3,058,100)		(816,387)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15		(98,985)		(48,595)
<b>NET ASSETS</b>			2,349,738		2,377,839
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		750		750
Revaluation reserve	17		1,237,975		1,252,776
Other reserves	17		2,250		2,250
Profit and loss account	17		1,108,763		1,122,063
<b>SHAREHOLDERS FUNDS</b>	18		2,349 738		2,377,839

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 23rd June 2008 and signed on its behalf by



H.R. Death  
Director

The notes on pages 8 to 20 form an integral part of these financial statements.

**DEREK GLADWIN LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

	Notes	2007 £	2006 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit		647 150	789,723
Depreciation		155 242	151,695
(Increase) in stocks		(82,625)	53,687
(Increase) in debtors		(43 296)	(213,382)
Increase in creditors		827,494	(50,090)
<b>Net cash inflow from operating activities</b>		<b>1,503 965</b>	<b>731,633</b>

**CASH FLOW STATEMENT**

Net cash inflow from operating activities		1,503,965	731,633
Returns on investments and servicing of finance	19	(58,589)	(49,349)
Taxation	19	(208,683)	(26,086)
Capital expenditure	19	(3,084,993)	(142,347)
		(1,848,300)	513,851
Equity dividends paid		(450 000)	-
		(2,298,300)	513,851
Financing	19	2,098,920	(57,563)
<b>Decrease in cash in the year</b>		<b>(199,380)</b>	<b>456,288</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 20)**

<b>Decrease in cash in the year</b>	(199,380)	456,288
Cash inflow from decrease in debts and lease financing	(2,098,920)	57,563
Change in net debt resulting from cash flows	(2,298,300)	513,851
New finance leases	(90,000)	-
<b>Movement in net debt in the year</b>	<b>(2,388,300)</b>	<b>513,851</b>
<b>Net debt at 1st October 2006</b>	<b>(465,076)</b>	<b>(978,927)</b>
<b>Net debt at 30th September 2007</b>	<b>(2,853,376)</b>	<b>(465,076)</b>



**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

**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

The company has adopted a revised accounting policy in respect of revaluations of freehold and leasehold properties. In this instance the revaluation of the company's properties has been reflected in the accounts in conjunction with the increased borrowing following the company's continued growth in their trading sector. The directors feel that this policy helps to provide an insight into the company's financial position and continued expansion.

The resultant changes in values are reflected in the Balance Sheet by way of the revalued fixed assets and revaluation reserve. For completeness, the comparative figures for 2006 reflect these amendments. There is no effect arising within the company's Profit and Loss Account in either year.

**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 existing use value (EUV). 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.

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**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.

**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.

<b>2. OPERATING PROFIT</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	154,761	148,268
Loss on disposal of tangible fixed assets	481	3,427
Hire of plant and machinery and operating leases	147,248	129,487
Auditors remuneration	10,620	8,261
	<hr/> <hr/>	<hr/> <hr/>
<b>3. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	36,269	6,460
Other interest	171	9
	<hr/> <hr/>	<hr/> <hr/>
	36,440	6,469

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	92,938	54,975
Hire purchase interest	2,091	843
	<u>95,029</u>	<u>55,818</u>

**5. EMPLOYEES**

**Number of employees**

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

	<b>2007</b>	<b>2006</b>
Production	86	83
Administration	40	36
	<u>126</u>	<u>119</u>

**Employment costs**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,700,610	3,352,097
Social security costs	390,468	355,009
	<u>4,091,078</u>	<u>3,707,106</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**5.1. DIRECTORS' EMOLUMENTS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments (including benefits)	<u>679,553</u>	<u>603,749</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>Higest Paid Director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	<u>358,644</u>	<u>312,924</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

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

Analysis of charge in period	2007 £	2006 £
<b>Current tax</b>		
UK corporation tax	101,471	208,683
Total current tax charge	101,471	208,683
<b>Deferred tax</b>		
Timing differences, origination and reversal	50,390	16,410
Total deferred tax	50,390	16,410
Tax on profit on ordinary activities	151,861	225,093

**Factors affecting tax charge for period**

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

	2007 £	2006 £
Profit on ordinary activities before taxation	588,561	740,374
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	138,341	202,455
- net of marginal rate relief		
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,612	2,841
Capital allowances for year in excess of depreciation	(39,482)	3,387
Current tax charge for period	101,471	208,683

**7. DIVIDENDS**

	2007 £	2006 £
<b>Dividends on equity shares:</b>		
Ordinary shares - Paid	450,000	-

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**8. 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 2006	829,956	275,304	346,358	1,451,618
Additions	365,472	75,647	178,143	619,262
Revaluation	-	-	-	-
Disposals	-	(2,653)	(19,390)	(22,043)
At 30th September 2007	1,195,428	348,298	505,111	2,048,837
<b>Depreciation</b>				
At 1st October 2006	561,595	158,777	181,693	902,065
On disposals	-	(2,252)	(11,210)	(13,462)
Charge for the year	52,177	54,318	58,093	164,588
At 30th September 2007	613,772	210,843	228,576	1,053,191
<b>Net book values</b>				
At 30th September 2007	581,656	137,455	276,535	995,646
At 30th September 2006	268,361	116,527	164,665	549,553

Assets valued at £103,063 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 2007**

continued

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

Asset description	2007		2006	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>114,388</u>	<u>16,121</u>	<u>17,325</u>	<u>5,775</u>

**9. TANGIBLE FIXED ASSETS - PROPERTY**

	Leasehold Property £	Freehold Properties £
<b>Cost/valuation</b>		
Original cost	621,702	834,899
Revaluation 1991		72,850
Revaluations 2007	208,298	862,251
Additions at cost	-	2,563,831
at 30th September 2007	<u>830,000</u>	<u>4,333,831</u>
<b>Depreciation</b>		
At 1st October 2006	-	-
At 30th September 2007	-	-
<b>Net book values</b>		
At 30th September 2007	<u>830,000</u>	<u>4,333,831</u>
At 30th September 2006 (as restated)	<u>830,000</u>	<u>1,770,000</u>

Following a change in accounting policy, the freehold/leasehold properties have been revalued by Messrs Barker Storey Matthews (Chartered Surveyors) reflecting their current EUV as at 30th September 2007

The increase in value has been included within the revaluation reserve the original cost of the properties being £1,456,601

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

<b>10. STOCKS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	39,283	9,570
Work in progress	91,191	38,279
	<u>130,474</u>	<u>47,849</u>
<b>11. DEBTORS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,385,956	1,203,203
Other debtors	10,430	144,221
Prepayments and accrued income	30,851	36,517
	<u>1,427,237</u>	<u>1,383,941</u>
<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank overdraft	609,955	330,364
Bank loans	-	79,903
Net obligations under finance leases and hire purchase contracts	34,044	6,933
Trade creditors	914,410	439,145
Corporation tax	101,471	208,683
Other taxes and social security costs	900,710	1,030,476
Directors loan account	480,994	-
Accruals and deferred income	17,504	16,503
	<u>3,059,088</u>	<u>2,112,007</u>



**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2007 £	2006 £
Bank loans	3,005,600	812,343
Net obligations under finance leases and hire purchase contracts	52,500	4,044
	<u>3,058,100</u>	<u>816,387</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 12)	-	79,903
Repayable between one and two years	25,104	79,903
Repayable between two and five years	75,312	239,709
Repayable in five years or more	2,905,184	492,731
	<u>3,005,600</u>	<u>892,246</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	34,044	6,933
Repayable between one and five years	52,500	4,044
	<u>86,544</u>	<u>10,977</u>

**14. SECURITY**

Bank loans and overdraft are 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 e) A legal charge over freehold deeds relating to 17 Bakewell Road, Orton Southgate, Peterborough on a banks form dated 29th June 2007

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is analysed over the following timing differences

	<b>Provided</b>	
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	98,985	48,595

Movements on the provision for deferred taxation are

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At 1st October 2006	48,595	32,185
Transferred from profit and loss account	50,390	16,410
At 30th September 2007	98,985	48,595

**16. SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Authorised equity		
3,000 Ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid equity		
750 Ordinary shares of £1 each	750	750

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**17. EQUITY RESERVES**

	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
At 1st October 2006	131,707	1,122,063	2,250	1,256,020
Revaluation of property	1,116,095	-	-	1,116,095
Depreciation on revalued fixed assets	(9,827)	-	-	(9,827)
Profit for the year	-	436,700	-	436,700
Dividends	-	(450,000)	-	(450,000)
At 30th September 2007	<u>1,237,975</u>	<u>1,108,763</u>	<u>2,250</u>	<u>2,348,988</u>

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

	2007 £	2006 £
Profit for the year	436,700	515,281
Dividends	(450,000)	-
	<u>(13,300)</u>	<u>515,281</u>
Other recognised gains or losses	(9,827)	1,110,681
	<u>(23,127)</u>	<u>1,625,962</u>
Net deduction from/addition to shareholders' funds	2,377,839	751,877
Opening shareholders' funds	<u>2,354,712</u>	<u>2,377,839</u>
Closing shareholders' funds	<u>2,354,712</u>	<u>2,377,839</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**19. GROSS CASH FLOWS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	36,440	6,469
Interest paid	(95,029)	(55,818)
	<u>(58,589)</u>	<u>(49,349)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(208,683)</u>	<u>(26,086)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(3,093,093)	(152,497)
Receipts from sales of tangible assets	8,100	10,150
	<u>(3,084,993)</u>	<u>(142,347)</u>
<b>Financing</b>		
New long term bank loan	3,005,600	-
Repayment of long term bank loan	(892,246)	-
Repayment of short term bank loan	-	(50,629)
Capital element of hire purchase contracts	(14,434)	(6,934)
	<u>2,098,920</u>	<u>(57,563)</u>

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2007**

continued

**20. ANALYSIS OF CHANGES IN NET DEBT**

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	768,511	80,212		848,723
Overdrafts	(330,364)	(279,591)		(609,955)
	<u>438,147</u>	<u>(199,379)</u>		<u>238,768</u>
Debt due within one year	(79,903)	892,246	(812,343)	-
Debt due after one year	(812,343)	(3,005,600)	812,343	(3,005,600)
Finance leases	(10,977)	14,433	(90,000)	(86,544)
	<u>(903,223)</u>	<u>(2,098,921)</u>	<u>(90,000)</u>	<u>(3,092,144)</u>
<b>Net debt</b>	<u><u>(465,076)</u></u>	<u><u>(2,298,300)</u></u>	<u><u>(90,000)</u></u>	<u><u>(2,853,376)</u></u>

**21. FINANCIAL COMMITMENTS**

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

**22. TRANSACTIONS WITH DIRECTORS**

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

	Amount Owing		Maximum
	2007	2006	in year
	£	£	£
Mr and Mrs H R Death	-	133,806	264,006