

**DEREK GLADWIN LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED**

**30TH SEPTEMBER 2008**



**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 2008**

The directors present their report and the accounts for the year ended 30th September 2008.

### **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 increased to £1,076,743 (9.06%) from £647,972 (6.40%). After taxation, £642,956 has been retained to be added to reserves.

Return on capital employed has increased to 19.95% (13.81%). 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.

### **DIRECTORS AND THEIR INTERESTS**

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

|            | Ordinary shares |      |
|------------|-----------------|------|
|            | 2008            | 2007 |
| H.R. DEATH | 750             | 750  |
| S.J. DEATH | -               | -    |

**DEREK GLADWIN LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

**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 enable to ensure that the financial statements comply with the Companies Act 1985. We 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 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 14th May 2009 and signed on its behalf by



**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 2008 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 2008, and the abbreviated accounts on pages 4 - 5 to 20 are properly prepared in accordance with that provision.

**Dated: 14th May 2009**

*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 2008**

|  |              | <b>Continuing operations</b> |             |
|--|--------------|------------------------------|-------------|
|  |              | <b>2008</b>                  | <b>2007</b> |
|  | <b>Notes</b> | <b>£</b>                     | <b>£</b>    |
| <b>GROSS PROFIT</b>                                      |              | 4,108,777                    | 3,449,704   |
| Administrative expenses                                  |              | (3,032,034)                  | (2,801,732) |
| <b>OPERATING PROFIT</b>                                  | <b>2</b>     | 1,076,743                    | 647,972     |
| Interest receivable<br>and similar income                | <b>3</b>     | 23,411                       | 36,440      |
| Interest payable<br>and similar charges                  | <b>4</b>     | (214,970)                    | (95,851)    |
| <b>PROFIT ON ORDINARY<br/>ACTIVITIES BEFORE TAXATION</b> |              | 885,184                      | 588,561     |
| Tax on profit on<br>ordinary activities                  | <b>6</b>     | (242,228)                    | (151,861)   |
| <b>PROFIT ON ORDINARY<br/>ACTIVITIES AFTER TAXATION</b>  |              | 642,956                      | 436,700     |
| Dividends  | <b>7</b>     | -                            | (450,000)   |
| <b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>     |              | 642,956                      | (13,300)    |

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 2008**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

|  | <b>2008</b>    | <b>2007</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>PROFIT ON ORDINARY<br/>ACTIVITIES AFTER TAXATION</b>    | 642,956        | 436,700        |
| Unrealised movement on revaluation of certain fixed assets | (10,192)       | (14,801)       |
| Total recognised gains relating<br>to the year             | <u>632,764</u> | <u>421,899</u> |

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

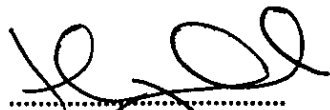
**DEREK GLADWIN LIMITED**

**BALANCE SHEET**  
**AS AT 30TH SEPTEMBER 2008**

|  |       | 2008               |                  | 2007               |                  |
|--|-------|--------------------|------------------|--------------------|------------------|
|  | Notes | £                  | £                | £                  | £                |
| <b>FIXED ASSETS</b>                          |       |                    |                  |                    |                  |
| Tangible assets                              | 8 / 9 |                    | 6,082,496        |                    | 6,159,477        |
| <b>CURRENT ASSETS</b>                        |       |                    |                  |                    |                  |
| Stocks                                       | 10    | 148,667            |                  | 130,474            |                  |
| Debtors                                      | 11    | 1,396,460          |                  | 1,427,237          |                  |
| Cash at bank and in hand                     |       | 692,394            |                  | 848,723            |                  |
|  |       | <u>2,237,521</u>   |                  | <u>2,406,434</u>   |                  |
| <b>CREDITORS:</b>                            |       |                    |                  |                    |                  |
| amounts due within one year                  | 12    | <u>(2,406,803)</u> |                  | <u>(3,059,088)</u> |                  |
| <b>NET CURRENT LIABILITIES</b>               |       |                    | <u>(169,282)</u> |                    | <u>(652,654)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                    | 5,913,214        |                    | 5,506,823        |
| <b>CREDITORS:</b>                            |       |                    |                  |                    |                  |
| amounts due after more than one year         | 13    |                    | (2,841,772)      |                    | (3,058,100)      |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b> | 15    |                    | <u>(88,940)</u>  |                    | <u>(98,985)</u>  |
| <b>NET ASSETS</b>                            |       |                    | <u>2,982,502</u> |                    | <u>2,349,738</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                    |                  |                    |                  |
| Called up share capital                      | 16    |                    | 750              |                    | 750              |
| Revaluation reserve                          | 17    |                    | 1,227,783        |                    | 1,237,975        |
| Other reserves                               | 17    |                    | 2,250            |                    | 2,250            |
| Profit and loss account                      | 17    |                    | 1,751,719        |                    | 1,108,763        |
| <b>SHAREHOLDERS FUNDS</b>                    | 18    |                    | <u>2,982,502</u> |                    | <u>2,349,738</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 14th May 2009 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 2008**

|  | Notes | 2008<br>£      | 2007<br>£        |
|--|-------|----------------|------------------|
| <b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |       |                |                  |
| Operating profit   |       | 1,076,743      | 647,972          |
| Depreciation   |       | 248,417        | 155,242          |
| (Increase) in stocks   |       | (18,193)       | (82,625)         |
| Decrease in debtors  |       | 30,777         | (43,296)         |
| (Decrease) in creditors  |       | (946,043)      | 1,107,085        |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>391,701</u> | <u>1,784,378</u> |

**CASH FLOW STATEMENT**

|   |    |                  |               |
|---|----|------------------|---------------|
| Net cash inflow from operating activities       |    | 391,701          | 1,784,378     |
| Returns on investments and servicing of finance | 19 | (191,559)        | (59,411)      |
| Taxation  | 19 | (101,471)        | (208,683)     |
| Capital expenditure                             | 19 | (181,628)        | (3,084,993)   |
|   |    | (82,957)         | (1,568,709)   |
| Equity dividends paid                           |    | -                | (450,000)     |
|   |    | (82,957)         | (2,018,709)   |
| Financing                                       | 19 | (73,372)         | 2,098,920     |
| <b>Decrease in cash in the year</b>             |    | <u>(156,329)</u> | <u>80,211</u> |

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

|   |  |                    |                    |
|---|--|--------------------|--------------------|
| <b>Decrease in cash in the year</b>                     |  | (156,329)          | 80,211             |
| Cash outflow from increase in debts and lease financing |  | 73,372             | (2,098,920)        |
|   |  | (82,957)           | (2,018,709)        |
| Change in net funds resulting from cash flows           |  | -                  | (90,000)           |
| New finance leases                                      |  | (82,957)           | (2,108,709)        |
| <b>Movement in net funds in the year</b>                |  | (2,243,421)        | (134,712)          |
| <b>Net debt at 1st October 2007</b>                     |  | <u>(2,243,421)</u> | <u>(134,712)</u>   |
| <b>Net debt at 30th September 2008</b>                  |  | <u>(2,326,378)</u> | <u>(2,243,421)</u> |



**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

**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<br>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 (EUJ). 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 2008**

**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>2008</b> | <b>2007</b> |
|  | <b>£</b>    | <b>£</b>    |
| Operating profit is stated after charging:       |             |             |
| Depreciation of tangible assets                  | 241,415     | 154,761     |
| Loss on disposal of tangible fixed assets        | 7,002       | 481         |
| Hire of plant and machinery and operating leases | 189,367     | 147,248     |
| Auditors remuneration                            | 10,335      | 10,620      |
|  | <hr/>       | <hr/>       |
| <b>3. INTEREST RECEIVABLE AND SIMILAR INCOME</b> | <b>2008</b> | <b>2007</b> |
|  | <b>£</b>    | <b>£</b>    |
| Bank interest                                    | 23,189      | 36,269      |
| Other interest                                   | 222         | 171         |
|  | <hr/>       | <hr/>       |
|  | 23,411      | 36,440      |
|  | <hr/>       | <hr/>       |
| <b>4. INTEREST PAYABLE AND SIMILAR CHARGES</b>   | <b>2008</b> | <b>2007</b> |
|  | <b>£</b>    | <b>£</b>    |
| On bank loans and overdrafts                     | 209,925     | 93,760      |
| Hire purchase interest                           | 5,045       | 2,091       |
|  | <hr/>       | <hr/>       |
|  | 214,970     | 95,851      |
|  | <hr/>       | <hr/>       |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

**5. EMPLOYEES**

**Number of employees**

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

|                | 2008       | 2007       |
|----------------|------------|------------|
| Production     | 101        | 86         |
| Administration | 48         | 40         |
|                | <u>149</u> | <u>126</u> |

**Employment costs**

|                       | 2008             | 2007             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,960,538        | 3,700,610        |
| Social security costs | 405,411          | 390,468          |
|                       | <u>4,365,949</u> | <u>4,091,078</u> |

**5.1. DIRECTORS' EMOLUMENTS**

|   | 2008           | 2007           |
|---|----------------|----------------|
|   | £              | £              |
| Remuneration and other emoluments (including benefits)  | <u>300,680</u> | <u>679,553</u> |
|   | <b>Number</b>  | <b>Number</b>  |
| Number of directors to whom retirement benefits<br>are accruing under a money purchase scheme | <u>2</u>       | <u>2</u>       |
|   | £              | £              |
| <b>Higest Paid Director</b><br>Amounts included above:  |                |                |
| Emoluments and other benefits   | <u>174,669</u> | <u>358,644</u> |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

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

| <b>Analysis of charge in period</b>          | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Current tax</b>                           |             |             |
| UK corporation tax                           | 252,273     | 101,471     |
| Total current tax charge                     | 252,273     | 101,471     |
| <b>Deferred tax</b>                          |             |             |
| Timing differences, origination and reversal | (10,045)    | 50,390      |
| Total deferred tax                           | (10,045)    | 50,390      |
| Tax on profit on ordinary activities         | 242,228     | 151,861     |

**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>2008</b> | <b>2007</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Profit on ordinary activities before taxation   | 885,184     | 588,561     |
| Profit on ordinary activities multiplied by standard rates of corporation tax in the UK | 244,607     | 138,341     |
| - net of marginal rate relief   |             |             |
| <b>Effects of:</b>  |             |             |
| Expenses not deductible for tax purposes  | 2,852       | 2,612       |
| Depreciation for year in excess of capital allowances                                   | 4,814       | (39,482)    |
| Current tax charge for period   | 252,273     | 101,471     |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

|                                    |                   |                   |
|------------------------------------|-------------------|-------------------|
| <b>7. DIVIDENDS</b>                | <b>2008</b>       | <b>2007</b>       |
|                                    | <b>£</b>          | <b>£</b>          |
| <b>Dividends on equity shares:</b> |                   |                   |
| Ordinary shares - Paid             | -                 | 450,000           |
|                                    | <u>          </u> | <u>          </u> |

The directors propose a net dividend of £570 per share.

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

**8. TANGIBLE FIXED ASSETS**

|                        | <b>Plant &amp;<br/>machinery<br/>£</b> | <b>Furniture<br/>&amp; office<br/>equipment<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|--|---|---------------------------------|--------------------|
| <b>Cost/valuation</b>  |  |   |                                 |                    |
| At 1st October 2007    | 1,196,496                              | 347,229   | 505,111                         | 2,048,836          |
| Additions              | 39,430                                 | 61,135  | 117,033                         | 217,598            |
| Disposals              | (16,429)                               | (13,883)  | (77,857)                        | (108,169)          |
| At 30th September 2008 | 1,219,497                              | 394,481   | 544,287                         | 2,158,265          |
| <b>Depreciation</b>    |  |   |                                 |                    |
| At 1st October 2007    | 614,508                                | 210,106   | 228,576                         | 1,053,190          |
| On disposals           | (14,431)                               | (13,249)  | (37,517)                        | (65,197)           |
| Charge for the year    | 89,653                                 | 77,662  | 76,924                          | 244,239            |
| At 30th September 2008 | 689,730                                | 274,519   | 267,983                         | 1,232,232          |
| <b>Net book values</b> |  |   |                                 |                    |
| At 30th September 2008 | 529,767                                | 119,962   | 276,304                         | 926,033            |
| At 30th September 2007 | 581,988                                | 137,123   | 276,535                         | 995,646            |

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 2008**

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

| Asset description | 2008       |              | 2007       |              |
|-------------------|------------|--------------|------------|--------------|
|                   | Net        | Depreciation | Net        | Depreciation |
|                   | book value | charge       | book value | charge       |
|                   | £          | £            | £          | £            |
| Motor vehicles    | 76,044     | 25,350       | 114,388    | 16,121       |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

**9. TANGIBLE FIXED ASSETS - PROPERTY**

|   | <b>Leasehold<br/>Property<br/>£</b> | <b>Freehold<br/>Properties<br/>£</b> |
|---|-------------------------------------|--------------------------------------|
| <b>Cost/valuation</b>                             |                                     |                                      |
| Original cost                                     | 621,702                             | 3,398,730                            |
| Revaluation 1991                                  | -                                   | 72,850                               |
| Revaluations 2007                                 | 208,298                             | 862,251                              |
|   | <hr/>                               | <hr/>                                |
| At 1st October 2007 and<br>at 30th September 2008 | 830,000                             | 4,333,831                            |
|   | <hr/>                               | <hr/>                                |
| <b>Amortisation</b>                               |                                     |                                      |
| At 1st October 2007                               | -                                   | -                                    |
| Charge for the year                               | 7,368                               | -                                    |
|   | <hr/>                               | <hr/>                                |
| At 30th September 2008                            | 7,368                               | -                                    |
|   | <hr/>                               | <hr/>                                |
| <b>Net book values</b>                            |                                     |                                      |
| At 30th September 2008                            | 822,632                             | 4,333,831                            |
|   | <hr/>                               | <hr/>                                |
| At 30th September 2007                            | 830,000                             | 4,333,831                            |
|   | <hr/>                               | <hr/>                                |

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.

Revaluations of the properties from which the company operates have taken place within the last twelve months and the company continues to use these properties as complete units. The directors consider the valuation of the properties per the accounts to be reasonable especially in light of the fact that they are looking to operate from these properties for many years in the future.



**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

|   |                  |                  |
|---|------------------|------------------|
| <b>10. STOCKS</b>   | <b>2008</b>      | <b>2007</b>      |
|   | <b>£</b>         | <b>£</b>         |
| Raw materials and consumables                                       | 63,467           | 39,283           |
| Work in progress  | 85,200           | 91,191           |
|   | <u>148,667</u>   | <u>130,474</u>   |
| <b>11. DEBTORS</b>  | <b>2008</b>      | <b>2007</b>      |
|   | <b>£</b>         | <b>£</b>         |
| Trade debtors   | 1,342,880        | 1,385,956        |
| Other debtors   | 10,445           | 10,430           |
| Prepayments and accrued income                                      | 43,135           | 30,851           |
|   | <u>1,396,460</u> | <u>1,427,237</u> |
| <b>12. CREDITORS: AMOUNTS FALLING DUE<br/>WITHIN ONE YEAR</b>       | <b>2008</b>      | <b>2007</b>      |
|   | <b>£</b>         | <b>£</b>         |
| Bank loans  | 147,000          | -                |
| Net obligations under finance leases<br>and hire purchase contracts | 30,000           | 34,044           |
| Trade creditors   | 1,058,950        | 1,524,365        |
| Corporation tax   | 252,273          | 101,471          |
| Other taxes and social security costs                               | 751,784          | 900,710          |
| Directors loan account  | 145,994          | 480,994          |
| Accruals and deferred income  | 20,802           | 17,504           |
|   | <u>2,406,803</u> | <u>3,059,088</u> |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

| <b>13. CREDITORS: AMOUNTS FALLING DUE<br/>AFTER MORE THAN ONE YEAR</b>      | <b>2008<br/>£</b> | <b>2007<br/>£</b> |
|---|-------------------|-------------------|
| Bank loans  | 2,821,772         | 3,005,600         |
| Net obligations under finance leases<br>and hire purchase contracts         | 20,000            | 52,500            |
|   | <u>2,841,772</u>  | <u>3,058,100</u>  |
| <b>Loans</b>  |                   |                   |
| Repayable in one year or less, or on demand (Note 12)                       | 147,000           | -                 |
| Repayable between one and two years   | 147,000           | 25,104            |
| Repayable between two and five years  | 441,000           | 75,312            |
| Repayable in five years or more   | 2,233,772         | 2,905,184         |
|   | <u>2,968,772</u>  | <u>3,005,600</u>  |
| <b>Net obligations under finance leases<br/>and hire purchase contracts</b> |                   |                   |
| Repayable within one year   | 30,000            | 34,044            |
| Repayable between one and five years  | 20,000            | 52,500            |
|   | <u>50,000</u>     | <u>86,544</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 2008**

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is analysed over the following timing differences:

|   | <b>Provided</b> |             |
|---|-----------------|-------------|
|   | <b>2008</b>     | <b>2007</b> |
|   | <b>£</b>        | <b>£</b>    |
| Accelerated capital allowances                        | 88,940          | 98,985      |
| Movements on the provision for deferred taxation are: |                 |             |
|   | <b>2008</b>     | <b>2007</b> |
|   | <b>£</b>        | <b>£</b>    |
| At 1st October 2007                                   | 98,985          | 48,595      |
| Transferred to profit and loss account                | (10,045)        | 50,390      |
| At 30th September 2008                                | 88,940          | 98,985      |

**16. SHARE CAPITAL**

|   | <b>2008</b> | <b>2007</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         |

**17. 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 2007                   | 1,237,975                  | 1,108,763                      | 2,250                             | 2,348,988    |
| Depreciation on revalued fixed assets | (10,192)                   | -                              | -                                 | (10,192)     |
| Profit for the year                   | -                          | 642,956                        | -                                 | 642,956      |
| At 30th September 2008                | 1,227,783                  | 1,751,719                      | 2,250                             | 2,981,752    |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

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

|                                     | <b>2008</b> | <b>2007</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£</b>    | <b>£</b>    |
| Profit for the year                 | 642,956     | 436,700     |
| Dividends                           | -           | (450,000)   |
|                                     | <hr/>       | <hr/>       |
|                                     | 642,956     | (13,300)    |
| Other recognised gains or losses    | (10,192)    | (14,801)    |
|                                     | <hr/>       | <hr/>       |
| Net addition to shareholders' funds | 632,764     | (28,101)    |
| Opening shareholders' funds         | 2,349,738   | 2,377,839   |
|                                     | <hr/>       | <hr/>       |
| Closing shareholders' funds         | 2,982,502   | 2,349,738   |
|                                     | <hr/> <hr/> | <hr/> <hr/> |

**19. GROSS CASH FLOWS**

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Returns on investments and servicing of finance</b> |             |             |
| Interest received                                      | 23,411      | 36,440      |
| Interest paid  | (214,970)   | (95,851)    |
|  | <hr/>       | <hr/>       |
|  | (191,559)   | (59,411)    |
|  | <hr/> <hr/> | <hr/> <hr/> |
| <b>Taxation</b>  |             |             |
| Corporation tax paid                                   | (101,471)   | (208,683)   |
|  | <hr/> <hr/> | <hr/> <hr/> |
| <b>Capital expenditure</b>                             |             |             |
| Payments to acquire tangible assets                    | (217,598)   | (3,093,093) |
| Receipts from sales of tangible assets                 | 35,970      | 8,100       |
|  | <hr/>       | <hr/>       |
|  | (181,628)   | (3,084,993) |
|  | <hr/> <hr/> | <hr/> <hr/> |
| <b>Financing</b>                                       |             |             |
| New long term bank loan                                | -           | 3,005,600   |
| Repayment of long term bank loan                       | (36,828)    | (892,246)   |
| Capital element of hire purchase contracts             | (36,544)    | (14,434)    |
|  | <hr/>       | <hr/>       |
|  | (73,372)    | 2,098,920   |
|  | <hr/> <hr/> | <hr/> <hr/> |

**DEREK GLADWIN LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2008**

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

|                          | <b>Opening<br/>balance<br/>£</b> | <b>Cash<br/>flows<br/>£</b> | <b>Closing<br/>balance<br/>£</b> |
|--------------------------|----------------------------------|-----------------------------|----------------------------------|
| Cash at bank and in hand | 848,723                          | (156,329)                   | 692,394                          |
| Debt due after one year  | (3,005,600)                      | 36,828                      | (2,968,772)                      |
| Finance leases           | (86,544)                         | 36,544                      | (50,000)                         |
|                          | (3,092,144)                      | 73,372                      | (3,018,772)                      |
| <b>Net debt</b>          | <b>(2,243,421)</b>               | <b>(82,957)</b>             | <b>(2,326,378)</b>               |

**21. FINANCIAL COMMITMENTS**

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