

Company Number 810899

**DEREK GLADWIN LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**



**Tham Wildbur**  
**Chartered Accountants and Registered Auditors**  
**36-38 King Street**  
**King's Lynn**  
**Norfolk**  
**PE30 1ES**

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**DEREK GLADWIN LIMITED**  
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**DEREK GLADWIN LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

<b>Directors</b>	Mr H R Death Mrs S J Death
<b>Company Secretary</b>	Mrs S M Bedford
<b>Company Number</b>	810899
<b>Registered Office and Business Address</b>	17 Orton Enterprise Centre Bakewell Road Orton Southgate Peterborough PE2 6XU England
<b>Auditors</b>	Tham Wildbur Chartered Accountants and Registered Auditors 36-38 King Street King's Lynn Norfolk PE30 1ES England
<b>Bankers</b>	Barclays Bank PLC Peterborough Corporate Management Team PO Box 421 1 Church Street Peterborough Cambridgeshire PE1 1QP England

**DEREK GLADWIN LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

The directors present their report and the audited financial statements for the year ended 30 September 2011

**Principal Activity and Review of the Business**

The principal activity is that of vehicle accident repair specialists

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 bodyworks and vehicle repairs largely as a recognised vehicle accident repair specialist for a number of insurance companies. The company currently operates from seven units within the East of England. The company continues to look towards further potential 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 £469,192 (3.91%) from £179,911 (1.39%). Net profit after taxation amounts to £229,541. With a view to the economic situation across all markets, the results are still encouraging and the company continues to make progress within this specialised sector.

Return on capital employed has increased to 8.74% (3.05%). 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 current 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 profit/(loss) for the year after providing for depreciation and taxation amounted to £ 229,541 (2010 - £ (18,727)).

**Directors**

The directors who served at any time during the year

Mr. H. R. Death

Mrs. S. J. Death

There were no changes in shareholdings between 30 September 2011 and the date of signing the financial statements.

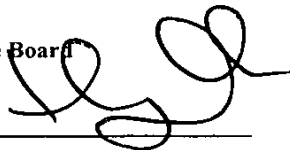
**Auditors**

The auditors, Thain Wildbur, have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

**Special provisions relating to medium companies**

The accounts are prepared in accordance with the special provisions in Section 445(3) of the Companies Act 2006 in regards to medium-sized companies.

On behalf of the Board



Mr. H. R. Death  
Director

21 March 2012

**DEREK GLADWIN LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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

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

- select suitable accounting policies and 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.

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

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board

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

**21 March 2012**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF DEREK GLADWIN LIMITED**

We have audited the financial statements of Derek Gladwin Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditors**

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

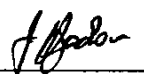
**Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

  
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**J Hodson (Senior Statutory Auditor)**  
for and on behalf of  
**THAIN WILDBUR**  
Chartered Accountants and Registered Auditors  
36-38 King Street  
King's Lynn  
Norfolk  
PE30 1ES  
England

**21 March 2012**

**DEREK GLADWIN LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Notes	2011 £	2010 £
<b>Turnover</b>	<b>1</b>	<b>12,001,334</b>	12,962,694
Cost of sales		<u>(7,701,653)</u>	<u>(8,438,759)</u>
<b>Gross profit</b>		<b>4,299,681</b>	4,523,935
Administrative expenses		<u>(3,830,904)</u>	<u>(4,347,531)</u>
Other operating income		<u>415</u>	<u>3,507</u>
<b>Operating profit</b>	<b>2</b>	<b>469,192</b>	179,911
Interest receivable and similar income	<b>3</b>	<b>138</b>	457
Interest payable and similar charges	<b>4</b>	<u>(185,945)</u>	<u>(197,685)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>283,385</b>	(17,317)
Tax on profit/(loss) on ordinary activities	<b>6</b>	<u>(53,844)</u>	<u>(1,410)</u>
<b>Profit/(loss) for the year</b>	<b>18</b>	<u><b>229,541</b></u>	<u>(18,727)</u>

The company has no recognised gains or losses other than the profit for the year. The results for the year have been calculated on the historical cost basis. The company's turnover and expenses all relate to continuing operations.

**DEREK GLADWIN LIMITED**  
**COMPANY NUMBER 810899**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2011**

	Notes	2011 £	2010 £
<b>Fixed Assets</b>			
Intangible assets	7	17,917	22,917
Tangible assets	8	6,098,484	6,280,750
Financial assets	9	5,000	5,000
		<u>6,121,401</u>	<u>6,308,667</u>
<b>Current Assets</b>			
Stocks	10	172,241	193,555
Debtors	11	1,124,284	1,343,435
Cash at bank and in hand		439,218	102,890
		<u>1,735,743</u>	<u>1,639,880</u>
<b>Creditors Amounts falling due within one year</b>	12	<u>(2,294,002)</u>	<u>(2,295,652)</u>
<b>Net Current Liabilities</b>		<u>(558,259)</u>	<u>(655,772)</u>
<b>Total Assets less Current Liabilities</b>		<u>5,563,142</u>	<u>5,652,895</u>
<b>Creditors</b>			
Amounts falling due after more than one year	13	(2,145,588)	(2,433,450)
<b>Provision for Liabilities and Charges</b>	15	<u>(91,185)</u>	<u>(113,840)</u>
<b>Net Assets</b>		<u>3,326,369</u>	<u>3,105,605</u>
<b>Capital and Reserves</b>			
Called up share capital	17	750	750
Revaluation reserve	18	1,203,090	1,211,867
Other reserves	18	2,250	2,250
Profit and loss account	18	2,120,279	1,890,738
<b>Shareholders' Funds</b>	19	<u>3,326,369</u>	<u>3,105,605</u>

These financial statements have been prepared in accordance with the special provisions relating to medium-sized companies in Section 445(3) of the Companies Act 2006

Approved by the board and authorised for issue on 21 March 2012 and signed on its behalf by

  
 Mr. H R Death  
 Director



**DEREK GLADWIN LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	23	907,648	294,912
Returns on investments and servicing of finance	23	(185,807)	(197,228)
Taxation	23	3,621	(195,773)
Capital expenditure and financial investment	23	(62,126)	(381,924)
		<u>663,336</u>	<u>(480,013)</u>
Financing	23	(222,855)	(240,193)
		<u>440,481</u>	<u>(720,206)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 23)</b>			
Movement in cash in the year		440,481	(720,206)
Cash outflow from decrease in debts and lease financing		222,855	240,193
		<u>663,336</u>	<u>(480,013)</u>
Change in net funds resulting from cash flows		(2,698,629)	(2,218,616)
Net debt at 1 October 2010		<u>(2,035,293)</u>	<u>(2,698,629)</u>
Net debt at 30 September 2011		<u>(2,035,293)</u>	<u>(2,698,629)</u>

**DEREK GLADWIN LIMITED**  
**ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles in the UK and United Kingdom statute comprising the Companies Act 2006. They comply with the financial reporting standards of the Accounting Standards Board. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**Turnover**

Turnover comprises the invoice value of sales and work done by the company, exclusive of trade discounts and value added tax.

**Employer Financed Retirement Benefits Scheme**

The company established an employer financed retirement benefits scheme ("The scheme") for the benefit of its officers, employees and wider families. The Scheme consisted of 2 employee benefit trusts called The Derek Gladwin Employer Financed Retirement Benefits Scheme (established in the year ended 30th September 2010) and The Derek Gladwin Limited Employer Financed Retirement Benefits Scheme No2 (established in the year ended 30th September 2011).

In accordance with UITF abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements" the Company does not include the assets and liabilities of The Scheme on its balance sheet to the extent that it considers that it will not retain any economic benefit from the assets of The Scheme and will not have control of the rights or other access to those present economic benefits.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- Nil
Long leasehold property	- Straight line over the term of the lease
Plant and machinery	- 15% Reducing balance
Fixtures, fittings and equipment	- 15% Reducing balance/20% straight line
Motor vehicles	- 25% Reducing balance/10% straight line

The directors consider that freehold properties are maintained in such a state that their residual value is at least equal to their existing use value (EUUV). 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 FRS15 and FRS11 to ensure that the recoverable amount is not lower than the carrying value.

**Leasing**

Tangible fixed assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the balance sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the profit and loss account.

Rentals payable under operating leases are dealt with in the profit and loss account as incurred over the period of the rental agreement.

**Goodwill**

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Purchased goodwill is capitalised in the balance sheet and amortised on a straight line basis over its economic useful life of 5 years, which is estimated to be the period during which benefits are expected to arise. On disposal of a business any goodwill not yet amortised is included in determining the profit or loss on sale of the business.

**Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

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**DEREK GLADWIN LIMITED**  
**ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

**Taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Pensions**

The company operates a defined contribution pension scheme for key employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**1 TURNOVER**

The whole of the company's turnover is attributable to its market in United Kingdom and is derived from the principal activity of vehicle accident repair specialists

<b>2. OPERATING PROFIT</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible assets	216,616	213,821
Amortisation of goodwill	5,000	2,083
Loss on disposal of tangible fixed assets	18,999	11,280
Operating lease rentals		
- Motor vehicles	188,885	169,245
Auditor's remuneration		
- audit services	13,610	12,294
	<b>13,610</b>	<b>12,294</b>

The Company established an employer financed retirement benefits scheme ("The Scheme") for the benefit of its officers, employees and their wider families. The Scheme consisted of 2 employee benefit trusts called The Derek Gladwin Limited Employer Financed Retirement Benefits Scheme (established in the year ended 30th September 2010) and the Derek Gladwin Limited Employer Financed Retirement Benefits Scheme No2 (established in the year ended 30th September 2011).

In the year to 30th September 2010, the Company made contributions of £1,000,000 in total to The Derek Gladwin Limited Employer Financed Retirement Benefits Scheme. The Trustees subsequently appointed £999,000 to The Derek Gladwin Limited Employer Financed Retirement Benefits Scheme No2 in the year ended 30th September 2011. No further contributions have been made.

<b>3. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank interest	120	451
Other interest	18	6
	<b>138</b>	<b>457</b>

<b>4 INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest payable to bank	-	2,315
Interest payable on loans < 1 yr	3,445	-
Interest payable on loans >5yrs	176,268	186,342
Hire purchase interest	6,232	9,028
	<b>185,945</b>	<b>197,685</b>

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

CONTINUED

**5. EMPLOYEES AND REMUNERATION**

**Number of employees**

The average number of persons employed (including executive directors) during the year was as follows

	<b>2011 Number</b>	<b>2010 Number</b>
Production	<b>112</b>	<b>109</b>
Administration	<b>60</b>	<b>52</b>
	<b>172</b>	<b>161</b>

The staff costs (inclusive of directors' salaries) comprise

	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	<b>4,458,368</b>	<b>4,637,130</b>
Social security costs	<b>36,540</b>	<b>31,604</b>
Pension costs	<b>216,218</b>	<b>1,004,074</b>
	<b>4,711,126</b>	<b>5,672,808</b>

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

CONTINUED

**6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2011 £	2010 £
<b>(a) Analysis of charge in the year</b>		
<b>Current tax:</b>		
Corporation tax at 21 71% (2010 - 29 75%)	76,515	(3,605)
Under/over provision in prior year	(16)	-
Total current tax (Note 6 (b))	<u>76,499</u>	<u>(3,605)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(22,655)	5,015
Total deferred tax (note 15)	<u>(22,655)</u>	<u>5,015</u>
Tax on profit on ordinary activities	<u><u>53,844</u></u>	<u><u>1,410</u></u>

**(b) Factors affecting tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom (21 71%). The differences are explained below

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	<u>283,385</u>	<u>(17,317)</u>
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of corporation tax in the United Kingdom at 21 71% (2010 - 29 75%)	61,523	(5,152)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,748	4,734
Depreciation in excess of capital allowances for period	13,244	(3,187)
Adjustment to tax charge in respect of previous periods	(16)	-
Current tax charge for the year (note 6 (a))	<u><u>76,499</u></u>	<u><u>(3,605)</u></u>

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

CONTINUED

**7 INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Cost</b>	
At 30 September 2011	25,000
<b>Provision for diminution in value</b>	
At 1 October 2010	2,083
Charge for year	5,000
At 30 September 2011	7,083
<b>Net book value</b>	
At 30 September 2011	17,917
At 30 September 2010	22,917

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**8. TANGIBLE FIXED ASSETS**

	Land and buildings freehold	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or Valuation</b>						
At 1 October 2010	4,333,831	830,000	1,470,607	423,696	805,643	7,863,777
Additions	-	-	18,740	8,991	80,795	108,526
Disposals	-	-	(30,729)	(14,151)	(111,693)	(156,573)
At 30 September 2011	4,333,831	830,000	1,458,618	418,536	774,745	7,815,730
<b>Depreciation</b>						
At 1 October 2010	-	22,104	838,856	336,610	385,457	1,583,027
Charge for the year	-	7,368	94,446	35,299	88,280	225,393
On disposals	-	-	(25,987)	(12,429)	(52,758)	(91,174)
At 30 September 2011	-	29,472	907,315	359,480	420,979	1,717,246
<b>Net book value</b>						
At 30 September 2011	4,333,831	800,528	551,303	59,056	353,766	6,098,484
At 30 September 2010	4,333,831	807,896	631,751	87,086	420,186	6,280,750

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 to come. Other 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 economic useful 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 FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**8.1 TANGIBLE FIXED ASSETS CONTINUED**

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

	2011 Net book value £	Depreciation charge £	2010 Net book value £	Depreciation charge £
Motor vehicles	<u>62,532</u>	<u>20,844</u>	<u>83,376</u>	<u>27,792</u>

**9 FINANCIAL FIXED ASSETS**

	Other unlisted investments £
<b>Investments</b>	
<b>Cost</b>	
At 30 September 2011	<u>5,000</u>
<b>Net book value</b>	
At 30 September 2011	<u><b>5,000</b></u>
At 30 September 2010	<u>5,000</u>

**10 STOCKS**

	2011 £	2010 £
Raw materials	<u>94,893</u>	<u>71,304</u>
Work in progress	<u>77,348</u>	<u>122,251</u>
	<u><b>172,241</b></u>	<u><b>193,555</b></u>

The replacement cost of stock did not differ significantly from the figures shown

**11 DEBTORS**

	2011 £	2010 £
Trade debtors	<u>1,018,307</u>	<u>1,272,131</u>
Other debtors	<u>10,445</u>	<u>10,445</u>
Taxation and social security costs (Note 14)	<u>-</u>	<u>3,605</u>
Prepayments and accrued income	<u>95,532</u>	<u>57,254</u>
	<u><b>1,124,284</b></u>	<u><b>1,343,435</b></u>

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

CONTINUED

<b>12 CREDITORS</b>	<b>2011</b>	<b>2010</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Bank overdrafts	-	104,153
Bank loan	<b>242,253</b>	242,070
Net obligations under finance leases and hire purchase contracts	<b>86,670</b>	21,846
Trade creditors	<b>1,067,585</b>	1,237,739
Taxation and social security costs (Note 14)	<b>575,768</b>	517,273
Directors' current accounts (Note 21)	<b>300,326</b>	155,371
Accruals and deferred income	<b>21,400</b>	17,200
	<b>2,294,002</b>	2,295,652

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 bank 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

<b>13. CREDITORS</b>	<b>2011</b>	<b>2010</b>
<b>Amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
Bank loan	<b>2,145,588</b>	2,346,780
Finance leases and hire purchase contracts	-	86,670
	<b>2,145,588</b>	2,433,450
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 12)	<b>242,253</b>	346,223
Repayable between one and two years	<b>242,253</b>	242,070
Repayable between two and five years	<b>726,759</b>	726,210
Repayable in five years or more	<b>1,176,576</b>	1,378,500
	<b>2,387,841</b>	2,693,003
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	<b>86,670</b>	21,846
Repayable between one and five years	-	86,670
	<b>86,670</b>	108,516

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. TAXATION AND SOCIAL SECURITY**

	2011 £	2010 £
<b>Debtors</b>		
Corporation tax	-	3,605
<b>Creditors.</b>		
VAT	288,983	257,479
Corporation tax	76,515	-
PAYE / NI	210,270	259,794
	<u>575,768</u>	<u>517,273</u>

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

The amounts provided for deferred taxation are analysed below

	Capital allowances £
At 1 October 2010	113,840
Charged to profit and loss	(22,655)
At 30 September 2011	<u>91,185</u>

**16. PENSION COSTS - DEFINED CONTRIBUTION**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to £216,218 (2010 - £4,074)

**17. SHARE CAPITAL**

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
Ordinary Shares	750	750
	<u>750</u>	<u>750</u>

**18. RESERVES**

	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
At 1 October 2010	1,211,867	1,890,738	2,250	3,104,855
Profit/(loss) for the year	-	229,541	-	229,541
Other movements	(8,777)	-	-	(8,777)
At 30 September 2011	<u>1,203,090</u>	<u>2,120,279</u>	<u>2,250</u>	<u>3,325,619</u>

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>19</b>	<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Profit/(loss) for the year	<b>229,541</b>	(18,727)
	Other recognised gains or losses	<b>(8,777)</b>	(7,496)
	Net addition to shareholders' funds	<b>220,764</b>	(26,223)
	Opening shareholders' funds	<b>3,105,605</b>	3,131,828
	Closing shareholders' funds	<b>3,326,369</b>	3,105,605
<b>20.</b>	<b>FINANCIAL COMMITMENTS</b>		
	The company has hire car vehicles on leasing commitments over twelve months		
<b>21</b>	<b>DIRECTORS' REMUNERATION AND TRANSACTIONS</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Remuneration	<b>310,346</b>	278,517
	Pension contributions	<b>201,218</b>	4,074
		<b>511,564</b>	282,591
		<b>Number</b>	<b>Number</b>
	Number of directors to whom retirement benefits are accruing under a money purchase scheme	<b>2</b>	2
	<b>Highest Paid Director</b>	<b>£</b>	<b>£</b>
	Amounts included above		
	Emoluments and other benefits	<b>168,940</b>	169,727
		<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	The following amounts are repayable to the directors		
	Mr H R Death	<b>300,326</b>	155,371
<b>22</b>	<b>RELATED PARTY TRANSACTIONS</b>		
	During the year, sums amounting to £299,955 were introduced by the directors		
<b>23</b>	<b>CASH FLOW STATEMENT</b>		
<b>23 1</b>	<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating profit	<b>469,192</b>	179,911
	Depreciation	<b>216,616</b>	213,821
	Amortisation of intangibles	<b>5,000</b>	2,083
	Profit/Loss on disposal	<b>18,999</b>	11,280
	Movement in stocks	<b>21,314</b>	(17,264)
	Movement in debtors	<b>215,546</b>	(61,708)
	Movement in creditors	<b>(39,019)</b>	(33,211)
	Net cash inflow from operating activities	<b>907,648</b>	294,912

**DEREK GLADWIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

CONTINUED

**23.2 CASH FLOW STATEMENT**

	2011 £	2010 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	138	457
Interest paid	(185,945)	(197,685)
	<u>(185,807)</u>	<u>(197,228)</u>
<b>TAXATION</b>		
Corporation tax paid	-	(195,773)
Corporation tax repaid	3,621	-
	<u>3,621</u>	<u>(195,773)</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Payments to acquire intangible assets	-	(25,000)
Payments to acquire tangible assets	(108,526)	(361,224)
Payments to acquire investments	-	(5,000)
Receipts from sales of tangible assets	46,400	9,300
	<u>(62,126)</u>	<u>(381,924)</u>
<b>FINANCING</b>		
Repayment of long term loan	(201,009)	(198,347)
Capital element of hire purchase contracts	(21,846)	(41,846)
	<u>(222,855)</u>	<u>(240,193)</u>

**23.3 ANALYSIS OF CHANGES IN NET DEBT**

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	102,890	336,328	-	439,218
Overdrafts	(104,153)	104,153	-	-
	<u>(1,263)</u>	<u>440,481</u>	<u>-</u>	<u>439,218</u>
Debt due within one year	(242,070)	201,009	(201,192)	(242,253)
Debt due after one year	(2,346,780)	-	201,192	(2,145,588)
Finance leases	(108,516)	21,846	-	(86,670)
	<u>(2,697,366)</u>	<u>222,855</u>	<u>-</u>	<u>(2,474,511)</u>
Net debt	<u>(2,698,629)</u>	<u>663,336</u>	<u>-</u>	<u>(2,035,293)</u>