
BANNERBRIDGE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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BANNERBRIDGE PLC

COMPANY INFORMATION

| | |
|--------------------------|---|
| DIRECTORS | D P Holyfield M P Summers P A Wheeler P Buttress |
| COMPANY SECRETARY | P Buttress |
| COMPANY NUMBER | 01554709 |
| REGISTERED OFFICE | 22 - 24 Hornsby Square Southfields Industrial Park Basildon Essex SS15 6SD |
| AUDITOR | Barnes Roffe LLP Chartered Accountants Statutory Auditor Leytonstone House Leytonstone London E11 1GA |

BANNERBRIDGE PLC

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BANNERBRIDGE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was the sale of computer products and peripherals and the provision of related services.

BUSINESS REVIEW

Throughout 2009 the company improved the efficiency of operations by streamlining and deploying new processes. The policy of focusing on niche products and added value services has enabled the company to maintain respectable profitability, despite the loss of confidence and poor economic outlook in most sectors.

The directors feel that the results for the year are pleasing, given the difficult trading conditions throughout the period. The company's key financial indicators, turnover and gross margin, are in line with previous years.

The outlook for 2010 is challenging, but it is felt the company's strong balance sheet and focus on supplying niche products puts it in a good position to benefit when trading conditions become more favourable.

BANNERBRIDGE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £199,810 (2008 - £225,937)

The directors do not recommend the payment of a final dividend

DIRECTORS

The directors who served during the year were

D P Holyfield
M P Summers
P A Wheeler
P Buttress

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is company policy to ensure that it is aware of the terms of payment to suppliers, and to abide by these terms
The number of days purchases outstanding was 44

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

This report was approved by the board on 17th May 2010 and signed on its behalf



P Buttress
Director

BANNERBRIDGE PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANNERBRIDGE PLC

We have audited the financial statements of Bannerbridge Plc for the year ended 31 December 2009, set out on pages 5 to 17. 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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.

BANNERBRIDGE PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANNERBRIDGE PLC

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



Mr Allan Cheason (Senior statutory auditor)

for and on behalf of

BARNES ROFFE LLP

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

Date *20 May 2010*

BANNERBRIDGE PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 2009 £ | 2008 £ |
|--|------|-------------------------|-------------------------|
| TURNOVER | 1,2 | 5,463,857 | 5,592,041 |
| Cost of sales | | <u>(4,180,723)</u> | <u>(4,196,781)</u> |
| GROSS PROFIT | | 1,283,134 | 1,395,260 |
| Distribution costs | | (658,540) | (605,631) |
| Administrative expenses | | (401,892) | (509,037) |
| Other operating income | 3 | <u>39,009</u> | <u>20,232</u> |
| OPERATING PROFIT | 4 | 261,711 | 300,824 |
| Interest receivable and similar income | | 378 | 2,277 |
| Interest payable and similar charges | 8 | <u>(11,034)</u> | <u>(10,493)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 251,055 | 292,608 |
| Taxation on profit on ordinary activities | 9 | <u>(51,245)</u> | <u>(66,671)</u> |
| PROFIT FOR THE FINANCIAL YEAR | 16 | <u>£ 199,810</u> | <u>£ 225,937</u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

The notes on pages 8 to 17 form part of these financial statements

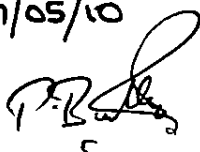
BANNERBRIDGE PLC
REGISTERED NUMBER: 01554709

BALANCE SHEET
AS AT 31 DECEMBER 2009

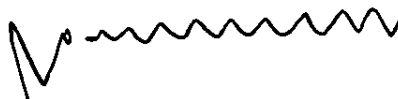
| | Note | 2009 £ | 2008 £ |
|---|------|---------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 155,100 | 220,481 |
| CURRENT ASSETS | | | |
| Stocks | 11 | 765,450 | 683,091 |
| Debtors | 12 | 777,028 | 652,184 |
| Cash at bank and in hand | | 101,739 | 129,774 |
| | | <u>1,644,217</u> | <u>1,465,049</u> |
| CREDITORS: amounts falling due within one year | 13 | <u>(732,135)</u> | <u>(702,522)</u> |
| NET CURRENT ASSETS | | <u>912,082</u> | <u>762,527</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,067,182</u> | <u>983,008</u> |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 14 | <u>(4,727)</u> | <u>(12,363)</u> |
| NET ASSETS | | <u><u>£ 1,062,455</u></u> | <u><u>£ 970,645</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 101,000 | 101,000 |
| Profit and loss account | 16 | 961,455 | 869,645 |
| SHAREHOLDERS' FUNDS | 17 | <u><u>£ 1,062,455</u></u> | <u><u>£ 970,645</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

17/05/10



P Buttress
Director



P A Wheeler
Director

The notes on pages 8 to 17 form part of these financial statements

BANNERBRIDGE PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 2009 £ | 2008 £ |
|---|------|-------------------|-----------------|
| Net cash flow from operating activities | 19 | 155,414 | 382,664 |
| Returns on investments and servicing of finance | 20 | (10,656) | (8,216) |
| Taxation | | (63,087) | (57,554) |
| Capital expenditure and financial investment | 20 | (1,706) | (46,383) |
| Equity dividends paid | | (108,000) | (209,700) |
| (DECREASE)/INCREASE IN CASH IN THE YEAR | | £ (28,035) | £ 60,811 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| (Decrease)/Increase in cash in the year | (28,035) | 60,811 |
| MOVEMENT IN NET FUNDS IN THE YEAR | (28,035) | 60,811 |
| Net funds at 1 January 2009 | 129,774 | 68,963 |
| NET FUNDS AT 31 DECEMBER 2009 | £ 101,739 | £ 129,774 |

The notes on pages 8 to 17 form part of these financial statements

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied, exclusive of value added tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases

| | | | |
|----------------------------------|---|-----|------------------|
| Office equipment | - | 25% | reducing balance |
| Motor vehicles | - | 25% | reducing balance |
| Fixtures, fittings and equipment | - | 15% | reducing balance |

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.9 Research and development

Research and development expenditure is written off in the year in which it is incurred

1.10 Pensions

The company makes contributions to money purchase contribution schemes for certain employees, the assets of the schemes being held separately from the assets of the company. The pension charge represents the amounts payable by the company to the funds in respect of the year

2. TURNOVER

In the year 18% (2008 - 15%) of the company's turnover was attributable to sales to markets outside of the United Kingdom

3. OTHER OPERATING INCOME

| | 2009 £ | 2008 £ |
|----------------------|---------------|---------------|
| Net rents receivable | <u>39,009</u> | <u>20,232</u> |

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2009 £ | 2008 £ |
|---------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 67,087 | 73,776 |
| Operating lease rentals | | |
| - other operating leases | 79,660 | 79,660 |
| Difference on foreign exchange | (40,089) | 24,748 |
| | <u> </u> | <u> </u> |

5. AUDITORS' REMUNERATION

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 12,000 | 10,500 |
| Fees payable to the company's auditor in respect of All other services | 17,640 | 12,915 |
| | <u> </u> | <u> </u> |

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 2009 £ | 2008 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 618,434 | 581,128 |
| Social security costs | 64,139 | 58,722 |
| Other pension costs | 37,381 | 36,731 |
| | <u> </u> | <u> </u> |
| | £ 719,954 | £ 676,581 |
| | <u> </u> | <u> </u> |

The average monthly number of employees, including the directors, during the year was as follows

| | 2009 No. | 2008 No |
|--------------------------|-------------------|-------------------|
| Administration | 4 | 5 |
| Installation engineers | 6 | 5 |
| Selling and distribution | 12 | 16 |
| | <u> </u> | <u> </u> |
| | 22 | 26 |
| | <u> </u> | <u> </u> |

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7. DIRECTORS' REMUNERATION

| | 2009 | 2008 |
|---|------------------|-----------------|
| | £ | £ |
| Emoluments | £ 183,684 | £ 94,389 |
| Company pension contributions to money purchase pension schemes | £ 37,381 | £ 36,731 |

During the year retirement benefits were accruing to 2 directors (2008 - 2) in respect of money purchase pension schemes

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2009 | 2008 |
|------------------------------|-----------------|-----------------|
| | £ | £ |
| On bank loans and overdrafts | £ 11,034 | £ 10,493 |

9. TAXATION

| | 2009 | 2008 |
|--|-----------------|-----------------|
| | £ | £ |
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 62,968 | 71,261 |
| Adjustments in respect of prior periods | (4,087) | - |
| Total current tax | 58,881 | 71,261 |
| Deferred tax (see note 14) | | |
| Origination and reversal of timing differences | (7,636) | (4,590) |
| Tax on profit on ordinary activities | £ 51,245 | £ 66,671 |

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below

| | 2009 £ | 2008 £ |
|--|-----------------|-----------------|
| Profit on ordinary activities before tax | £ 251,055 | £ 292,608 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 - 28.5%) | 52,722 | 83,383 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 531 | 2,525 |
| Depreciation for the year in excess of capital allowances | 9,715 | 8,017 |
| Adjustment to prior year tax charge | (4,087) | - |
| Marginal relief | - | (22,664) |
| Current tax charge for the year (see note above) | £ 58,881 | £ 71,261 |

Factors that may affect future tax charges

The tax charge for the year ended 31 December 2005 was calculated on the basis that a contribution to a funded unapproved retirement benefit scheme was deductible for tax purposes, this is in accordance with counsel's opinion on the matter

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

10. TANGIBLE FIXED ASSETS

| | Office equipment £ | Fixtures, fittings and equipment £ | Total £ |
|-----------------------|--------------------------|---|----------------|
| Cost | | | |
| At 1 January 2009 | 196,960 | 660,670 | 857,630 |
| Additions | - | 1,706 | 1,706 |
| | <u>196,960</u> | <u>662,376</u> | <u>859,336</u> |
| At 31 December 2009 | 196,960 | 662,376 | 859,336 |
| Depreciation | | | |
| At 1 January 2009 | 179,803 | 457,346 | 637,149 |
| Charge for the year | 4,289 | 62,798 | 67,087 |
| | <u>184,092</u> | <u>520,144</u> | <u>704,236</u> |
| At 31 December 2009 | 184,092 | 520,144 | 704,236 |
| Net book value | | | |
| At 31 December 2009 | £ 12,868 | £ 142,232 | £ 155,100 |
| At 31 December 2008 | £ 17,157 | £ 203,324 | £ 220,481 |

11. STOCKS

| | 2009 £ | 2008 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | £ 765,450 | £ 683,091 |

12. DEBTORS

| | 2009 £ | 2008 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 439,262 | 486,277 |
| Other debtors | 337,766 | 151,903 |
| Prepayments and accrued income | - | 14,004 |
| | <u>£ 777,028</u> | <u>£ 652,184</u> |

All sterling trade debtors are assigned to Lloyds TSB Commercial Finance Limited. Bannerbridge Plc has full recourse to all bad debts. Included within other debtors is an amount due from Lloyds TSB Commercial Finance Limited of £291,021 (2008 - £66,903).

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

13. CREDITORS.

Amounts falling due within one year

| | 2009 £ | 2008 £ |
|---------------------------------|------------------|------------------|
| Trade creditors | 495,278 | 451,249 |
| Corporation tax | 62,968 | 67,174 |
| Social security and other taxes | 29,661 | 23,323 |
| Other creditors | 207 | 97,092 |
| Accruals and deferred income | 144,021 | 63,684 |
| | <u>£ 732,135</u> | <u>£ 702,522</u> |

Within accruals there is an amount for deferred VAT of £8,790 (2008 - £30,496) This item is secured by fixed and floating charges over all the assets of the company

14. DEFERRED TAXATION

| | 2009 £ | 2008 £ |
|----------------------|----------------|-----------------|
| At beginning of year | 12,363 | 16,953 |
| Released during year | (7,636) | (4,590) |
| | <u>£ 4,727</u> | <u>£ 12,363</u> |

The provision for deferred taxation is made up as follows

| | 2009 £ | 2008 £ |
|--------------------------------|----------------|-----------------|
| Accelerated capital allowances | <u>£ 4,727</u> | <u>£ 12,363</u> |

15. SHARE CAPITAL

| | 2009 £ | 2008 £ |
|---|------------------|------------------|
| Allotted, called up and fully paid | | |
| 100,000 Ordinary shares of £1 each | 100,000 | 100,000 |
| 1,000 A shares of £1 each | 1,000 | 1,000 |
| | <u>£ 101,000</u> | <u>£ 101,000</u> |

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

16. RESERVES

| | Profit and loss account £ |
|--|--|
| At 1 January 2009 | 869,645 |
| Profit on ordinary activities after taxation | 199,810 |
| Dividends (Note 18) | (108,000) |
| | <u>£ 961,455</u> |
| At 31 December 2009 | <u>£ 961,455</u> |

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2009 £ | 2008 £ |
|-----------------------------|---------------------------|-------------------------|
| Opening shareholders' funds | 970,645 | 954,408 |
| Profit for the year | 199,810 | 225,937 |
| Dividends (Note 18) | (108,000) | (209,700) |
| | <u>£ 1,062,455</u> | <u>£ 970,645</u> |
| Closing shareholders' funds | <u>£ 1,062,455</u> | <u>£ 970,645</u> |

18. DIVIDENDS

| | 2009 £ | 2008 £ |
|------------------|-------------------------|-------------------------|
| Equity dividends | £ 108,000 | £ 209,700 |
| | <u>£ 108,000</u> | <u>£ 209,700</u> |

19. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2009 £ | 2008 £ |
|---|-------------------------|-------------------------|
| Operating profit | 261,711 | 300,824 |
| Depreciation of tangible fixed assets | 67,087 | 73,776 |
| Loss on disposal of tangible fixed assets | - | 1,419 |
| (Increase)/decrease in stocks | (82,359) | 68,661 |
| (Increase)/decrease in debtors | (124,844) | 243,731 |
| Increase/(decrease) in creditors | 33,819 | (305,747) |
| | <u>£ 155,414</u> | <u>£ 382,664</u> |
| Net cash inflow from operations | <u>£ 155,414</u> | <u>£ 382,664</u> |

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 378 | 2,277 |
| Interest paid | (11,034) | (10,493) |
| Net cash outflow from returns on investments and servicing of finance | £ (10,656) | £ (8,216) |
| | 2009 £ | 2008 £ |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (1,706) | (49,382) |
| Sale of tangible fixed assets | - | 2,999 |
| Net cash outflow from capital expenditure | £ (1,706) | £ (46,383) |

21. ANALYSIS OF CHANGES IN NET DEBT

| | 1 January 2009 £ | Cash flow £ | 31 December 2009 £ |
|--------------------------|------------------------|-------------------|--------------------------|
| Cash at bank and in hand | 129,774 | (28,035) | 101,739 |
| Net funds | £ 129,774 | £ (28,035) | £ 101,739 |

22. OPERATING LEASE COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

| | Land and buildings 2009 £ | 2008 £ |
|-----------------------|---------------------------------|-----------|
| Expiry date: | | |
| Between 2 and 5 years | 79,660 | 79,660 |

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

23. RELATED PARTY TRANSACTIONS

During the year rent of £42,000 (2008 - £42,000) was paid to D P Holyfield, M P Summers, and P A Wheeler, directors of this company

During the year commission of £108,508 (2008 - £105,846) was paid to Charmideal, an entity whose sole owner is the wife of D P Holyfield, a director of this company

At the year end an amount of £22,249 (2008 - £21,857) was due to Charmideal

Rent of £37,660 (2008 - £37,660) was paid to the company pension scheme during the year

During the year the company was invoiced £15,768 (2008 - £16,731) for services by Sky Blue Telecom Limited, a company in which D P Holyfield, M P Summers, and P A Wheeler, are also directors Bannerbridge Plc invoiced Sky Blue Telecom Limited £69,122 (2008 - £79,090) for goods and services At the year end the company owed Sky Blue Telecom Limited £2,698 (2008 - £3,362)

During the year management charges of £50,331 (2008 - £36,400) were paid to WHS Associates, a business in which D P Holyfield and P A Wheeler, both directors of this company, are partners

During the year the company was invoiced £137,937 (2008 - £Nil) for goods and services by Nupro Europe Limited, a company in which D P Holyfield and P A Wheeler are also directors Bannerbridge Plc invoiced Nupro Europe Limited £48,861 (2008 - £Nil) for goods and services At the year end the company owed Nupro Europe Limited £32,402 (2008 - £Nil)

During the year the company invoiced Uniter Group Limited £141,352 (2008 - £1,152) for goods and services, a company in which D P Holyfield, P A Wheeler and P Buttress are also directors At the year end Uniter Group Limited owed the company £23,574 (2008 - £259)

During the year a loan was made to Top Results Limited, a company in which D P Holyfield, P A Wheeler and P Buttress are also directors At the year end Top Results Ltd owed the company £46,745 (2008 - £Nil)

All transactions took place at arm's length

Dividends paid to directors were as follows

| | 2009 £ | 2008 £ |
|---------------|-----------|-----------|
| D P Holyfield | 36,000 | 70,812 |
| P A Wheeler | 36,000 | 70,812 |
| P Buttress | 36,000 | 50,670 |
| M P Summers | - | 17,406 |