

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010
FOR
BEW ELECTRICAL DISTRIBUTORS LIMITED**

THP Limited
Chartered Accountants
and Registered Auditors
Shalford Court
95 Springfield Road
Chelmsford
Essex
CM2 6JL

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FOR THE YEAR ENDED 30 APRIL 2010**

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BEW ELECTRICAL DISTRIBUTORS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2010**

DIRECTORS:

P R Webb
R W Locker
D J Shirt
D Locker
N A Godfrey

SECRETARY:

P R Webb

REGISTERED OFFICE:

Unit 1
The Kimber Centre
Kimber Road
London
SW18 4PQ

REGISTERED NUMBER:

01703444 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

G Lunt BA FCA

AUDITORS:

THP Limited
Chartered Accountants
and Registered Auditors
Shalford Court
95 Springfield Road
Chelmsford
Essex
CM2 6JL

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2010**

The directors present their report with the financial statements of the company for the year ended 30 April 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the wholesale and retail sale of electrical goods

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company's main activity is conducted from 9 outlets in the S E of England.

Gross margins within the electrical wholesale industry have always been difficult to maintain and with the recession prices had to be very competitive to win the business. By continuing to utilise volume purchase discounts, maintaining good purchasing practices and stock control procedures the company has remained competitive.

	30 April 2010	30 April 2009	Increase/(decrease)
	£	£	£
Turnover	24,449,615	25,725,705	(1,276,090)
Gross profit	7,346,277	7,286,870	59,407
Operating profit	802,870	378,964	423,906
Profit before tax	653,294	219,316	433,978

The increase in profits is due to an increase in the company's gross profit margin from 28.33% to 30.05% and a reduction in administrative expenses of £355,026 notwithstanding that the company incurred bad debts in the year of £299,605.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2010.

FIXED ASSETS

In the directors' opinion the market value of freehold land and buildings is still approximately £4,275,000, compared to the book value stated in the accounts at 30 April 2010 of £1,751,991.

FUTURE DEVELOPMENTS

The directors have taken action to return the company's sales growth following the slight downturn in the economy.

The directors are pleased that the measures put in place have achieved sales growth in the coming year.

The company's objective is still to develop turnover over the next five years to £50m through continued investment in new stores and existing customers, as a result the company opened a new store in Kingston Upon Thames in October 2010 and will continue to investigate new opportunities as they arise.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2009 to the date of this report.

P R Webb
R W Locker
D J Shirt
D Locker
N A Godfrey

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made a charitable donation during the year of £3,000 to Northwick Park Institute for Medical Research whose mission is to perform high quality research in biological and life sciences which will lead to rapid improvements in patient care. (2009: £100)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



N A Godfrey - Director

Date

27/01/2011

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BEW ELECTRICAL DISTRIBUTORS LIMITED

We have audited the financial statements of BEW Electrical Distributors Limited for the year ended 30 April 2010 on pages five to seventeen. 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 a Report of the Auditors 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 set out on pages two and three, 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 30 April 2010 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 Report of the Directors 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.



G Lunt BA FCA (Senior Statutory Auditor)
for and on behalf of THP Limited
Chartered Accountants
and Registered Auditors
Shalford Court
95 Springfield Road
Chelmsford
Essex
CM2 6JL

Date 27 January 2011

BEW ELECTRICAL DISTRIBUTORS LIMITED (REGISTERED NUMBER: 01703444)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2010**

	Notes	2010 £	2009 £
TURNOVER		24,449,615	25,725,705
Cost of sales		<u>17,103,338</u>	<u>18,438,835</u>
GROSS PROFIT		7,346,277	7,286,870
Administrative expenses		<u>6,553,180</u>	<u>6,908,206</u>
		793,097	378,664
Other operating income		<u>9,773</u>	<u>300</u>
OPERATING PROFIT	3	802,870	378,964
Interest receivable and similar income		<u>9</u>	<u>1,789</u>
		802,879	380,753
Interest payable and similar charges	4	<u>149,585</u>	<u>161,437</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		653,294	219,316
Tax on profit on ordinary activities	5	<u>210,828</u>	<u>78,527</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		442,466	140,789

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

BEW ELECTRICAL DISTRIBUTORS LIMITED (REGISTERED NUMBER: 01703444)

**BALANCE SHEET
30 APRIL 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Intangible assets	7	13,346	15,252
Tangible assets	8	<u>1,929,857</u>	<u>2,011,618</u>
		1,943,203	2,026,870
CURRENT ASSETS			
Stocks	9	2,116,397	2,277,602
Debtors	10	6,138,898	5,588,981
Cash at bank and in hand		<u>3,172</u>	<u>3,953</u>
		8,258,467	7,870,536
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>6,405,152</u>	<u>6,306,962</u>
NET CURRENT ASSETS		1,853,315	1,563,574
TOTAL ASSETS LESS CURRENT LIABILITIES		3,796,518	3,590,444
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	<u>969,046</u>	<u>1,205,438</u>
NET ASSETS		2,827,472	2,385,006
CAPITAL AND RESERVES			
Called up share capital	17	105,750	105,750
Share premium	18	95,000	95,000
Profit and loss account	18	<u>2,626,722</u>	<u>2,184,256</u>
SHAREHOLDERS' FUNDS	22	2,827,472	2,385,006

The financial statements were approved by the Board of Directors on
signed on its behalf by

27/01/2011

and were

R W Locker - Director

N A Godfrey - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2010**

	Notes	£	2010	£	£	2009	£
Net cash inflow from operating activities	1			778,144			25,378
Returns on investments and servicing of finance	2			(149,576)			(159,648)
Taxation				(73,527)			(238,811)
Capital expenditure	2			(1,289)			(66,838)
Equity dividends paid				-			(24,000)
				553,752			(463,919)
Financing	2			(436,385)			(23,343)
Increase/(Decrease) in cash in the period				117,367			(487,262)

Reconciliation of net cash flow to movement in net debt	3						
Increase/(Decrease) in cash in the period			117,367			(487,262)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing			429,105			(452,330)	
Change in net debt resulting from cash flows				546,472			(939,592)
Movement in net debt in the period				546,472			(939,592)
Net debt at 1 May				(4,137,590)			(3,197,998)
Net debt at 30 April				(3,591,118)			(4,137,590)

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2010**
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	802,870	378,964
Depreciation charges	84,956	113,036
Loss on disposal of fixed assets	-	77
Decrease in stocks	161,205	229,106
(Increase)/Decrease in debtors	(567,564)	176,282
Increase/(Decrease) in creditors	296,677	(872,087)
Net cash inflow from operating activities	778,144	25,378

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	9	1,789
Interest paid	(142,944)	(150,964)
Interest element of hire purchase payments	(6,641)	(10,473)
Net cash outflow for returns on investments and servicing of finance	(149,576)	(159,648)
Capital expenditure		
Purchase of tangible fixed assets	(1,289)	(66,838)
Net cash outflow for capital expenditure	(1,289)	(66,838)
Financing		
Sales invoice financing	(284,949)	301,839
New loans	-	250,000
Mortgage loan repayments in year	(120,770)	(75,536)
Other loan repayments in year	(4,999)	(9,300)
Repayments on HP contracts in year	(18,387)	(14,673)
Amount introduced by directors	45,784	701
Amount withdrawn by directors	(53,064)	(476,374)
Net cash outflow from financing	(436,385)	(23,343)

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.09 £	Cash flow £	At 30.4.10 £
Net cash			
Cash at bank and in hand	3,953	(781)	3,172
Bank overdraft	(1,340,354)	118,148	(1,222,206)
	(1,336,401)	117,367	(1,219,034)
Debt			
Hire purchase	(89,865)	18,387	(71,478)
Debts falling due within one year	(1,577,364)	245,804	(1,331,560)
Debts falling due after one year	(1,133,960)	164,914	(969,046)
	(2,801,189)	429,105	(2,372,084)
Total	(4,137,590)	546,472	(3,591,118)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2010

4 DEBT FALLING DUE WITHIN ONE YEAR

The loans included within debt falling due within one year are as follows

	2010	2009
	£	£
Bank loan	122,868	78,724
Pension fund loan	-	4,999
Sales invoice financing	958,692	1,243,641
Other loans	250,000	250,000
	<u>1,331,560</u>	<u>1,577,364</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, after trade discounts and excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being amortised evenly over its estimated useful life of twenty years

Tangible fixed assets

Depreciation is provided at the following rates in order to write off the cost of each asset over its estimated useful life

Freehold buildings	- 2% on cost
Short leasehold property	- over the term of the lease
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost
Motor vehicles	- 25% on cost (less residual value)

Freehold land is not depreciated

Single items costing less than £1,000 are not capitalised but written off to the Profit and Loss Account as incurred

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Deferred tax assets are recognised to the extent that they are recoverable against future trading profits, on the basis of all available evidence

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised as tangible fixed assets and depreciated over their estimated 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 on a sum of digits method so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Employee Benefit Trusts

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion

Where the company retains future economic benefit from, and has de facto control of, the assets and liabilities of the trust they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals

Where monies held in a trust are determined by the company on the basis of employee's past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company, are charged to the profit and loss account in the period to which they relate

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

2 STAFF COSTS

	2010 £	2009 £
Wages and salaries	3,598,386	4,189,773
Social security costs	388,797	429,210
Other pension costs	46,290	53,048
	<u>4,033,473</u>	<u>4,672,031</u>

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

	2010	2009
Management and office	32	32
Sales and distribution	88	92
	<u>120</u>	<u>124</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Operating lease charges	475,043	479,086
Depreciation - owned assets	74,709	88,957
Depreciation - assets on hire purchase contracts	8,341	22,172
Loss on disposal of fixed assets	-	77
Goodwill amortisation	1,906	1,907
Auditors' remuneration	21,000	21,000
Auditors' remuneration for non audit work	5,845	2,750
Bad debts	299,605	-
	<u>942,148</u>	<u>1,469,132</u>
Directors' remuneration	32,669	35,320
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2010 £	2009 £
Emoluments etc	<u>406,626</u>	<u>649,397</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Pension fund loan interest	(683)	969
Sales invoice financing interest	39,535	59,732
Interest on overdue tax	123	1,098
Bank loan interest	92,638	89,165
Other loan interest	11,331	-
Hire purchase interest	6,641	10,473
	<u>149,585</u>	<u>161,437</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	214,666	73,527
Deferred tax		
Origination and reversal of timing differences	(3,838)	5,000
Tax on profit on ordinary activities	<u>210,828</u>	<u>78,527</u>

UK corporation tax has been charged at 26.51% (2009 - 21.76%)

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>653,294</u>	<u>219,316</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	182,922	61,408
Effects of		
Expenses not deductible for tax purposes	28,571	25,855
Capital allowances and depreciation timing differences	11,413	11,413
Deferred tax charge	3,838	(4,649)
Claim for marginal relief	<u>(12,078)</u>	<u>(20,500)</u>
Current tax charge	<u>214,666</u>	<u>73,527</u>

6 DIVIDENDS

	2010 £	2009 £
Interim dividend on ordinary shares	-	24,000
	<u>-</u>	<u>24,000</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 May 2009 and 30 April 2010	<u>38,134</u>
AMORTISATION	
At 1 May 2009	22,882
Amortisation for year	<u>1,906</u>
At 30 April 2010	<u>24,788</u>
NET BOOK VALUE	
At 30 April 2010	<u>13,346</u>
At 30 April 2009	<u>15,252</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold property £	Fixtures and fittings £
COST			
At 1 May 2009	2,073,826	79,252	211,849
At 30 April 2010	2,073,826	79,252	211,849
DEPRECIATION			
At 1 May 2009	288,265	32,418	113,501
Charge for year	33,570	5,284	32,149
At 30 April 2010	321,835	37,702	145,650
NET BOOK VALUE			
At 30 April 2010	1,751,991	41,550	66,199
At 30 April 2009	1,785,561	46,834	98,348
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2009	118,683	245,959	2,729,569
Additions	-	1,289	1,289
At 30 April 2010	118,683	247,248	2,730,858
DEPRECIATION			
At 1 May 2009	44,342	239,425	717,951
Charge for year	8,341	3,706	83,050
At 30 April 2010	52,683	243,131	801,001
NET BOOK VALUE			
At 30 April 2010	66,000	4,117	1,929,857
At 30 April 2009	74,341	6,534	2,011,618

Included in cost of land and buildings is freehold land of £395,314 (2009 - £395,314) which is not depreciated

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1 May 2009 and 30 April 2010	118,683
DEPRECIATION	
At 1 May 2009	44,342
Charge for year	8,341
At 30 April 2010	52,683
NET BOOK VALUE	
At 30 April 2010	66,000
At 30 April 2009	74,341

9 STOCKS

	2010 £	2009 £
Stocks	2,116,397	2,277,602

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	5,545,719	5,013,035
Other debtors	47,778	3,271
Directors' loan accounts	151,754	173,239
Deferred tax asset		
Accelerated capital allowances	21,838	18,000
Prepayments	371,809	381,436
	<u>6,138,898</u>	<u>5,588,981</u>

Trade debtors include £3,838,899 (2009 - £3,244,093) subject to sales invoice financing terms Advances received against these debtors are included in creditors due within one year

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts (see note 13)	1,345,074	1,419,078
Other loans (see note 13)	1,208,692	1,498,640
Hire purchase contracts (see note 14)	71,478	18,387
Trade creditors	3,106,464	2,837,264
Corporation tax	214,666	73,527
Social security and other taxes	90,589	129,629
VAT	194,074	113,403
Directors' loan accounts	14,897	43,662
Accrued expenses	159,218	173,372
	<u>6,405,152</u>	<u>6,306,962</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Bank loans (see note 13)	969,046	1,133,960
Hire purchase contracts (see note 14)	-	71,478
	<u>969,046</u>	<u>1,205,438</u>

13 LOANS

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	1,222,206	1,340,354
Bank loans	122,868	78,724
Pension fund loan	-	4,999
Sales invoice financing	958,692	1,243,641
Other loans	250,000	250,000
	<u>2,553,766</u>	<u>2,917,718</u>
Amounts falling due between one and two years		
Bank loans	<u>125,092</u>	<u>83,018</u>
Amounts falling due between two and five years		
Bank loans	<u>388,766</u>	<u>277,224</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>455,188</u>	<u>773,718</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

13 LOANS - continued

The interest rate charged on the bank loan outstanding at 30 April 2010 is 1.25% per annum above NatWest Bank's base rate. The loan is repayable by monthly instalments and the scheduled date of maturity for this loan is February 2022.

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2010 £	2009 £
Gross obligations repayable		
Within one year	72,259	24,961
Between one and five years	-	74,284
	<u>72,259</u>	<u>99,245</u>
Finance charges repayable		
Within one year	781	6,574
Between one and five years	-	2,806
	<u>781</u>	<u>9,380</u>
Net obligations repayable		
Within one year	71,478	18,387
Between one and five years	-	71,478
	<u>71,478</u>	<u>89,865</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2010 £	2009 £	2010 £	2009 £
Expiring				
Within one year	-	-	13,038	4,131
Between one and five years	95,922	50,100	50,045	48,421
In more than five years	115,476	164,048	-	-
	<u>211,398</u>	<u>214,148</u>	<u>63,083</u>	<u>52,552</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdrafts	1,222,206	1,340,354
Bank loans	1,091,914	1,212,684
Hire purchase contracts	71,478	89,865
Sales invoice financing	958,692	1,243,641
	<u>3,344,290</u>	<u>3,886,544</u>

The bank loans and overdraft facility are secured by way of a first legal charge over the company's freehold properties together with a fixed and floating charge over the company's current and future assets.

Sales invoice financing is secured by way of a fixed and floating charge over all property and assets present and future.

Hire purchase agreements are secured against the fixed asset purchased.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

16 DEFERRED TAX

	£
Balance at 1 May 2009	(18,000)
Transfer to reserves	(3,838)
Balance at 30 April 2010	<u>(21,838)</u>

17 CALLED UP SHARE CAPITAL

Allotted, Number	issued and fully paid Class	Nominal value £1	2010 £	2009 £
105,750	Ordinary		<u>105,750</u>	<u>105,750</u>

18 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 May 2009	2,184,256	95,000	2,279,256
Profit for the year	442,466		442,466
At 30 April 2010	<u>2,626,722</u>	<u>95,000</u>	<u>2,721,722</u>

19 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 30 April 2010 and 30 April 2009

	2010 £	2009 £
D J Shirt		
Balance outstanding at start of year	1,368	298
Amounts advanced	7,794	1,070
Amounts repaid	(10,952)	-
Balance outstanding at end of year	<u>(1,790)</u>	<u>1,368</u>
D Locker		
Balance outstanding at start of year	(971)	(605)
Amounts advanced	5,875	-
Amounts repaid	(3,342)	(366)
Balance outstanding at end of year	<u>1,562</u>	<u>(971)</u>
R W Locker		
Balance outstanding at start of year	171,870	(225,193)
Amounts advanced	28,691	487,214
Amounts repaid	(50,369)	(90,151)
Balance outstanding at end of year	<u>150,192</u>	<u>171,870</u>
P R Webb		
Balance outstanding at start of year	(42,563)	(120,804)
Amounts advanced	95,082	172,455
Amounts repaid	(64,178)	(94,214)
Balance outstanding at end of year	<u>(11,659)</u>	<u>(42,563)</u>
N A Godfrey		
Balance outstanding at start of year	(128)	-
Amounts repaid	(1,320)	(128)
Balance outstanding at end of year	<u>(1,448)</u>	<u>(128)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 201019 **TRANSACTIONS WITH DIRECTORS - continued**

The above unsecured loans were available on an interest free basis with no fixed terms for repayment. During the year the company paid Peak Performance Contracts Limited for the consultancy services of the following directors

	2010 £
P R Webb	33,597
R W Locker	33,448
D J Shirt	7,484
D Locker	3,436
N Godfrey	4,230
Total	<u>82,195</u>

None of the above directors have ever been a director, officer or shareholder of Peak Performance Contracts Limited

20 **RELATED PARTY DISCLOSURES**

On 28 April 2009 the company entered into loan agreements with two sub funds of the BEW Electrical Distributors Limited Employee Trust 2009, the beneficiary of one of these Trusts is R W Locker and P R Webb is beneficiary of the other. Both of these Trusts have loaned the company £125,000, and they have been indemnified by their respective beneficiary. During the year the company paid loan interest of £5,665.46 to each of the sub funds, and at 30 April 2010 both loans outstanding were £125,000.

21 **ULTIMATE CONTROLLING PARTY**

The company is under the joint control of Mr P R Webb and Mr R W Locker.

22 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit for the financial year	442,466	140,789
Dividends	-	(24,000)
Net addition to shareholders' funds	<u>442,466</u>	116,789
Opening shareholders' funds	<u>2,385,006</u>	2,268,217
Closing shareholders' funds	<u>2,827,472</u>	<u>2,385,006</u>