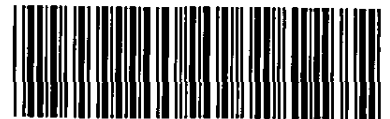


**ERI LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2008**

**(Company registration number 2202329)**

**TUESDAY**



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**COMPANIES HOUSE**

**ERI Limited**

**FINANCIAL STATEMENTS for the year ended 31 May 2008**

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**ERI Limited**

**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

S H Hayes  
H S Hayes  
S G Wain  
R S Jones  
T R Owen  
D T J C Cloggie

**Company secretary**

K Wain

**Registered Office**

Number 7, Mill Pool  
Nash Lane  
Belbroughton  
Stourbridge  
West Midlands  
DY9 9AF

**Auditors**

Clement Keys  
Chartered Accountants  
& Registered Auditors  
39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

## **ERI Limited**

### **DIRECTORS' REPORT for the year ended 31 May 2008**

The directors present their annual report and the audited financial statements for the year ended 31 May 2008.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company continues to be the manufacture and installation of interior fixturing.

#### **BUSINESS REVIEW**

The Company has traded satisfactorily during the financial year ended 31 May 2008 and the directors consider that the Company is soundly based both operationally and financially and anticipate further advances in the forthcoming year. The Company relocated all operations to a new site at the beginning of the year.

#### **RESULTS AND DIVIDENDS**

Profit for the year after taxation amounted to £565,209 (2007: £364,741).

The directors do not recommend the payment of a dividend (2007: £ nil).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company is reliant on the investment strategy of its principal customers in the retail sector. The Company's customers have indicated their investment plans for the forthcoming year and confirmed that the Company will, once again, be recognised as one of their preferred suppliers.

The Company monitors cash flow as part of its ongoing operational and control procedures. The board is satisfied that the Company has facilities which are adequate to fund both its existing operations and future expansion plans.

#### **DIRECTORS**

The directors who served the Company during the year were as follows:

S H Hayes  
H S Hayes  
S G Wain  
R S Jones  
T R Owen  
D T J C Cloggie

The interests of the directors in the share capital of the ultimate parent undertaking are shown in the financial statements of that Company.

#### **CHARITABLE DONATIONS**

During the year, the company made charitable donations amounting to £500 (2007: £2,030).

#### **KEY PERFORMANCE INDICATORS**

The board and senior management meet on a regular basis to monitor turnover, gross and net profit performance, value added per productive hour and future capacity requirements. These key performance indicators have all performed satisfactorily and in line with expectations during the year.

**DIRECTORS' REPORT for the year ended 31 May 2008 (*continued*)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements the directors are required to:

- select suitable accounting policies, as described on page 7, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re appointment of Clement Keys will be put to the Annual General Meeting.

This report was approved by the board on 30 January 2009 and signed on its behalf by:



**T R Owen**  
Director

## REPORT OF THE INDEPENDENT AUDITORS to the members of ERI Limited

For the year ended 31 May 2008

We have audited the financial statements of ERI Limited for the year ended 31 May 2008 set out on pages 5 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company 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 described in the Statement of Directors' Responsibilities, the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

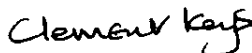
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 May 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



CLEMENT KEYS

Chartered Accountants  
& Registered Auditors  
39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

30 January 2009

**ERI Limited****PROFIT AND LOSS ACCOUNT for the year ended 31 May 2008**

	<b>Note</b>	<b>Year Ended 31 May 2008 £</b>	<b>Year Ended 31 May 2007 £</b>
<b>TURNOVER</b>	<b>2</b>	<b>16,233,782</b>	<b>11,889,664</b>
Cost of sales – Ongoing		<b>(13,427,671)</b>	<b>(9,753,333)</b>
- Exceptional	<b>3</b>	<b>-</b>	<b>(85,989)</b>
<b>GROSS PROFIT</b>		<b>2,806,111</b>	<b>2,050,342</b>
Selling and distribution costs		<b>(318,125)</b>	<b>(159,042)</b>
Administrative expenses		<b>(1,610,673)</b>	<b>(1,516,697)</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>877,313</b>	<b>374,603</b>
Other interest receivable and similar income	<b>7</b>	<b>147,747</b>	<b>1,230</b>
Interest payable and similar charges	<b>8</b>	<b>(134,927)</b>	<b>(105,122)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>890,133</b>	<b>270,711</b>
Tax on profit on ordinary activities	<b>9</b>	<b>(324,924)</b>	<b>94,030</b>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>565,209</b>	<b>364,741</b>
Balance brought forward		<b>1,699,143</b>	<b>1,334,402</b>
Balance carried forward		<b>2,264,352</b>	<b>1,699,143</b>

All turnover and operating results are derived from continuing activities.

No statement of recognised gains and losses is given as all profits and losses are recognised above.

Movements in reserves are set out in note 19.

*The notes on pages 7 to 15 form part of these financial statements.*

**ERI Limited**

**BALANCE SHEET as at 31 May 2008**

	Note	As at 31 May 2008 £	As at 31 May 2007 £
<b>FIXED ASSETS</b>			
Tangible assets	10	974,918	786,052
<b>CURRENT ASSETS</b>			
Stocks	11	820,688	849,850
Debtors – amounts falling due after more than one year	12	2,227,402	1,949,634
Debtors – amounts falling due within one year	13	3,586,112	3,299,990
		<u>6,634,202</u>	<u>6,099,474</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(4,363,178)</u>	<u>(4,213,790)</u>
<b>Net current assets</b>		<b>2,271,024</b>	<b>1,885,684</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>(376,590)</u>	<u>(367,593)</u>
<b>NET ASSETS</b>		<u><b>2,869,352</b></u>	<u><b>2,304,143</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	472,223	472,223
Share premium	19	2,777	2,777
Capital redemption reserve	19	130,000	130,000
Profit and loss account	19	2,264,352	1,699,143
<b>SHAREHOLDERS' FUNDS</b>	20	<u><b>2,869,352</b></u>	<u><b>2,304,143</b></u>

These financial statements were approved by the directors on 30 January 2009 and are signed on their behalf by:

  
R S JONES  
DIRECTOR

  
T R OWEN  
DIRECTOR

The notes on pages 7 to 15 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**Basis of accounting**

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

**Cash flow statement**

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a Group whose consolidated accounts are publicly available, is exempt from the requirements to draw up a cash flow statement in accordance with Financial Reporting Standard No 1.

**Turnover**

Turnover is recognised, net of discounts and Value Added Tax, with reference to the delivery and installation of goods, as this is the point at which the significant risks and rewards of ownership of the goods and services have been transferred to the customer.

**Depreciation**

Depreciation is calculated to write off the cost of an asset, less the estimated residual value, over the useful life of that asset.

Leasehold land and buildings	- term of lease
Plant and machinery	- 10% straight line per annum
Fixtures and fittings	- 10 to 50% straight line per annum
Motor vehicles	- 25% straight line per annum

**Foreign currencies**

Foreign currency transactions are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet. Assets held under hire purchase agreements are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shortest. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. In respect of work in progress and finished goods, cost includes all direct costs of production and the appropriate proportion of overheads.

**Pensions**

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. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

**Deferred Taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that they are recoverable in the foreseeable future.

**Government Grants**

Grants in respect of capital expenditure are treated as deferred income and written off to the profit and loss account over the estimated useful economic lives of the assets concerned. Grants in respect of revenue items are credited to the profit and loss account in the period in which they are received.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008

2. TURNOVER

The turnover for the year is attributable to the Company's principal activity. An analysis of turnover by geographical market is given below:

	Year Ended 31 May 2008 £	Year Ended 31 May 2007 £
United Kingdom	15,341,243	10,686,250
Rest of Europe	874,012	1,203,414
Rest of World	18,527	-
	<u>16,233,782</u>	<u>11,889,664</u>

The directors consider that the Company operates in one business segment.

3. EXCEPTIONAL ITEMS

Cost of sales		
Redundancy and reorganisation costs	-	(85,989)
	<u>-</u>	<u>(85,989)</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

Auditors' remuneration:		
Audit - current year	13,000	7,200
Audit - prior year	13,200	-
Depreciation of owned fixed assets	133,493	104,555
Depreciation of fixed assets held under hire purchase and finance leases	35,265	3,743
Operating lease rentals:		
Land and buildings	476,366	266,612
Plant and machinery	68,174	53,801
Loss/(profit) on disposal of fixed assets	4,125	(6,200)
Loss on foreign exchange transactions	28,082	23,752
	<u>28,082</u>	<u>23,752</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008

5. DIRECTORS' EMOLUMENTS

	Year Ended 31 May 2008 £	Year Ended 31 May 2007 £
Directors' emoluments	147,242	214,973
Compensation for loss of office	-	12,281
Pension contributions to money purchase pension schemes	6,114	9,871
	<u>153,356</u>	<u>237,125</u>

Number of directors

Retirement benefits are accruing to the following number of directors under a Money Purchase Scheme

2	3
--	--

The total amount payable to the highest paid director in respect of emoluments and pension contributions was £76,728 (2007: £66,131) and £2,992 (2007: £3,030) respectively.

6. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Year Ended 31 May 2008 Number of employees	Year Ended 31 May 2007 Number of employees
Management and administration	33	35
Production and distribution	102	103
	<u>135</u>	<u>138</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	3,120,989	3,008,068
Social security costs	303,007	274,866
Other pension costs	12,036	12,716
	<u>3,436,032</u>	<u>3,295,650</u>

7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest	1,451	1,230
Intra group loan account interest	145,904	-
Other interest	392	-
	<u>147,747</u>	<u>1,230</u>

**ERI Limited**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 31 May 2008 £	Year Ended 31 May 2007 £
On bank loans and overdrafts	19,723	34,364
Other interest	92,658	67,554
Finance charges payable under finance lease and hire purchase contracts	22,546	3,204
	<u>134,927</u>	<u>105,122</u>

**9. TAXATION**

**a) Analysis of charge/(credit) for the year**

	Year Ended 31 May 2008 £	Year Ended 31 May 2007 £
UK corporation tax		
Total current tax	251,304	(156,492)
Adjustment in respect of prior year	55,585	-
	<u>306,889</u>	<u>(156,492)</u>
Deferred tax:		
Origination/reversal of timing differences	14,820	62,462
Adjustment in respect of prior year	3,215	-
	<u>18,035</u>	<u>62,462</u>
Total deferred tax		
	<u>324,924</u>	<u>(94,030)</u>

**b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher (2007: lower) than the effective standard rate of corporation tax in the UK for the year of 29.67% (2007: 30%). The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before tax	890,133	270,711
Taxation at the effective standard rate of 29.67% (2007: 30%)	264,102	81,213
Effects of:		
Capital allowances for the year in excess of depreciation	(9,220)	(50,012)
Expenses not deductible for tax purposes	1,845	2,585
Losses recognised	-	(180,900)
Decrease in general provisions	(5,600)	(12,450)
Depreciation on ineligible	1,065	3,072
Adjustment in respect of prior year	55,585	-
Rate differences and other	(888)	-
Total current tax credit (see above)	<u>306,889</u>	<u>(156,492)</u>

**ERI Limited**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**9. TAXATION (continued)**

**c) Factors that may affect future tax charges**

Changes to tax rates have recently been announced. The announced changes are set out below:

The small companies rate of corporation tax increased to 21% from 1 April 2008 and will increase to 22% from 1 April 2009.

The main rate of corporation tax decreased from 30% to 28% on 1 April 2008 and the deferred tax position has been adjusted accordingly.

**10. TANGIBLE FIXED ASSETS**

	Short Leasehold property £	Plant, equipment, fixtures and fittings £	Total £
<b>Cost</b>			
At 1 June 2007	439,108	4,666,596	5,105,704
Additions	25,205	368,161	393,366
Disposals	(368,110)	(3,643,727)	(4,011,837)
<b>At 31 May 2008</b>	<b>96,203</b>	<b>1,391,030</b>	<b>1,487,233</b>
<b>Depreciation</b>			
At 1 June 2007	368,110	3,951,542	4,319,652
Charge for the year	3,591	165,167	168,758
Disposals	(368,110)	(3,607,985)	(3,976,095)
<b>At 31 May 2008</b>	<b>3,591</b>	<b>508,724</b>	<b>512,315</b>
<b>Net book value</b>			
<b>At 31 May 2008</b>	<b>92,612</b>	<b>882,306</b>	<b>974,918</b>
<b>At 31 May 2007</b>	<b>70,998</b>	<b>715,054</b>	<b>786,052</b>

Included in the total net book value of tangible fixed assets held at 31 May 2008 was £369,502 (2007: £167,918) in respect of assets held under finance leases and hire purchase contracts.

**11. STOCKS**

	As at 31 May 2008 £	As at 31 May 2007 £
Raw materials and consumables	285,149	225,848
Work in progress	349,398	178,121
Finished goods and goods for resale	186,141	445,881
	<b>820,688</b>	<b>849,850</b>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

**12. DEBTORS – Amounts falling due after more than one year**

Amount owed by parent undertaking	<b>2,227,402</b>	<b>1,949,634</b>
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**ERI Limited**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**12. DEBTORS – Amounts falling due after more than one year (continued)**

There are no predetermined repayment dates applying to amounts owed by group undertakings. However, repayment will not be requested within one year.

**13. DEBTORS – Amounts falling due within one year**

	As at 31 May 2008 £	As at 31 May 2007 £
Trade debtors	2,347,977	1,823,074
Amounts owed by parent undertaking	57,305	1,862
Amounts owed by group undertakings	602,995	50,221
Other debtors	2,572	161,730
Prepayments and accrued income	325,884	660,689
Deferred tax asset (see note 17)	249,379	602,414
	<u>3,586,112</u>	<u>3,299,990</u>

**14. CREDITORS: Amounts falling due within one year**

Bank loans and overdrafts	289,008	882,039
Trade creditors	1,692,540	1,526,822
Amounts owed to group undertakings	78,424	166,180
Obligations under hire purchase and finance leases	70,069	49,042
Other taxes and social security	322,405	206,542
Other creditors	932,290	936,563
Accruals and deferred income	978,442	446,602
	<u>4,363,178</u>	<u>4,213,790</u>

**15. CREDITORS: Amounts falling due after more than one year**

Bank loans and overdrafts	132,432	238,308
Obligations under hire purchase and finance leases	244,158	129,285
	<u>376,590</u>	<u>367,593</u>

The bank loan of £500,000 received in July 2005 is repayable over five years by way of 60 equal monthly repayments of £9,827 including interest. The Company calculates annual interest using the sum of digits method. The amount owing at 31<sup>st</sup> May 2008 amounted to £238,307 (2007: £337,132).

**ERI Limited**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**16. SECURED DEBTS**

	As at 31 May 2008 £	As at 31 May 2007 £
The following secured debts are included within creditors:		
Within amounts falling due within one year:		
Bank loans and overdrafts	289,008	882,039
Obligations under hire purchase and finance leases	70,069	49,042
Other creditors	888,677	759,623
	<u>1,247,754</u>	<u>1,690,704</u>
Within amounts falling due after more than one year:		
Bank loans and overdrafts	132,432	238,308
Obligations under hire purchase and finance leases	244,158	129,285
	<u>376,590</u>	<u>367,593</u>

Bank loans and overdrafts are secured by a fixed and floating charge over all assets both present and future.

Obligations under hire purchase and finance leases are secured over the relevant assets.

Other creditors are secured over book debts and related rights.

**17. PROVISION FOR DEFERRED TAXATION**

At beginning of year	(602,414)	(509,529)
Charge/(credit) to profit and loss account	266,122	(94,030)
Intra group transfer	28,109	1,145
Adjustment in respect of prior year	58,804	-
At end of year (see note 13)	<u>(249,379)</u>	<u>(602,414)</u>

The elements of deferred taxation provided for at 28% (2007: 30%) are as follows:

Difference between accumulated depreciation and amortisation and capital allowances	62,621	57,217
Other timing differences	(2,796)	-
Tax losses	(309,204)	(659,631)
	<u>(249,379)</u>	<u>(602,414)</u>

**ERI Limited**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008**

**18. SHARE CAPITAL**

	As at 31 May 2008 £	As at 31 May 2007 £
<b>Authorised:</b>		
Ordinary shares of £1 each	890,000	890,000
6% redeemable preference shares of £1 each	110,000	110,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
472,223 ordinary shares of £1 each	<u>472,223</u>	<u>472,223</u>

	Share Premium £	Capital redemption reserve £	Profit and loss account £
<b>19. RESERVES</b>			
At 1 June 2007	2,777	130,000	1,699,143
Retained profit for the year	-	-	565,209
	<u>2,777</u>	<u>130,000</u>	<u>2,264,352</u>
<b>At 31 May 2008</b>			

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Profit for the financial year	565,209	364,741
Share issue - £1 ordinary share	-	47,223
Share premium – on issued ordinary shares	-	2,777
	<u>565,209</u>	<u>414,741</u>
Net increase in shareholders' funds		
	<u>2,304,143</u>	<u>1,889,402</u>
Opening shareholders' funds		
	<u>2,869,352</u>	<u>2,304,143</u>
<b>Closing shareholders' funds</b>		

**21. COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows:

	31 May 2008		31 May 2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	96,477	1,692	90,000	44,974
In the second to fifth years inclusive	-	74,022	-	8,655
Over five years	313,200	-	213,200	-
	<u>409,677</u>	<u>75,714</u>	<u>303,200</u>	<u>53,629</u>



## ERI Limited

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2008

#### 22. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

	2008 £	2007 £
Future commitments under hire purchase agreements and finance leases included within creditors are analysed as follows:		
Amount payable within one year	70,069	49,042
Amounts payable within two to five years	244,158	129,285
	<u>314,227</u>	<u>178,327</u>

#### 23. PENSION SCHEME

The Company operates a defined contribution scheme for certain of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The charge for the year was £12,036 (2007: £12,716) and included within other creditors is an amount of £866 (2007: £657).

#### 24. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption given in Financial Reporting Standard No 8 Related Party Disclosures with respect to intra group disclosures as the group controls at least 90% of the Company's voting share capital and the group financial statements are publicly available.

Messrs Hayes, Wain and Jones are directors of CDM Shopfitting Limited and Anglo ERI Limited, which are group companies where less than 90% of the voting share capital is controlled.

The following transactions have been carried out under normal commercial trading terms:

	Year Ended 31 May 2008 £	13 Months Ended 31 May 2007 £
<b>CDM Shopfitting Limited</b>		
Sales	38,519	18,682
Purchases	2,496	67,065
<b>Anglo ERI Limited</b>		
Sales	1,381,838	-
Purchases	40,726	-

At 31 May 2008 amounts owed by these fellow group undertakings amounted to £556,480 (2007: £nil). Amounts owed to these fellow group undertakings amounted to £20,124 (2007: £nil).

#### 25. CONTINGENT LIABILITY

The Company is party to a number of composite guarantees whereby it has guaranteed the indebtedness of its parent company and a number of its fellow subsidiary companies. At 31 May 2008 the composite indebtedness towards which the Company contributes was £1,893,319 (2007: £1,670,000).

#### 26. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Estrella Group Limited, incorporated in Great Britain. Copies of the financial statements of this entity are available from Number 7, Mill Pool, Nash Lane, Belbroughton, Stourbridge, West Midlands DY9 9AF. The directors consider the ultimate controlling party is Mr S H Hayes by virtue of his controlling shareholding in Estrella Group Limited.