

KIRWIN BROTHERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012



Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

KIRWIN BROTHERS LIMITED

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KIRWIN BROTHERS LIMITED

COMPANY INFORMATION

Directors

L Kirwin
G Kirwin

Registered office

North Quay
Fish Docks
Grimsby
North East Lincolnshire
DN31 3SY

Solicitors

Wilkin Chapman Grange
New Oxford House
Town Hall Square
Grimsby
N E Lincolnshire
DN31 1EY

Bankers

Yorkshire Bank
12 Bethlehem Street
Grimsby
North East Lincolnshire
DN31 1JZ

SME Invoice Finance Limited
Kingfisher Business Centre
Rawtenstall Near Rossdale
BB4 8ES

Auditors

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements for the year ended 30 June 2012

Directors of the company

The directors who held office during the year were as follows

L Kirwin

G Kirwin

Principal activity

The principal activity of the company is that of wholesale fish merchants

Business review

Fair review of the business

The company has continued to experience difficult conditions, with falling Cod quotas, and erratic fish prices generally

However, the directors have been very proactive and have been able to mitigate these risks by working closely with their customers. This focus and hard work has ensured that the reduction in turnover has been limited this year, despite the hive out of the Central division, with the introduction of new customers and a new retail operation to replace lost revenue elsewhere.

The company's key financial and other performance indicators during the year were as follows

	Unit	2012	2011
Turnover	£	19,079,334	23,720,029
Gross profit margin	%	5	6
Profit before tax	£	(58,833)	409,176

At the beginning of the year the Central fish division of the company was hived out into a new company. This was an active decision made by the directors, as the division now has the ability to be independently run. It will also ensure the division has its own identity and help continue its successful growth. This has been a major factor in the fall in turnover with the Central division contributing £3.5m to the total 2011 turnover.

Another factor to the drop in the income was the loss of Cumbrian Seafoods trade, who went into administration part way through the year. However, the directors have managed to find new customers to more than cover this turnover, but this did take a little time to get in place, which did affect the margins.

Although the current year results show a loss before tax they reflect a year of change for the company, the results include the costs of alterations in production lines and the development of new business areas and the losses due to the issues with the loss of a major customer.

After a period of sustained and significant investment in its factory operation, the company is well positioned to provide improved processing efficiency and flexibility, which has been shown by the improved financial performance in the final months of the accounting period.

Looking forward to the year ended 30 June 2013 and beyond. The company would appear to be in a strong position, with a number of new customers, which helps decrease bad debt exposure by widening its customer base, but also the potential for higher turnovers and hopefully improved margins, which overall should see improved profitability.

Principal risks and uncertainties

The principle risks and uncertainties faced by the company remain the availability and price of raw material fish supplies which affects the ability of the company to utilise factory capacity, achieve sales, and maintain operating margins.

KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

..... **CONTINUED**

Financial instruments

Objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All business cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 23 October 2012 and signed on its behalf by



L. Kirwin
Director

KIRWIN BROTHERS LIMITED

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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRWIN BROTHERS LIMITED

We have audited the financial statements of Kirwin Brothers Limited for the year ended 30 June 2012, set out on pages 7 to 21. 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 (set out on page 4), 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 Practices Board's (APB'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 the 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 June 2012 and of its loss 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRWIN BROTHERS LIMITED

..... **CONTINUED**

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



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

23 October 2012

KIRWIN BROTHERS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
Turnover		19,079,334	23,720,029
Cost of sales		<u>(18,160,852)</u>	<u>(22,353,627)</u>
Gross profit		918,482	1,366,402
Administrative expenses		(914,292)	(921,099)
Other operating income		<u>-</u>	<u>35,225</u>
Operating profit	2	4,190	480,528
Interest payable and similar charges	5	<u>(63,023)</u>	<u>(71,352)</u>
(Loss)/profit on ordinary activities before taxation		(58,833)	409,176
Tax on (loss)/profit on ordinary activities	6	<u>11,900</u>	<u>(79,854)</u>
(Loss)/profit for the financial year	15	<u><u>(46,933)</u></u>	<u><u>329,322</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

KIRWIN BROTHERS LIMITED
(REGISTRATION NUMBER: 2388808)
BALANCE SHEET AT 30 JUNE 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	7	<u>1,419,201</u>	<u>1,449,768</u>
Current assets			
Stocks	8	419,375	566,836
Debtors	9	2,086,019	2,513,103
Cash at bank and in hand		<u>550</u>	<u>550</u>
		2,505,944	3,080,489
Creditors Amounts falling due within one year	10	<u>(2,689,908)</u>	<u>(3,174,170)</u>
Net current liabilities		<u>(183,964)</u>	<u>(93,681)</u>
Total assets less current liabilities		1,235,237	1,356,087
Creditors Amounts falling due after more than one year	11	(100,215)	(134,771)
Provisions for liabilities	12	<u>(151,972)</u>	<u>(150,173)</u>
Net assets		<u>983,050</u>	<u>1,071,143</u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	15	<u>973,050</u>	<u>1,061,143</u>
Shareholders' funds	16	<u>983,050</u>	<u>1,071,143</u>

Approved by the Board on 23 October 2012 and signed on its behalf by


L Kirwin
Director


G Kirwin
Director

KIRWIN BROTHERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

Reconciliation of operating profit to net cash flow from operating activities

	2012 £	2011 £
Operating profit	4,190	480,528
Depreciation, amortisation and impairment charges	213,750	192,052
Profit on disposal of fixed assets	-	(67,166)
Decrease/(increase) in stocks	147,461	(289,845)
Decrease/(increase) in debtors	440,816	(683,475)
(Decrease)/increase in creditors	(775,614)	1,109,272
Net cash inflow from operating activities	<u>30,603</u>	<u>741,366</u>

Cash flow statement

	2012 £	2011 £
Net cash inflow from operating activities	<u>30,603</u>	<u>741,366</u>
Returns on investments and servicing of finance		
HP and finance lease interest	(1,390)	(5,238)
Interest paid	(61,633)	(66,114)
	<u>(63,023)</u>	<u>(71,352)</u>
Taxation paid	<u>(58,180)</u>	<u>(6,199)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(196,552)	(335,157)
Sale of tangible fixed assets	36,093	118,999
	<u>(160,459)</u>	<u>(216,158)</u>
Equity dividends paid	<u>(41,160)</u>	<u>(66,900)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(292,219)</u>	<u>380,757</u>
Financing		
Repayment of loans and borrowings	(30,511)	(30,111)
Repayment of capital element of finance leases and HP contracts	(23,998)	(32,443)
	<u>(54,509)</u>	<u>(62,554)</u>
(Decrease)/increase in cash	<u>(346,728)</u>	<u>318,203</u>

KIRWIN BROTHERS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012****..... CONTINUED****Reconciliation of net cash flow to movement in net debt**

	Note	2012 £	2011 £
(Decrease)/increase in cash		(346,730)	318,203
Cash outflow from repayment of loans		30,511	30,111
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>23,998</u>	<u>32,443</u>
Change in net debt resulting from cash flows	19	(292,221)	380,757
New finance leases		<u>(22,722)</u>	<u>(52,500)</u>
Movement in net debt	19	(314,943)	328,257
Net debt at 1 July	19	<u>(1,001,664)</u>	<u>(1,329,921)</u>
Net debt at 30 June	19	<u><u>(1,316,607)</u></u>	<u><u>(1,001,664)</u></u>

KIRWIN BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Land and buildings	5% straight line basis
Plant and machinery	10-100% reducing balance or 30% straight line basis
Motor vehicles	25% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding

KIRWIN BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

..... .. CONTINUED

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Operating leases - other assets	64,598	51,863
Auditor's remuneration - The audit of the company's annual accounts	7,500	6,950
Profit on sale of tangible fixed assets	-	(67,166)
Depreciation of owned assets	202,327	179,783
Depreciation of assets held under finance lease and hire purchase contracts	11,423	12,269

3 Particulars of employees

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

	2012 No.	2011 No.
Production	99	97
Sales	5	5
Administration	3	3
Management	2	2
	109	107

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	2,387,077	2,419,912
Staff pensions	62,400	105,200
	2,449,477	2,525,112

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

.. ... CONTINUED

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including benefits in kind)	25,854	25,473
Company contributions paid to money purchase schemes	<u>60,000</u>	<u>100,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No	2011 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

5 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	57,133	61,689
Other interest payable	4,500	4,425
Finance charges	<u>1,390</u>	<u>5,238</u>
	<u>63,023</u>	<u>71,352</u>

6 Taxation

Tax on (loss)/profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax (credit)/charge	(13,732)	58,147
Adjustments in respect of previous years	<u>33</u>	<u>3</u>
UK Corporation tax	(13,699)	58,150
Deferred tax		
Origination and reversal of timing differences	<u>1,799</u>	<u>21,704</u>
Total tax on (loss)/profit on ordinary activities	<u>(11,900)</u>	<u>79,854</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

... CONTINUED

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 21%)

The differences are reconciled below

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(58,833)</u>	<u>409,176</u>
Corporation tax at standard rate	(11,767)	85,927
Accelerated capital allowances	(3,196)	(27,804)
Other differences	1,929	(696)
Expenses not deductible for tax purposes	<u>(665)</u>	<u>723</u>
Total current tax	<u>(13,699)</u>	<u>58,150</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

.. CONTINUED

7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2011	276,924	1,997,955	9,239	2,284,118
Additions	-	219,274	-	219,274
Disposals	-	(95,296)	(9,239)	(104,535)
At 30 June 2012	276,924	2,121,933	-	2,398,857
Depreciation				
At 1 July 2011	61,361	770,100	2,889	834,350
Charge for the year	14,061	199,687	-	213,748
Eliminated on disposals	-	(65,553)	(2,889)	(68,442)
At 30 June 2012	75,422	904,234	-	979,656
Net book value				
At 30 June 2012	201,502	1,217,699	-	1,419,201
At 30 June 2011	215,563	1,227,855	6,350	1,449,768

Finance lease assets

Included within the net book value of tangible fixed assets is £54,715 (2011 - £48,297) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £11,423 (2011 - £12,269)

8 Stocks

	2012 £	2011 £
Stocks	419,375	566,836

9 Debtors

	2012 £	2011 £
Trade debtors	1,778,347	2,351,278
Other debtors	142,762	46,217
Prepayments and accrued income	164,910	115,608
	2,086,019	2,513,103

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

..... **CONTINUED**

10 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,245,482	2,000,404
Bank loans and overdrafts	1,194,038	847,308
Obligations under finance lease and hire purchase contracts	22,904	20,135
Corporation tax	-	58,147
Other taxes and social security	53,761	62,893
Other creditors	135,290	123,239
Accruals and deferred income	38,433	62,044
	<u>2,689,908</u>	<u>3,174,170</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2012 £	2011 £
Bank loan	24,000	24,000
Obligations under finance leases and hire purchase contracts	22,904	20,027
Bank overdraft	1,170,038	823,313
	<u>1,216,942</u>	<u>867,340</u>

Bank loans and overdrafts include an advance from an invoice discounting company amounting to £696,198 (2011 £677,689) This fluctuates on a daily basis and is secured by a fixed and floating charge over the company's assets. Personal guarantees have been given by Mr G Kirwin and Mr L Kirwin in respect of this debt, subject to a maximum of £50,000 each.

Hire purchase contracts are secured on the assets they finance

11 Creditors. Amounts falling due after more than one year

	2012 £	2011 £
Bank loans and overdrafts	83,500	114,011
Obligations under finance lease and hire purchase contracts	16,715	20,760
	<u>100,215</u>	<u>134,771</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

... **CONTINUED**

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2012 £	2011 £
Bank loan	83,500	114,011
Obligations under finance leases and hire purchase contracts	16,715	20,760
	<u>100,215</u>	<u>134,771</u>

Included in the creditors are the following amounts due after more than five years

	2012 £	2011 £
After more than five years by instalments	-	18,011
	<u>-</u>	<u>18,011</u>

Obligations under finance leases and HP contracts

Amounts repayable:

	2012 £	2011 £
In one year or less on demand	22,904	20,135
Between one and two years	16,715	20,760
	<u>39,619</u>	<u>40,895</u>

12 Provisions

	Deferred tax £	Total £
At 1 July 2011	150,173	150,173
Charged to the profit and loss account	1,799	1,799
At 30 June 2012	<u>151,972</u>	<u>151,972</u>

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	151,972	150,173
	<u>151,972</u>	<u>150,173</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

CONTINUED

13 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

14 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>41,160</u>	<u>66,900</u>

15 Reserves

	Profit and loss account £	Total £
At 1 July 2011	1,061,143	1,061,143
Loss for the year	(46,933)	(46,933)
Dividends	<u>(41,160)</u>	<u>(41,160)</u>
At 30 June 2012	<u>973,050</u>	<u>973,050</u>

16 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
(Loss)/profit attributable to the members of the company	(46,933)	329,322
Dividends	<u>(41,160)</u>	<u>(66,900)</u>
Net (reduction)/addition to shareholders' funds	(88,093)	262,422
Shareholders' funds at 1 July	<u>1,071,143</u>	<u>808,721</u>
Shareholders' funds at 30 June	<u>983,050</u>	<u>1,071,143</u>

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

..... .. CONTINUED

17 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £62,400 (2011 - £105,200)

Contributions totalling £nil (2011 - £nil) were payable to the scheme at the end of the year and are included in creditors

18 Commitments

Operating lease commitments

As at 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Over five years	<u>17,985</u>	<u>17,985</u>

19 Analysis of net debt

	At 1 July 2011 £	Cash flow £	Other non-cash changes £	At 30 June 2012 £
Cash at bank and in hand	550	-	-	550
Bank overdraft	(823,308)	(346,730)	-	(1,170,038)
	<u>(822,758)</u>	<u>(346,730)</u>	<u>-</u>	<u>(1,169,488)</u>
Debt due within one year	(24,000)	-	-	(24,000)
Debt due after more than one year	(114,011)	30,511	-	(83,500)
Finance leases and hire purchase contracts	(40,895)	23,998	(22,722)	(39,619)
Net debt	<u>(1,001,664)</u>	<u>(292,221)</u>	<u>(22,722)</u>	<u>(1,316,607)</u>

KIRWIN BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

..... CONTINUED

20 Related party transactions

Directors' advances and credits

	2012 Advance/ Credit £	2012 Repaid £	2011 Advance/ Credit £	2011 Repaid £
L Kirwin				
Directors Current Account	-	-	-	(17,722)

During the year the company made the following related party transactions

Mr G Kirwin

(Director and Shareholder)

Dividends were paid to Mr G Kirwin during the year of £7,500 (2011 £21,450) At the balance sheet date the amount due to Mr G Kirwin was £nil (2011 - £nil)

Mr L Kirwin

(Director and Shareholder)

Dividends were paid to Mr L Kirwin during the year of £7,500 (2011 £21,450) At the balance sheet date the amount due to Mr L Kirwin was £nil (2011 - £nil)

Mrs S Kirwin

(Wife of L Kirwin and Shareholder)

Dividends were paid to Mrs S Kirwin during the year of £17,160 (2011 £12,000) At the balance sheet date the amount due to Mrs S Kirwin was £nil (2011 - £nil)

Mrs K Kirwin

(Wife of G Kirwin and Shareholder)

Dividends were paid to Mrs K Kirwin during the year of £9,000 (2011 £12,000) At the balance sheet date the amount due to Mrs K Kirwin was £nil (2011 - £nil)

Mrs J P Kirwin

(Mother of the directors)

Included within other creditors is an unsecured personal loan from Mrs J P Kirwin Interest charges of £3,300 (2011 £3,600) were paid to Mrs Kirwin on this loan during the year At the balance sheet date the amount due to Mrs J P Kirwin was £90,000 (2011 - £90,000)

Igloo Seafoods (Louth)

(An unincorporated business controlled by Mrs J P Kirwin, the mother of the directors)

Sales amounting to £13,490 (2011 £13,347) and purchases of £Nil (2011 £8,280) were made to/ from the business during the year At the balance sheet date the amount due (to)/from Igloo Seafoods (Louth) was (£1,000) (2011 - £3,396)

All Sea Fish Limited

(L Kirwin and G Kirwin are directors and shareholders of this company)

Sales amounting to £528,455 (2011 £1,047,551) were made to All Sea Fish Limited during the year At the balance sheet date the amount due from All Sea Fish Limited was £139,345 (2011 - £159,083)

Quayside Distribution Limited

(Divineskills owns shares in the company)

Sales amounting to £93,725 (2011 £60,065) and purchases of £396,477 (2011 £363,863) were made to/ from the business during the year At the balance sheet date the amount due (to)/from Quayside Distribution Limited was (£37,483) (2011 - £581)

KIRWIN BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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.. .. CONTINUED

Fish Shop Supplies Limited

(L Kirwin and G Kirwin are shareholders in this company)

Sales amounting to £285,367 and purchases of £35,434 were made to/ from the business during the year At the balance sheet date the amount due from/(to) Fish Shop Supplies Limited was £115,888 (2011 - £nil)

21 Control

The company is controlled by the directors who own 100% of the called up share capital