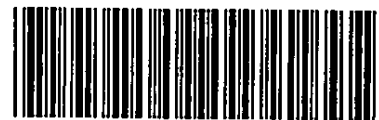


COMPANY REGISTRATION NUMBER 02427380

Advanced Engineering Techniques Limited
Financial statements
31 October 2011

FRIDAY



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COMPANIES HOUSE

HARRISACCOUNTS LLP
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Advanced Engineering Techniques Limited

Financial statements

Year ended 31 October 2011

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Advanced Engineering Techniques Limited

Officers and professional advisers

The board of directors

Mr J Copeland
Mr R Copeland
Mr D Birch
Mrs E Spencer
Mrs A M Copeland

Company secretary

Mrs A M Copeland

Registered office

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Auditor

Harrisaccounts LLP
Chartered Accountants
& Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Advanced Engineering Techniques Limited

The directors' report

Year ended 31 October 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2011

Principal activities and business review

The principal activity of the company is that of laser engineers, component producer and fabricator

The company has benefitted from a significant improvement in sales in 2011. The policy of maintaining relationships with key customers over prior years combined with competitive pricing, quality assured supply and high service levels meant that the business directly benefitted from the improvement in demand in all key markets as the year progressed.

As a result turnover increased by £1,553,013, up by 30% to £6,787,049. With ongoing tight control of costs and further productivity gains this resulted in improved profit before tax of £461,000 (2010 £267,432) and profit after tax of £379,372 (2010 £227,537) despite competitive markets. After tax and dividends £199,372 (2010 £68,537) has been added to reserves.

Whilst markets remain competitive, the improvements seen in 2011 have been maintained into 2012 to date, to the benefit of the business. At the same time relationships with existing and potentially new significant customers continue to develop.

The business environment in which we operate however will continue to remain competitive and challenging. Due regard is given to these risks and uncertainties and the necessary actions are taken for planning the future development of the business including ongoing investment in state of the art production facilities.

Results and dividends

The profit for the year, after taxation, amounted to £379,372. Particulars of dividends paid are detailed in note 9 to the financial statements.

Advanced Engineering Techniques Limited

The directors' report *(continued)*

Year ended 31 October 2011

Financial instruments

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The board of directors is responsible for monitoring financial risk and for deciding where it would be appropriate to use financial instruments to manage this risk.

Price risk

The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before credit sales are made.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt and in particular bank overdraft and invoice discounting finance and funding by connected companies, that is designed to ensure that the company has sufficient available funds for its operations.

Interest rate cashflow risk

The company has interest-bearing liabilities by way of bank loans and overdrafts, and therefore is exposed to interest rate cashflow risk. The board of directors regularly review the level and mix of debt to manage interest rate risk.

Directors

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

Mr J Copeland
Mr R Copeland
Mr D Birch
Mrs E Spencer
Mrs A M Copeland

The directors regret to report that Mr J Copeland passed away on 22 July 2011.

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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,

Advanced Engineering Techniques Limited

The directors' report *(continued)*

Year ended 31 October 2011

- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

Harrisaccounts LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



Mrs E Spencer
Director

Approved by the directors on 20 July 2012

Advanced Engineering Techniques Limited

Independent auditor's report to the shareholders of Advanced Engineering Techniques Limited

Year ended 31 October 2011

We have audited the financial statements of Advanced Engineering Techniques Limited for the year ended 31 October 2011 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Advanced Engineering Techniques Limited

Independent auditor's report to the shareholders of Advanced Engineering Techniques Limited *(continued)*

Year ended 31 October 2011

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

Harrisaccounts LLP

PAUL HINCHLIFEE BA FCA (Senior Statutory Auditor)

For and on behalf of

HARRISACCOUNTS LLP

Chartered Accountants & Statutory Auditor

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

24 July 2012

Advanced Engineering Techniques Limited

Profit and loss account

Year ended 31 October 2011

	Note	2011 £	2010 £
Turnover	2	6,787,049	5,234,036
Cost of sales		(5,380,985)	(4,257,144)
Gross profit		<u>1,406,064</u>	<u>976,892</u>
Administrative expenses		(893,894)	(679,159)
Other operating income	3	26,650	40,000
Operating profit	4	<u>538,820</u>	<u>337,733</u>
Attributable to			
Operating profit before exceptional items		621,830	337,733
Exceptional items	4	(83,010)	—
		<u>538,820</u>	<u>337,733</u>
Interest payable and similar charges	7	(77,820)	(70,301)
Profit on ordinary activities before taxation		<u>461,000</u>	<u>267,432</u>
Tax on profit on ordinary activities	8	(81,628)	(39,895)
Profit for the financial year		<u><u>379,372</u></u>	<u><u>227,537</u></u>

All of the activities of the company are classed as continuing

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

The notes on pages 10 to 24 form part of these financial statements

Advanced Engineering Techniques Limited

Balance sheet

31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	10		273,763		249,058
Tangible assets	11		1,736,376		1,549,785
			<u>2,010,139</u>		<u>1,798,843</u>
Current assets					
Stocks	12	453,757		407,743	
Debtors	13	1,995,821		2,052,810	
Cash at bank and in hand		127		760	
		<u>2,449,705</u>		<u>2,461,313</u>	
Creditors: Amounts falling due within one year	14	(2,763,435)		(2,698,658)	
Net current liabilities			(313,730)		(237,345)
Total assets less current liabilities			<u>1,696,409</u>		<u>1,561,498</u>
Creditors: Amounts falling due after more than one year	15		(775,693)		(859,280)
Provisions for liabilities					
Deferred taxation	17		(159,706)		(140,580)
			<u>761,010</u>		<u>561,638</u>
Capital and reserves					
Called-up equity share capital	22		75		75
Other reserves	23		25		25
Profit and loss account	24		760,910		561,538
Shareholders' funds	25		<u>761,010</u>		<u>561,638</u>

These financial statements were approved by the directors and authorised for issue on 20 July 2012, and are signed on their behalf by

Mr D Birch
Director



Company Registration Number 02427380

The notes on pages 10 to 24 form part of these financial statements

Advanced Engineering Techniques Limited

Cash flow statement

Year ended 31 October 2011

	Note	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities	26		952,749		(251,794)
Returns on investments and servicing of finance	26		(77,820)		(70,301)
Taxation	26		(25,410)		(42,831)
Capital expenditure and financial investment	26		(444,398)		(499,726)
Equity dividends paid			(180,000)		(159,000)
Cash inflow/(outflow) before financing			225,121		(1,023,652)
Financing	26		(75,238)		474,258
Increase/(decrease) in cash	26		149,883		(549,394)

The notes on pages 10 to 24 form part of these financial statements

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts earned on goods and services provided during the year and derives from the provision of goods falling within the company's ordinary activities

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Capitalised patent costs are amortised at 10% per annum on a straight line basis

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- straight line over 50 years
Plant & Machinery	- 15% Per annum on reducing balance
Fixtures & Fittings	- 15% Per annum on reducing balance
Motor Vehicles	- 25% Per annum on reducing balance

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

Hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 constant period rates of charge on the net obligations outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Going concern

The company's trading results improved significantly during the year with turnover increasing by £1,553k (up 30%) and profit before tax increased by £194k (73%) to £461k

At 31 October 2011, net current liabilities were £314k (2010 £237k) including bank borrowings of £1,276k (2010 £1,410k) Amounts were also owed to a connected company, Holbrook Property Company Limited totalling £274k (2010 £358k) due in more than one year

New capital plant purchases as part of the programme of maintaining state of the art facilities resulted in finance lease and hire purchase creditors of £224k (2010 £231k) and £453k (2010 £409k) respectively due within and after more than one year

As noted in the directors report the company meets its day to day working capital needs through bank borrowing facilities together with borrowings from connected companies The bank has been supportive throughout the year and remains so, and significantly increased its facilities during the year to reflect the company's increased activity levels

The company prepares regular financial forecasts for periodic review with its bank which continues to make adequate facilities available to support the working capital needs going forward Combined with the ongoing support of Holbrook, the company's forecasts continue to project adequate facilities to meet future ongoing requirements The directors will continue to make any necessary response to any changes in the external environment that would threaten this position

On this basis the directors believe it is appropriate to continue to prepare the accounts on a going concern basis

Deferred government grants

Grants are credited to deferred revenue Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

1. Accounting policies *(continued)*

Patents

Capitalised patent costs are either amortised at 10% per annum on a straight line basis or written off immediately where the patent has lapsed

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>6,787,049</u>	<u>5,234,036</u>

3. Other operating income

	2011 £	2010 £
Other operating income	<u>26,650</u>	<u>40,000</u>

4. Operating profit

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation of intangible assets	33,020	23,415
Depreciation of owned fixed assets	70,749	74,555
Depreciation of assets held under hire purchase agreements	129,583	64,628
(Profit)/Loss on disposal of fixed assets	(250)	4,627
Operating lease costs		
- Plant and equipment	5,144	5,023
- Other	153,000	153,000
Auditor's remuneration - audit of the financial statements	12,750	14,050
Auditor's remuneration - other fees	5,200	2,450
Exceptional administrative expenses	<u>83,010</u>	<u>—</u>

Exceptional administrative expenses comprise legal costs in relation to the successful defence of patent infringements

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

4. Operating profit *(continued)*

	2011 £	2010 £
Auditor's remuneration - audit of the financial statements	<u>12,750</u>	<u>14,050</u>
Auditor's remuneration - other fees		
- Taxation services	950	950
- other	<u>4,250</u>	<u>1,500</u>
	<u>5,200</u>	<u>2,450</u>

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Sales, design and manufacturing staff	81	70
Administrative staff and directors	<u>12</u>	<u>10</u>
	<u>93</u>	<u>80</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,725,180	1,376,901
Social security costs	<u>157,521</u>	<u>130,759</u>
	<u>1,882,701</u>	<u>1,507,660</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Remuneration receivable	<u>66,224</u>	<u>62,465</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

7. Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	43,410	31,923
Finance charges	31,224	30,226
Other similar charges payable	3,186	8,152
	<u>77,820</u>	<u>70,301</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	58,941	21,939
Over/under provision in prior year	3,561	(13,241)
Total current tax	<u>62,502</u>	<u>8,698</u>
Deferred tax		
Origination and reversal of timing differences (note 17)		
Capital allowances	19,126	31,197
Tax on profit on ordinary activities	<u>81,628</u>	<u>39,895</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

8 Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2010 - 21%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>461,000</u>	<u>267,432</u>
Profit on ordinary activities by rate of tax	119,860	56,161
Expenses not deductible for tax purposes	472	-
Capital allowances for the period in excess of depreciation	(17,751)	(15,847)
Research and development enhancement	(37,682)	(18,375)
Adjustments to tax charge in respect of previous periods	3,561	(13,241)
Marginal rate relief	(8,201)	-
Effect of rate of tax higher than standard during the year	<u>2,243</u>	<u>-</u>
Total current tax (note 8(a))	<u>62,502</u>	<u>8,698</u>

9. Dividends

Equity dividends

	2011 £	2010 £
Ordinary A shares	31,200	27,560
Ordinary B shares	28,800	25,440
Ordinary C shares	60,000	53,000
Ordinary D shares	60,000	53,000
	<u>180,000</u>	<u>159,000</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

10. Intangible fixed assets

	Patents £
Cost	
At 1 November 2010	272,473
Additions	57,725
At 31 October 2011	330,198
Amortisation	
At 1 November 2010	23,415
Charge for the year	33,020
At 31 October 2011	56,435
Net book value	
At 31 October 2011	273,763
At 31 October 2010	249,058

11. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 November 2010	546,178	2,203,052	42,042	57,874	2,849,146
Additions	889	309,813	61,033	15,188	386,923
At 31 October 2011	547,067	2,512,865	103,075	73,062	3,236,069
Depreciation					
At 1 November 2010	113,153	1,114,617	28,964	42,627	1,299,361
Charge for the year	9,759	177,063	9,382	4,128	200,332
At 31 October 2011	122,912	1,291,680	38,346	46,755	1,499,693
Net book value					
At 31 October 2011	424,155	1,221,185	64,729	26,307	1,736,376
At 31 October 2010	433,025	1,088,435	13,078	15,247	1,549,785

Hire purchase agreements

Included within the net book value of £1,736,376 is £953,292 (2010 - £845,518) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £129,583 (2010 - £64,628).

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

11. Tangible fixed assets *(continued)*

12. Stocks

	2011	2010
	£	£
Raw materials	59,875	64,749
Work in progress	238,481	193,681
Finished goods	155,401	149,313
	<u>453,757</u>	<u>407,743</u>

13. Debtors

	2011	2010
	£	£
Trade debtors	1,320,446	1,451,237
Other debtors	605,221	549,719
Directors current accounts	23,595	14,572
Prepayments and accrued income	46,559	37,282
	<u>1,995,821</u>	<u>2,052,810</u>

Included in other debtors are amounts owed by connected companies (Advanced Turf Technology Limited - see note 20) and are shown as receivable in less than one year as technically the debt is repayable on demand. Certain of the company's directors are also shareholders of Advanced Turf Technology Limited. In the view of the company's directors, the debt will be collected in full, but the directors have agreed that it will be repaid as the connected company's cashflow allows, which is unlikely to be within 12 months of the balance sheet date.

14. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Bank loans and overdrafts	1,275,642	1,410,426
Trade creditors	985,201	875,576
Taxation and social security	246,686	115,438
Hire purchase agreements	224,139	231,522
Other creditors	10,620	8,925
Directors current accounts	—	952
Accruals and deferred income	21,147	55,819
	<u>2,763,435</u>	<u>2,698,658</u>

The bank overdrafts are secured by a fixed charge over the assets of the company including outstanding sales invoices.

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

15 Creditors: Amounts falling due after more than one year

	2011	2010
	£	£
Bank loans	27,531	—
Hire purchase agreements	452,933	409,527
Other creditors	273,962	403,648
Directors' loan accounts	21,267	46,105
	<u>775,693</u>	<u>859,280</u>

The hire purchase creditors are secured on the assets to which they relate

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2011	2010
	£	£
Amounts payable within 1 year	224,139	231,522
Amounts payable between 1 and 2 years	137,300	150,874
Amounts payable between 3 and 5 years	315,633	258,653
	<u>677,072</u>	<u>641,049</u>

17. Deferred taxation

The movement in the deferred taxation provision during the year was

	2011	2010
	£	£
Provision brought forward	140,580	109,383
Profit and loss account movement arising during the year	19,126	31,197
Provision carried forward	<u>159,706</u>	<u>140,580</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	159,706	140,580
	<u>159,706</u>	<u>140,580</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

18. Commitments under operating leases

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	976	-	5,178
Within 2 to 5 years	-	25,771	-	12,223
After more than 5 years	153,000	-	153,000	-
	<u>153,000</u>	<u>26,747</u>	<u>153,000</u>	<u>17,401</u>

19. Transactions with directors

Advances to directors

The following directors had interest free loans during the year and the movements thereon during the year were

D Birch, amount owed at 31 October 2011 was £918, a decrease in the year of £9 (2010 £927), and the maximum outstanding during the year was £918

E Spencer, amount owed at 31 October 2011 was £16,833, an increase in the year of £3,188 (2010 £13,645), and the maximum outstanding during the year was £16,833

R Copeland, amount owed at 31 October 2011 was £5,843, an increase in the year of £5,843 (2010 £nil), and the maximum outstanding during the year was £5,843

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

20. Related party transactions

The directors consider the following to be related parties

Directors and their spouses

Mr J Copeland who was a 17.4% shareholder in the company until his death on 22 July 2011

Mrs A M Copeland who is a 16% shareholder in the company

Mr R Copeland who is a 33.3% shareholder in the company, and Mrs S Copeland his spouse

Mr D Birch who is a 33.3% shareholder in the company, and Mrs G Birch his spouse

Mrs E Spencer, a director of the company

Nyecroft Limited

A company in which Mr J Copeland was a director and controlling shareholder by virtue of him holding 51% of the total issued share capital until his death

The Holbrook Property Company Limited

A company in which Mr J Copeland was, and Mr R Copeland and Mr D Birch are directors and each holds/held 25% of the issued share capital

Advanced Turf Technology Limited

A company in which Mr J Copeland was, and Mrs A M Copeland is a director and minority shareholder, and also Mr D Birch is a minority shareholder

The following transactions took place with related parties during the year at arms length and on normal commercial terms

During the year, dividends were paid to the directors of £180,000 (2010 £159,000)

The Holbrook Property Company Limited

£153,000 (2010 £153,000) was charged by The Holbrook Property Company Limited for the rent of premises

Advanced Turf Technology Limited

£185,731 (2010 £132,472) was charged to Advanced Turf Technology Limited by the company for machine sales. The company purchased goods and services from Advanced Turf Technology Limited costing £29 (2010 £3,194)

The following balances were owed to or due from related parties at the balance sheet date

Included in creditors due after one year (note 15)

A total of £273,962 (2010 £403,648), including balances with Nyecroft Limited of £nil (2010 £45,715) and with The Holbrook Property Company Limited of £273,962 (2010 £357,933)

Included in creditors due within one year (note 14)

A total of £9,781 (2010 £8,925) due to The Holbrook Property Company Limited

Included in debtors (note 13)

A total of £599,076 (2010 £543,574) due from Advanced Turf Technology Limited

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

21. Controlling interest

There is no ultimate controlling party

22. Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
13 Ordinary A shares of £1 each	13	13	13	13
12 Ordinary B shares of £1 each	12	12	12	12
25 Ordinary C shares of £1 each	25	25	25	25
25 Ordinary D shares of £1 each	25	25	25	25
	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>

23. Other reserves

	2011	2010
	£	£
Capital redemption reserve	<u>25</u>	<u>25</u>

24. Profit and loss account

	2011	2010
	£	£
Balance brought forward	561,538	493,001
Profit for the financial year	379,372	227,537
Equity dividends	(180,000)	(159,000)
Balance carried forward	<u>760,910</u>	<u>561,538</u>

25. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	379,372	227,537
Equity dividends	(180,000)	(159,000)
Net addition to shareholders' funds	<u>199,372</u>	<u>68,537</u>
Opening shareholders' funds	561,638	493,101
Closing shareholders' funds	<u>761,010</u>	<u>561,638</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

26. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2011 £	2010 £
Operating profit	538,820	337,733
Amortisation	33,020	23,415
Depreciation	200,332	139,183
(Profit)/Loss on disposal of fixed assets	(250)	4,627
Increase in stocks	(46,014)	(98,741)
Decrease/(increase) in debtors	56,989	(605,001)
Increase/(decrease) in creditors	169,852	(13,010)
Decrease in provisions	—	(40,000)
Net cash inflow/(outflow) from operating activities	<u>952,749</u>	<u>(251,794)</u>

Returns on investments and servicing of finance

	2011 £	2010 £
Interest paid	(46,596)	(40,075)
Interest element of hire purchase	<u>(31,224)</u>	<u>(30,226)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(77,820)</u>	<u>(70,301)</u>

Taxation

	2011 £	2010 £
Taxation	<u>(25,410)</u>	<u>(42,831)</u>

Capital expenditure

	2011 £	2010 £
Payments to acquire intangible fixed assets	(57,725)	(38,325)
Payments to acquire tangible fixed assets	(386,923)	(558,401)
Receipts from sale of fixed assets	250	97,000
Net cash outflow from capital expenditure	<u>(444,398)</u>	<u>(499,726)</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

26. Notes to the cash flow statement *(continued)*

Financing

	2011 £	2010 £
Increase in/(repayment of) bank loans	43,263	(416,098)
Capital element of hire purchase	36,023	486,708
Net (outflow)/inflow from other long-term creditors	(129,686)	403,648
Repayment of directors' long-term loans	(24,838)	—
Net cash (outflow)/inflow from financing	<u>(75,238)</u>	<u>474,258</u>

Reconciliation of net cash flow to movement in net debt

	£	2011 £	£	2010 £
Increase/(decrease) in cash in the period	149,883		(549,394)	
Net cash (inflow) from/outflow from bank loans	(43,263)		416,098	
Cash outflow in respect of hire purchase	(36,023)		(486,708)	
Net cash outflow from/(inflow) from other long-term creditors	129,686		(403,648)	
Cash outflow from directors' long-term loans	24,838		—	
		<u>225,121</u>		<u>(1,023,652)</u>
Change in net debt		225,121		(1,023,652)
Net debt at 1 November 2010		<u>(2,500,468)</u>		<u>(1,476,816)</u>
Net debt at 31 October 2011		<u>(2,275,347)</u>		<u>(2,500,468)</u>

Advanced Engineering Techniques Limited

Notes to the financial statements

Year ended 31 October 2011

26. Notes to the cash flow statement *(continued)*

Analysis of changes in net debt

	At 1 Nov 2010 £	Cash flows £	At 31 Oct 2011 £
Net cash			
Cash in hand and at bank	760	(633)	127
Overdrafts	(1,410,426)	150,516	(1,259,910)
	<u>(1,409,666)</u>	<u>149,883</u>	<u>(1,259,783)</u>
Debt			
Debt due within 1 year	–	(15,732)	(15,732)
Debt due after 1 year	(449,753)	126,993	(322,760)
Hire purchase agreements	(641,049)	(36,023)	(677,072)
	<u>(1,090,802)</u>	<u>75,238</u>	<u>(1,015,564)</u>
Net debt	<u>(2,500,468)</u>	<u>225,121</u>	<u>(2,275,347)</u>