COMPANY REGISTRATION NUMBER 02581687

REGISTRAR
OF COMPANIES

# PARK COMMUNICATIONS LIMITED

# FINANCIAL STATEMENTS

## 31 DECEMBER 2012

WEDNESDAY
*A2F7U6GQ*
A31 21/08/2013 #32
COMPANIES HOUSE

MHA MacIntyre Hudson
GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE®

# PARK COMMUNICATIONS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The board of directors** | A G Branch<br>H Mason<br>P Walker |
| **Company secretary** | A G Branch |
| **Registered office** | Alpine Way<br>London<br>E6 6LA |
| **Auditor** | MHA MacIntyre Hudson<br>Chartered Accountants<br>& Statutory Auditor<br>New Bridge Street House<br>30-34 New Bridge Street<br>London<br>EC4V 6BJ |
| **Bankers** | Bank of Scotland<br>38 Threadneedle Street<br>London<br>EC2P 5LF |

# PARK COMMUNICATIONS LIMITED

## THE DIRECTORS' REPORT

## YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**
The principal activity of the company during the year was the organisation, printing and finishing of documents

The business achieved sales growth of 9% and delivered a pre-tax profit of £335,658 Net debt at the year-end was reduced to £250,050, while shareholders' funds increased to £5,594,213 This profit and reduction in debt was achieved despite significant investment made to support the company's long-term growth strategy

To strengthen our offering to the high quality and luxury markets, the team from Granite Communications Limited were brought into Park in January 2012 Granite was renowned in the industry for exquisite print quality Double running at two sites through the three month transfer period, January to March 2012, increased costs in the year by £100k

Capacity for further growth was supported in December 2011 by capital investment in a new B1 size 10 colour perfecting press and by two new plate setters in January 2012

In Spring 2013, further investments were made to enhance pre-press capability and to enhance automation of the management information system

2013 has begun well with continued good momentum in the new business programme, supported by the benefits of recent capital investment

**RESULTS AND DIVIDENDS**
The profit for the year, after taxation, amounted to £180,182 Particulars of dividends paid are detailed in note 9 to the financial statements

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**
The company finances its operations by a combination of internally generated cash flows, existing cash deposits and borrowings

The company's financial controller manages the company's cash borrowings, interest rate and its main banking relationships This is operated as a cost and risk reduction programme Transactions of a speculative nature are not permitted

**DIRECTORS**
The directors who served the company during the year were as follows

A G Branch
K H Kerman
H Mason
P Walker

K H Kerman was removed as a director on 11 April 2013

### DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

### 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 year

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

### DONATIONS

During the year the company made the following contributions.

| | **2012** | 2011 |
|---|---|---|
| | **£** | £ |
| Charitable | **2,380** | 1,055 |

**AUDITOR**
MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Alpine Way
London
E6 6LA

Signed by order of the directors

A G BRANCH
Company Secretary

Approved by the directors on 8.8.2013

# PARK COMMUNICATIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARK COMMUNICATIONS LIMITED

## YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Park Communications Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet 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 page 3, 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 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 December 2012 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

**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

CHRISTOPHER SUTTON FCA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

16 August 2013

# PARK COMMUNICATIONS LIMITED

## PROFIT AND LOSS ACCOUNT

## YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 £ | 2011 £ |
|---|---|---|---|
| **TURNOVER** | 2 | **13,779,982** | 12,635,073 |
| Cost of sales | | **(10,614,284)** | (9,510,714) |
| **GROSS PROFIT** | | **3,165,698** | 3,124,359 |
| Administrative expenses | | **(2,795,709)** | (2,360,251) |
| **OPERATING PROFIT** | 3 | **369,989** | 764,108 |
| Inter-company write off | 6 | **–** | (404,139) |
| | | **369,989** | 359,969 |
| Interest receivable | | **739** | 723 |
| Interest payable and similar charges | 7 | **(35,070)** | (15,870) |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | **335,658** | 344,822 |
| Tax on profit on ordinary activities | 8 | **(155,476)** | (77,758) |
| **PROFIT FOR THE FINANCIAL YEAR** | | **180,182** | 267,064 |

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 9 to 18 form part of these financial statements.**

# PARK COMMUNICATIONS LIMITED

## BALANCE SHEET

## 31 DECEMBER 2012

| | Note | 2012 £ | 2012 £ | 2011 £ | 2011 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 10 | | **3,468,619** | | 4,172,144 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 11 | **443,883** | | 344,298 | |
| Debtors | 12 | **6,644,899** | | 6,525,806 | |
| Cash at bank | | **424,504** | | 190,534 | |
| | | **7,513,286** | | 7,060,638 | |
| **CREDITORS: Amounts falling due within one year** | 13 | **5,023,787** | | 5,263,411 | |
| **NET CURRENT ASSETS** | | | **2,489,499** | | 1,797,227 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | **5,958,118** | | 5,969,371 |
| **CREDITORS: Amounts falling due after more than one year** | 14 | | **363,905** | | 516,709 |
| | | | **5,594,213** | | 5,452,662 |
| **CAPITAL AND RESERVES** | | | | | |
| Called-up equity share capital | 20 | | **600,000** | | 600,000 |
| Profit and loss account | 21 | | **4,994,213** | | 4,852,662 |
| **SHAREHOLDERS' FUNDS** | 22 | | **5,594,213** | | 5,452,662 |

These financial statements were approved by the directors and authorised for issue on 8.8.2013, and are signed on their behalf by

A G BRANCH
Director

H MASON
Director

Company Registration Number 02581687

**The notes on pages 9 to 18 form part of these financial statements**

## 1. ACCOUNTING POLICIES

**Basis of accounting**

The financial statements have been prepared under the historical cost convention

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

**Turnover**

The turnover shown in the profit and loss account represents goods and services invoiceable during the year, exclusive of Value Added Tax

**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 | - | 2 - 20% straight line |
| Plant & Machinery | - | 8 - 33% straight line |
| Fixtures & Fittings | - | 25 - 33% straight line |

**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

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

## 1. ACCOUNTING POLICIES *(continued)*

### 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

### Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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

### Government grants

Government grants have been utilised in accordance with the grant agreement and set off against eligible costs year on year, the remainder shown as deferred income in creditors at the year end

## 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

| | **2012** | 2011 |
|---|---|---|
| | **£** | £ |
| United Kingdom | **13,573,332** | 12,505,731 |
| EU | **95,679** | 111,562 |
| Rest of the world | **110,971** | 17,780 |
| | **13,779,982** | 12,635,073 |

## 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Depreciation of owned fixed assets | **521,004** | 395,627 |
| Depreciation of assets held under finance lease agreements | **57,725** | 16,475 |
| Profit on disposal of fixed assets | **(19,763)** | (86,000) |
| Auditor's remuneration | | |
| - as auditor | **21,000** | 20,078 |
| - for other services | **3,823** | 3,607 |
| Operating lease costs | | |
| - Plant and equipment | **5,564** | 3,544 |

## 4. PARTICULARS OF EMPLOYEES

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

| | 2012 | 2011 |
|---|---|---|
| | No | No |
| Number of production staff | **87** | 74 |
| Number of distribution staff | **19** | 9 |
| Number of administrative staff | **12** | 15 |
| | **118** | 98 |

The aggregate payroll costs of the above were

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Wages and salaries | **4,846,813** | 4,051,308 |
| Social security costs | **492,239** | 433,904 |
| Other pension costs | **101,745** | 80,570 |
| | **5,440,797** | 4,565,782 |

## 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Remuneration receivable | **315,306** | 392,543 |
| Value of company pension contributions to defined contribution schemes | **40,501** | 21,481 |
| | **355,807** | 414,024 |

## 5. DIRECTORS' REMUNERATION *(continued)*

**Remuneration of highest paid director:**

| | 2012 £ | 2011 £ |
|---|---|---|
| Total remuneration (excluding pension contributions) | **88,734** | 105,706 |
| Value of company pension contributions to defined contribution schemes | **8,293** | 7,139 |
| | **97,027** | 112,845 |

The number of directors who accrued benefits under company pension schemes was as follows

| | 2012 No | 2011 No |
|---|---|---|
| Money purchase schemes | **3** | 3 |

Included within directors' emoluments are fees of £77,043 (2011 - £86,979) for the services of K H Kerman, a non executive director up to 11 April 2013, which were paid to a company of which he is a director and sole shareholder

## 6. INTER-COMPANY WRITE OFF

During the year an intercompany balance with Granite Communications Limited of £nil (2011 £404,139) was written off

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 £ | 2011 £ |
|---|---|---|
| Interest payable on bank borrowing | **31,532** | 10,358 |
| Finance charges | **3,538** | 5,512 |
| | **35,070** | 15,870 |

## 8. TAXATION ON ORDINARY ACTIVITIES

**(a) Analysis of charge in the year**

| | 2012 £ | 2011 £ |
|---|---|---|
| Current tax | | |
| UK Corporation tax based on the results for the year at 24 50% (2011 - 26 50%) | **155,476** | 77,758 |
| Total current tax | **155,476** | 77,758 |

## 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 24 50% (2011 - 26 50%)

| | **2012** | 2011 |
|---|---|---|
| | **£** | £ |
| Profit on ordinary activities before taxation | **335,658** | 344,822 |
| Profit on ordinary activities by rate of tax | **82,236** | 91,378 |
| Expenses not deductible for tax purposes | **(104,582)** | (151,834) |
| Depreciation for period in excess of capital allowances | **179,062** | 138,214 |
| Marginal rate relief | **(1,240)** | - |
| Total current tax (note 8(a)) | **155,476** | 77,758 |

## 9. DIVIDENDS

### Equity dividends

| | **2012** | 2011 |
|---|---|---|
| | **£** | £ |
| Paid | | |
| Equity dividends on ordinary shares | **38,631** | 350,000 |

## 10. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Plant & Machinery £ | Fixtures & Fittings £ | Total £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 January 2012 | **2,151,151** | **6,030,920** | **690,928** | **8,872,999** |
| Additions | **5,120** | **292,374** | **61,003** | **358,497** |
| Disposals | **–** | **(317,500)** | **–** | **(317,500)** |
| **At 31 December 2012** | **2,156,271** | **6,005,794** | **751,931** | **8,913,996** |
| **DEPRECIATION** | | | | |
| At 1 January 2012 | **672,681** | **3,582,299** | **445,875** | **4,700,855** |
| Charge for the year | **157,466** | **786,742** | **109,376** | **1,053,584** |
| On disposals | **–** | **(309,062)** | **–** | **(309,062)** |
| **At 31 December 2012** | **830,147** | **4,059,979** | **555,251** | **5,445,377** |
| **NET BOOK VALUE** | | | | |
| **At 31 December 2012** | **1,326,124** | **1,945,815** | **196,680** | **3,468,619** |
| At 31 December 2011 | 1,478,470 | 2,448,621 | 245,053 | 4,172,144 |

**Finance lease agreements**

Included within the net book value of £3,468,619 is £274,509 (2011 - £107,233) relating to assets held under finance lease agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £57,725 (2011 - £16,475)

## 11. STOCKS

| | 2012 £ | 2011 £ |
|---|---|---|
| Raw materials | **173,634** | 158,505 |
| Work in progress | **270,249** | 185,793 |
| | **443,883** | 344,298 |

## 12. DEBTORS

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Trade debtors | **2,049,391** | 1,730,212 |
| Amounts owed by group undertakings | **3,991,867** | 3,991,779 |
| Other debtors | **335,284** | 574,285 |
| Prepayments and accrued income | **268,357** | 229,530 |
| | **6,644,899** | 6,525,806 |

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

## 13. CREDITORS: Amounts falling due within one year

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Trade creditors | **2,267,603** | 2,070,760 |
| Other creditors including taxation and social security | | |
| Corporation tax | **155,476** | 77,758 |
| Other taxation and social security | **248,120** | 299,045 |
| Finance lease agreements | **310,649** | 390,945 |
| Other creditors | **58,683** | 56,650 |
| | **3,040,531** | 2,895,158 |
| Accruals and deferred income | **1,983,256** | 2,368,253 |
| | **5,023,787** | 5,263,411 |

Included within accruals and deferred income is £1,504,862 (2011 - £1,977,661) in respect of LDA grants relating to the purchase of fixed assets The grants are amortised to offset the depreciation charge in respect of the fixed assets to which they relate The amount amortised in the year amounted to £472,799 (2011 - £513,803)

The hire purchase loan is secured by a chattels mortgage, a fixed charge over the company's property, goodwill, trade debtors and plant and machinery, and includes keyman insurance policies Interest on the bank loan is at 2 95% over base rate per annum, with no reduction in such base rate below 0 5%

## 14. CREDITORS: Amounts falling due after more than one year

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Other creditors | | |
| Finance lease agreements | **363,905** | 516,709 |

## 15. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Amounts payable within 1 year | **310,649** | 390,945 |
| Amounts payable between 1 and 2 years | **363,905** | 516,709 |
| | **674,554** | 907,654 |
| Finance lease agreements are analysed as follows | | |
| Current obligations | **310,649** | 390,945 |
| Non-current obligations | **363,905** | 516,709 |
| | **674,554** | 907,654 |

The obligations under finance leases are secured over the related assets

## 16. PENSIONS

The company operates a defined contribution pension scheme for the benefit of all employees The assets of the scheme are administered by trustees in a fund independent from those of the company

The total contributions payable in the year amounted to £101,745 (2011 - £80,571) The amount unpaid at 31 December 2012 was £8,143 (2011 - £8,159)

## 17. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | **135,359** | 341,540 |
| Other timing differences | **9,449** | 5,985 |
| | **144,808** | 347,525 |

A deferred tax asset has not been recognised in the financial statements because there is insufficient evidence that the asset will be recoverable in the future

## 18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | **Land and buildings** | **Other Items** | Land and buildings | Other Items |
| | **£** | **£** | £ | £ |
| Operating leases which expire | | | | |
| Within 1 year | - | - | - | 3,668 |
| Within 2 to 5 years | - | **139,700** | - | 98,065 |
| After more than 5 years | **336,990** | - | 336,990 | - |
| | **336,990** | **139,700** | 336,990 | 101,733 |

## 19. RELATED PARTY TRANSACTIONS

The results of Park Communications Limited are included in the consolidated Financial Statements of its ultimate parent company The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 not to disclose transactions with entities that are part of the same group

K H Kerman, a director until 11 April 2013 and shareholder of the company, is also the beneficial owner of Drawbourne Limited During the year the company purchased services from Drawbourne Limited and these amounted to £77,043 (2011 - £86,979), comprising £53,460 (2011 - £53,460) for Mr Kerman acting as a director of the company and £23,583 (2011 - £33,519) for project consultancy fees The balance due to Drawbourne Limited at 31 December 2012 was £20,658 (2011 - £20,767)

At the year end A G Branch, a shareholder and director, was owed £2,891 (2011 £nil) for unpaid dividends

At the year end H Mason, a shareholder and director, was owed £3,486 (2011 £nil) for unpaid dividends

At the year end P Walker, a shareholder and director, was owed £2,687 (2011 £nil) for unpaid dividends

## 20. SHARE CAPITAL

**Authorised share capital:**

| | **2012** | 2011 |
|---|---|---|
| | **£** | £ |
| 600,000 Ordinary shares of £1 each | **600,000** | 600,000 |

## 20. SHARE CAPITAL *(continued)*

**Allotted, called up and fully paid:**

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | No | £ | No | £ |
| 600,000 Ordinary shares of £1 each | **600,000** | **600,000** | 600,000 | 600,000 |

## 21. PROFIT AND LOSS ACCOUNT

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Balance brought forward | **4,852,662** | 4,935,598 |
| Profit for the financial year | **180,182** | 267,064 |
| Equity dividends | **(38,631)** | (350,000) |
| Balance carried forward | **4,994,213** | 4,852,662 |

## 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2012 | 2011 |
|---|---|---|
| | £ | £ |
| Profit for the financial year | **180,182** | 267,064 |
| Equity dividends | **(38,631)** | (350,000) |
| Net addition/(reduction) to shareholders' funds | **141,551** | (82,936) |
| Opening shareholders' funds | **5,452,662** | 5,535,598 |
| Closing shareholders' funds | **5,594,213** | 5,452,662 |

## 23. ULTIMATE PARENT COMPANY

The ultimate parent company is Park Group Holdings Limited, a company incorporated in England and Wales Its registered office address is Alpine Way, London, E6 6LA

The ultimate parent company was under the control of H Mason and A G Branch during the years ended 31 December 2012 and 31 December 2011, due to their majority shareholding

## 24. CAPITAL COMMITMENTS

At 31 December 2012 the board of the company had authorised and contracted for capital expenditure of £nil (2011 - £225,000)