

REGISTERED NUMBER. 02841970 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 30 September 2010
for
Bostock Marketing Group Limited**

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for the Year Ended 30 September 2010**

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Bostock Marketing Group Limited
Company Information
for the Year Ended 30 September 2010

DIRECTORS:

J P Bostock
Mrs D A Bostock
Mrs J Wiseman
D J Lewis
S Maydew

REGISTERED OFFICE

7 Holt Court North
Heneage Street West
Aston Science Park
Birmingham
West Midlands
B7 4AX

REGISTERED NUMBER:

02841970 (England and Wales)

**SENIOR STATUTORY
AUDITOR.**

Christopher B Locke

AUDITORS:

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Bostock Marketing Group Limited (Registered number: 02841970)

**Report of the Directors
for the Year Ended 30 September 2010**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of market research

REVIEW OF BUSINESS

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

BMG Research has been trading for over 20 years and is firmly established as a provider of social research services predominately in the public sector. Recent years have seen major investment in technology as well as sustained growth in turnover and profit

The trading year ending 30th September 2010 has been one of the most challenging that we have faced as an organisation. The impact of a general election, a significant reduction in public sector spending as well as the closure of a number of our clients has meant we have faced a unique trading situation. The company has seen a fall-off in revenues as well as pressure on our sales values and margins which has led to a disappointing result for the year ending 2010. Whilst we had expected some reduction in revenues as reported in this commentary, last year the actual situation has exceeded our most pessimistic forecasts

We have made some significant cost cutting decisions since the summer of 2010 to ensure that the reengineered business can operate successfully to our required levels of quality and delivery at a significantly reduced turnover. As a result, the directors are predicting a turnaround from the loss in 2009/2010 to a small profit for the new financial year

Whilst changes in our market place continue to impact on us we have seen an improvement in our order book for the first quarter of the new year and our sales and marketing effort ensures we are maximising all opportunities that present themselves

DIVIDENDS

The directors recommend that no final dividend be paid in respect of the Ordinary shares

The total distributions of dividends in respect of the Redeemable shares for the year ended 30 September 2010 was £12,629 (2009 - £233,056)

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 October 2009 to the date of this report

The beneficial interests of the directors holding office at 30 September 2010 in the shares of the company, according to the register of directors' interests, were as follows

	30 9 10	1 10 09
Ordinary Shares shares of £1 each		
J P Bostock	105,204	105,204
Mrs D A Bostock	105,204	105,204
Mrs J Wiseman	12,500	12,500
D J Lewis	2,500	2,500
S Maydew	2,500	2,500
Redeemable A shares of 1p each		
J P Bostock	6,250	6,250
Mrs D A Bostock	6,250	6,250
Mrs J Wiseman	12,500	12,500
D J Lewis	1,779	1,779
S Maydew	1,779	1,779

Bostock Marketing Group Limited (Registered number: 02841970)

**Report of the Directors
for the Year Ended 30 September 2010**

DIRECTORS - continued

	30 9 10	1 10 09
Redeemable B shares of 1p each		
J P Bostock	10,000	10,000
Mrs D A Bostock	10,000	10,000
Mrs J Wiseman	10,000	10,000
D J Lewis	10,000	10,000
S Maydew	10,000	10,000

These directors did not hold any beneficial interests in the Redeemable C shares of £1 each

These directors did not hold any non-beneficial interests in any of the shares of the company

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made various small donations to various charities during the period

EMPLOYMENT POLICY

The company's policy is to provide, wherever possible, employment and training and development opportunities for disabled people. It is also committed to supporting employees who become disabled and to helping disabled employees make the best possible use of their skills and potential.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

Bostock Marketing Group Limited (Registered number: 02841970)

**Report of the Directors
for the Year Ended 30 September 2010**

AUDITORS

The auditors, Locke Williams Associates LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D J Lewis', written over a horizontal line.

D J Lewis - Director

Date 18 April 2011

Locke Williams Associates LLP
 Blackthorn House, St Pauls Square Birmingham B3 1RL
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 E info@lockewilliams.com W www.lockewilliams.com

Report of the Independent Auditors to the Shareholders of Bostock Marketing Group Limited

We have audited the financial statements of Bostock Marketing Group Limited for the year ended 30 September 2010 on pages seven to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 IN ENGLAND AND WALES

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Registered number OC350146 Registered in England
 Partners Christopher B Locke BA (Econ) FCA Katrina L Williams ACA CTA TEP

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Report of the Independent Auditors to the Shareholders of Bostock Marketing Group Limited

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher B Locke (Senior Statutory Auditor)
 for and on behalf of Locke Williams Associates LLP
 Chartered Accountants
 Registered Auditors
 Blackthorn House
 St Pauls Square
 Birmingham
 West Midlands
 B3 1RL

Date *10th April 2011*



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Registered number OC350146 Registered in England

Partners Christopher B Locke BA (Econ) FCA Katrina L Williams ACA CTA TEP

Bostock Marketing Group Limited (Registered number 02841970)

**Profit and Loss Account
for the Year Ended 30 September 2010**

	Notes	30 9 10 £	30 9 09 £
TURNOVER		6,706,799	9,137,604
Cost of sales		<u>3,026,809</u>	<u>3,930,782</u>
GROSS PROFIT		3,679,990	5,206,822
Administrative expenses		<u>4,244,552</u>	<u>4,633,702</u>
OPERATING (LOSS)/PROFIT	3	(564,562)	573,120
Interest receivable and similar income		<u>8,880</u>	<u>9,921</u>
		(555,682)	583,041
Interest payable and similar charges	4	<u>563</u>	<u>2,576</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(556,245)	580,465
Tax on (loss)/profit on ordinary activities	5	<u>(130,377)</u>	<u>159,167</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(425,868)</u>	<u>421,298</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

Bostock Marketing Group Limited (Registered number: 02841970)

**Balance Sheet
30 September 2010**

	Notes	30 9 10		30 9 09	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		154,286		183,860
Investments	8		<u>4</u>		<u>4</u>
			154,290		183,864
CURRENT ASSETS					
Debtors	9	2,311,915		2,746,974	
Cash at bank and in hand		<u>614,417</u>		<u>846,021</u>	
		2,926,332		3,592,995	
CREDITORS					
Amounts falling due within one year	10	<u>1,131,300</u>		<u>1,391,540</u>	
NET CURRENT ASSETS			<u>1,795,032</u>		<u>2,201,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,949,322		2,385,319
CREDITORS					
Amounts falling due after more than one year	11		<u>4</u>		<u>4</u>
NET ASSETS			<u>1,949,318</u>		<u>2,385,315</u>
CAPITAL AND RESERVES					
Called up share capital	15		247,233		245,983
Share premium	16		46,733		45,483
Capital redemption reserve	16		218,055		218,055
Profit and loss account	16		<u>1,437,297</u>		<u>1,875,794</u>
SHAREHOLDERS' FUNDS	20		<u>1,949,318</u>		<u>2,385,315</u>

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

18 APRIL 2011

and



Mrs D A Bostock - Director

The notes form part of these financial statements

Bostock Marketing Group Limited (Registered number 02841970)

**Cash Flow Statement
for the Year Ended 30 September 2010**

	Notes	30 9 10		30 9 09	
		£	£	£	£
Net cash inflow from operating activities	1		114,276		1,142,718
Returns on investments and servicing of finance	2		8,317		7,345
Taxation			(190,071)		(65,077)
Capital expenditure	2		(78,769)		(128,807)
Equity dividends paid			<u>(12,629)</u>		<u>(233,056)</u>
			(158,876)		723,123
Financing	2		<u>(66,068)</u>		<u>(120,528)</u>
(Decrease)/Increase in cash in the period			<u>(224,944)</u>		<u>602,595</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(224,944)		602,595	
Cash outflow from decrease in debt and lease financing		<u>12,527</u>		<u>29,100</u>	
Change in net funds resulting from cash flows			<u>(212,417)</u>		<u>631,695</u>
Movement in net funds in the period			(212,417)		631,695
Net funds at 1 October			<u>817,250</u>		<u>185,555</u>
Net funds at 30 September			<u>604,833</u>		<u>817,250</u>

The notes form part of these financial statements

Bostock Marketing Group Limited (Registered number 02841970)

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2010**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 9 10	30 9 09
	£	£
Operating (loss)/profit	(564,562)	573,120
Depreciation charges	108,344	108,756
Decrease in debtors	651,499	698,102
Decrease in creditors	<u>(81,005)</u>	<u>(237,260)</u>
Net cash inflow from operating activities	<u>114,276</u>	<u>1,142,718</u>

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

	30 9 10	30 9 09
	£	£
Returns on investments and servicing of finance		
Interest received	8,880	9,921
Interest element of hire purchase or finance lease rentals payments	<u>(563)</u>	<u>(2,576)</u>
Net cash inflow for returns on investments and servicing of finance	<u>8,317</u>	<u>7,345</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(78,769)</u>	<u>(128,807)</u>
Net cash outflow for capital expenditure	<u>(78,769)</u>	<u>(128,807)</u>
 Financing		
Loan repayments in year	(12,528)	(19,877)
Premium on share issue	1,250	37,955
Capital repayments in year	-	(9,223)
Amount withdrawn by directors	(56,040)	(136,592)
Share issue	<u>1,250</u>	<u>7,209</u>
Net cash outflow from financing	<u>(66,068)</u>	<u>(120,528)</u>

The notes form part of these financial statements

Bostock Marketing Group Limited (Registered number: 02841970)

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2010**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 10 09 £	Cash flow £	At 30 9 10 £
Net cash			
Cash at bank and in hand	846,021	(231,604)	614,417
Bank overdraft	<u>(16,244)</u>	<u>6,660</u>	<u>(9,584)</u>
	<u>829,777</u>	<u>(224,944)</u>	<u>604,833</u>
Debt			
Debts falling due within one year	<u>(12,527)</u>	<u>12,527</u>	<u>-</u>
	<u>(12,527)</u>	<u>12,527</u>	<u>-</u>
Total	<u>817,250</u>	<u>(212,417)</u>	<u>604,833</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 September 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

Tangible fixed assets

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

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Revenue Recognition

All income is project related and revenue is recognised incrementally as work progresses on each project. All costs directly attributable to each project are charged against profits as they are incurred.

2 STAFF COSTS

	30 9 10	30 9 09
	£	£
Wages and salaries	4,353,130	4,842,081
Social security costs	369,389	409,732
Other pension costs	132,375	114,460
	<u>4,854,894</u>	<u>5,366,273</u>

Bostock Marketing Group Limited (Registered number 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

2 STAFF COSTS - continued

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

	30 9 10	30 9 09
Operations	231	245
Research	29	34
Management and Administration	<u>24</u>	<u>28</u>
	<u>284</u>	<u>307</u>

3 OPERATING (LOSS)/PROFIT

The operating loss (2009 - operating profit) is stated after charging

	30 9 10 £	30 9 09 £
Other operating leases	156,134	146,000
Depreciation - owned assets	108,343	108,756
Auditors' remuneration	<u>6,549</u>	<u>6,212</u>
 Directors' remuneration	 669,298	 653,616
Directors' pension contributions to money purchase schemes	<u>46,575</u>	<u>47,270</u>

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

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	30 9 10 £	30 9 09 £
Emoluments etc	190,835	168,454
Pension contributions to money purchase schemes	<u>27,180</u>	<u>27,180</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 9 10 £	30 9 09 £
Bank loan interest	<u>563</u>	<u>2,576</u>

5 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	30 9 10 £	30 9 09 £
Current tax		
UK corporation tax	(128,006)	159,167
Prior year under/over adjustments	<u>(2,371)</u>	<u>-</u>
 Tax on (loss)/profit on ordinary activities	 <u>(130,377)</u>	 <u>159,167</u>

Bostock Marketing Group Limited (Registered number: 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

6 DIVIDENDS

	30 9 10 £	30 9 09 £
Redeemable A shares of 1p each Final	12,629	17,056
Redeemable B shares of 1p each Final	<u>-</u>	<u>216,000</u>
	<u>12,629</u>	<u>233,056</u>

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 October 2009	276,469	496,954	773,423
Additions	14,159	64,610	78,769
Disposals	<u>(17,987)</u>	<u>(85,043)</u>	<u>(103,030)</u>
At 30 September 2010	<u>272,641</u>	<u>476,521</u>	<u>749,162</u>
DEPRECIATION			
At 1 October 2009	236,083	353,480	589,563
Charge for year	22,260	86,083	108,343
Eliminated on disposal	<u>(17,987)</u>	<u>(85,043)</u>	<u>(103,030)</u>
At 30 September 2010	<u>240,356</u>	<u>354,520</u>	<u>594,876</u>
NET BOOK VALUE			
At 30 September 2010	<u>32,285</u>	<u>122,001</u>	<u>154,286</u>
At 30 September 2009	<u>40,386</u>	<u>143,474</u>	<u>183,860</u>

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2009 and 30 September 2010	<u>4</u>
NET BOOK VALUE	
At 30 September 2010	<u>4</u>
At 30 September 2009	<u>4</u>

Bostock Marketing Group Limited (Registered number: 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

8 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

Bostock Marketing International Limited

Nature of business Dormant

	% holding		
Class of shares	100 00		
Ordinary shares		30 9 10	30 9 09
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

People Matters Network Limited

Nature of business Dormant

	% holding		
Class of shares	100 00		
Ordinary shares		30 9 10	30 9 09
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

9 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 10	30 9 09
	£	£
Trade debtors	1,663,234	2,372,959
Other debtors	-	30
Directors' current accounts	261,605	206,613
Tax	179,603	18,155
Called up share capital not paid	100	100
Other debtors & Prepayments	<u>207,373</u>	<u>149,117</u>
	<u>2,311,915</u>	<u>2,746,974</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 10	30 9 09
	£	£
Bank loans and overdrafts (see note 12)	9,584	28,771
Trade creditors	626,197	617,509
Tax	-	159,000
Social security and other taxes	98,154	109,756
VAT	137,950	241,744
Other creditors	89,619	-
Directors' current accounts	-	1,048
Accruals and deferred income	<u>169,796</u>	<u>233,712</u>
	<u>1,131,300</u>	<u>1,391,540</u>

Bostock Marketing Group Limited (Registered number. 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

11 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 9 10	30 9 09
	£	£
Amounts owed to group undertakings	<u>4</u>	<u>4</u>

12 LOANS

An analysis of the maturity of loans is given below

	30 9 10	30 9 09
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	9,584	16,244
Bank loans	<u>-</u>	<u>12,527</u>
	<u>9,584</u>	<u>28,771</u>

13 OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other operating leases	
	30 9 10	30 9 09	30 9 10	30 9 09
	£	£	£	£
Expiring				
Within one year	-	-	34,054	30,062
Between one and five years	127,337	127,000	62,058	154,602
In more than five years	<u>-</u>	<u>-</u>	<u>56,407</u>	<u>-</u>
	<u>127,337</u>	<u>127,000</u>	<u>152,519</u>	<u>184,664</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	30 9 10	30 9 09
	£	£
Bank overdrafts	<u>9,584</u>	<u>16,244</u>

The company issued an all monies debenture dated 22nd September 1994, in favour of the Bank of Scotland, over all of the assets of the company

Bostock Marketing Group Limited (Registered number 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	30 9 10 £	30 9 09 £
246,185 (30 9 09 - 244,935)	Ordinary Shares	£1	246,185	244,935
42,838	Redeemable A	1p	428	428
52,000	Redeemable B	1p	520	520
100	Redeemable C	£1	<u>100</u>	<u>100</u>
			<u>247,233</u>	<u>245,983</u>

The following shares were issued during the year

1,250 Ordinary Shares shares of £1 for cash of £2500

The redeemable shares have no voting rights or rights to dividends. The shares are redeemable at either the holder's or the company's option, with one months notice in writing at any time after 6th June 2009. There is no premium due on redemption.

16 RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2009	1,875,794	45,483	218,055	2,139,332
Deficit for the year	(425,868)			(425,868)
Dividends	(12,629)			(12,629)
Cash share issue	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>
At 30 September 2010	<u>1,437,297</u>	<u>46,733</u>	<u>218,055</u>	<u>1,702,085</u>

17 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all employees. The charge for the year was £85,800 (2009 - £67,190).

18 TRANSACTIONS WITH DIRECTORS

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

	30 9 10 £	30 9 09 £
J P Bostock		
Balance outstanding at start of year	98,654	36,310
Amounts advanced	12,650	62,344
Amounts repaid	-	-
Balance outstanding at end of year	<u>111,304</u>	<u>98,654</u>

Bostock Marketing Group Limited (Registered number: 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

18 TRANSACTIONS WITH DIRECTORS - continued

Mrs D A Bostock

Balance outstanding at start of year	107,759	36,311
Amounts advanced	21,501	71,448
Amounts repaid	-	-
Balance outstanding at end of year	<u>129,260</u>	<u>107,759</u>

D J Lewis

Balance outstanding at start of year	100	-
Amounts advanced	14,156	100
Amounts repaid	(7,008)	-
Balance outstanding at end of year	<u>7,248</u>	<u>100</u>

S Maydew

Balance outstanding at start of year	100	-
Amounts advanced	14,216	100
Amounts repaid	(5,621)	-
Balance outstanding at end of year	<u>8,695</u>	<u>100</u>

Mrs J Wiseman

Balance outstanding at start of year	(1,048)	-
Amounts advanced	6,148	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>5,100</u>	<u>-</u>

Bostock Marketing Group Limited (Registered number: 02841970)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

19 RELATED PARTY DISCLOSURES

Directors Share Options

	Number of ordinary shares	Cost of option	Exercise Price	Dates Exercisable
Executive Share Option Plan				

Mrs J Wiseman

As at 1st October 2009 and

30th September 2010

1,689

£1 00

£4 00

31 05 01 - 31 05 11

**Enterprise Management
Incentive Scheme**

J Wiseman

As at 1st October 2009 and

30th September 2010

6,000

nil

£8 24

On sale or float

S Maydew

As at 1st October 2009 and

30th September 2010

2,250

nil

£8 24

On sale or float

D Lewis

As at 1st October 2009 and

30th September 2010

2,250

nil

£8 24

On sale or float

Dividends

Dividends in respect of the Redeemable B Shares were paid to S Maydew of £5,621 and D Lewis of £7,008 respectively

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 9 10	30 9 09
	£	£
(Loss)/Profit for the financial year	(425,868)	421,298
Dividends	<u>(12,629)</u>	<u>(233,056)</u>
	(438,497)	188,242
Nominal value of new shares	1,250	7,309
Premium on share issue	<u>1,250</u>	<u>37,955</u>
Net (reduction)/addition to shareholders' funds	(435,997)	233,506
Opening shareholders' funds	<u>2,385,315</u>	<u>2,151,809</u>
Closing shareholders' funds	<u><u>1,949,318</u></u>	<u><u>2,385,315</u></u>