

Registered number 03704349

SMITHS OF SMITHFIELD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011



SMITHS OF SMITHFIELD LIMITED

COMPANY INFORMATION

DIRECTORS

J Torode
R Munding
H Williams
J Ratcliffe (appointed 24 October 2011)
R Smithson (appointed 24 October 2011)

COMPANY SECRETARY

L Kaswell

COMPANY NUMBER

03704349

REGISTERED OFFICE

209 London Central Markets
London
EC1A 9LH

AUDITORS

Sopher + Co
Chartered Accountants & Statutory Auditors
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

SMITHS OF SMITHFIELD LIMITED

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SMITHS OF SMITHFIELD LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and the financial statements for the year ended 31 May 2011

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be the operation and management of the restaurants at 67-77 Charterhouse Street, London and 109 Commercial Street, London

BUSINESS REVIEW

In general the Directors are satisfied with the performance of the Company in the year to 31 May 2011 despite challenging trading conditions. Increases in food and beverage prices have affected margins across the industry, however, efforts by the Directors have mitigated the effect of this on the company through the application of better controls and other cost savings.

The uncertainties faced by the Company are general economic conditions, further cost increases on food and beverage and in the case of Smiths of Smithfield, the impact of Crossrail works immediately adjacent to the restaurant. The Directors are however of the opinion that when Crossrail is completed that there will be a positive impact on trade at Smiths.

The Directors are aware of the threat posed by the economic downturn and will closely monitor costs in the year ahead. Every effort to maintain standards, and hence sales, will be made by the Management Team.

RESULTS

The profit for the year, after taxation, amounted to £183,812 (2010 - loss £380,760)

DIRECTORS

The directors who served during the year were

J Torode
R Munding
H Williams

DIRECTORS' RESPONSIBILITIES STATEMENT

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 then apply them consistently,
- make judgments and 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.

SMITHS OF SMITHFIELD LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2011**

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.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Sopher + Co will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf



J. Torode
Director

Date 8 December 2011

SMITHS OF SMITHFIELD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SMITHS OF SMITHFIELD LIMITED

We have audited the financial statements of Smiths of Smithfield Limited for the year ended 31 May 2011, set out on pages 5 to 18. 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 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 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 May 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 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.

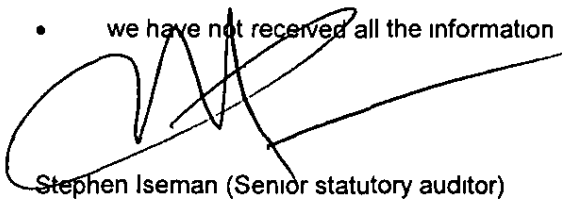
SMITHS OF SMITHFIELD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SMITHS OF SMITHFIELD LIMITED

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



Stephen Iseman (Senior statutory auditor)

for and on behalf of
Sopher + Co

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

8 December 2011

SMITHS OF SMITHFIELD LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	9,809,583	9,202,679
Cost of sales		<u>(2,923,543)</u>	<u>(2,902,583)</u>
GROSS PROFIT		6,886,040	6,300,096
Administrative expenses		<u>(6,477,020)</u>	(6,364,958)
Exceptional administrative expenses		-	(240,780)
Total administrative expenses		<u>(6,477,020)</u>	<u>(6,605,738)</u>
OPERATING PROFIT/(LOSS)	3	409,020	(305,642)
Interest receivable and similar income		1,419	88
Interest payable and similar charges	6	<u>(149,193)</u>	<u>(104,365)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		261,246	(409,919)
Tax on profit/(loss) on ordinary activities	7	<u>(77,434)</u>	29,159
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	<u>183,812</u>	<u>(380,760)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 8 to 18 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED
REGISTERED NUMBER 03704349

BALANCE SHEET
AS AT 31 MAY 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		4,634,865		5,141,439
CURRENT ASSETS					
Stocks	9	208,461		261,036	
Debtors amounts falling due after more than one year	10	533,879		683,878	
Debtors amounts falling due within one year	10	378,560		353,292	
Cash at bank and in hand		197,936		45,179	
		<u>1,318,836</u>		<u>1,343,385</u>	
CREDITORS amounts falling due within one year	11	<u>(2,365,805)</u>		<u>(5,146,353)</u>	
NET CURRENT LIABILITIES			<u>(1,046,969)</u>		<u>(3,802,968)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,587,896</u>		<u>1,338,471</u>
CREDITORS amounts falling due after more than one year	12		<u>(2,126,250)</u>		<u>(107,432)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(222,867)</u>		<u>(176,072)</u>
NET ASSETS			<u>1,238,779</u>		<u>1,054,967</u>
CAPITAL AND RESERVES					
Called up share capital	14		6,482		6,482
Capital redemption reserve	15		785,345		785,345
Profit and loss account	15		<u>446,952</u>		<u>263,140</u>
SHAREHOLDERS' FUNDS	16		<u>1,238,779</u>		<u>1,054,967</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 December 2011


J Torode
 Director

The notes on pages 8 to 18 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	17	800,158	932,308
Returns on investments and servicing of finance	18	(147,774)	(104,277)
Taxation		31,764	(78,014)
Capital expenditure and financial investment	18	(19,581)	(1,290,805)
Equity dividends paid		(6,230)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		658,337	(540,788)
Financing	18	(445,668)	141,418
INCREASE/(DECREASE) IN CASH IN THE YEAR		212,669	(399,370)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MAY 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	212,669	(399,370)
Cash outflow/(inflow) from decrease/increase in debt and lease financing	445,668	(141,418)
MOVEMENT IN NET DEBT IN THE YEAR	658,337	(540,788)
Net debt at 1 June 2010	(3,233,822)	(2,693,034)
NET DEBT AT 31 MAY 2011	(2,575,485)	(3,233,822)

The notes on pages 8 to 18 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover represents amounts receivable for restaurant sales net of Value Added Tax

Restaurant sales are recognised on a receipts basis

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

S/Term Leasehold Property	-	5% straight line
Plant & machinery	-	5% straight line
Motor vehicles	-	33% straight line
Fixtures & fittings	-	10% - 33% straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for out of date and slow-moving stocks.

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2 TURNOVER

The whole of the turnover is attributable to the principal activity

All turnover arose within the United Kingdom

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	473,894	518,266
- held under finance leases	53,330	75,289
Auditors' remuneration	13,000	11,825
Auditors' remuneration - non-audit	2,000	2,250
Operating lease rentals		
- other operating leases	474,703	416,140
Exceptional administrative expenses - pre-opening costs	-	240,780

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	3,318,212	3,186,090
Social security costs	264,429	270,456
Other pension costs	16,285	11,235
	<u>3,598,926</u>	<u>3,467,781</u>

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

	2011 No.	2010 No
Administration	8	7
Operational	207	220
	<u>215</u>	<u>227</u>

5. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>236,000</u>	<u>212,000</u>

The highest paid director received remuneration of £140,000 (2010 - £140,000)

6. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	117,545	94,781
On other loans	11,845	1,374
On finance leases and hire purchase contracts	19,803	8,210
	<u>149,193</u>	<u>104,365</u>

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

7. TAXATION

	2011 £	2010 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	30,639	(32,892)
Deferred tax (see note 13)		
Origination and reversal of timing differences	46,795	3,733
Tax on profit/loss on ordinary activities	<u>77,434</u>	<u>(29,159)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 20 83% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Profit/loss on ordinary activities before tax	<u>261,246</u>	<u>(409,919)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 83% (2010 - 21%)	54,418	(86,083)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(8)	-
Capital allowances for year in excess of depreciation	30,261	6,233
Utilisation of tax losses	(54,032)	-
Capitalised revenue expenditure	-	(6,167)
Unrelieved tax losses carried forward	-	53,125
Current tax charge/(credit) for the year (see note above)	<u>30,639</u>	<u>(32,892)</u>

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

8. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 June 2010	4,627,895	1,057,783	10,704	2,331,942	8,028,324
Additions	6,045	-	-	37,574	43,619
Disposals	-	-	(10,704)	(18,212)	(28,916)
At 31 May 2011	<u>4,633,940</u>	<u>1,057,783</u>	<u>-</u>	<u>2,351,304</u>	<u>8,043,027</u>
Depreciation					
At 1 June 2010	1,223,028	39,667	2,676	1,621,514	2,886,885
Charge for the year	231,697	52,709	3,271	239,547	527,224
On disposals	-	-	(5,947)	-	(5,947)
At 31 May 2011	<u>1,454,725</u>	<u>92,376</u>	<u>-</u>	<u>1,861,061</u>	<u>3,408,162</u>
Net book value					
At 31 May 2011	<u>3,179,215</u>	<u>965,407</u>	<u>-</u>	<u>490,243</u>	<u>4,634,865</u>
At 31 May 2010	<u>3,404,867</u>	<u>1,018,116</u>	<u>8,028</u>	<u>710,428</u>	<u>5,141,439</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Furniture, fittings and equipment	<u>-</u>	<u>225,865</u>

9 STOCKS

	2011 £	2010 £
Finished goods and goods for resale	<u>208,461</u>	<u>261,036</u>

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

10. DEBTORS

	2011 £	2010 £
Due after more than one year		
Amounts owed by group undertakings	533,879	683,878
	<u>533,879</u>	<u>683,878</u>
Due within one year		
Trade debtors	52,444	28,149
Other debtors	139,482	171,592
Prepayments and accrued income	186,634	153,551
	<u>378,560</u>	<u>353,292</u>

11. CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	567,171	2,972,583
Other loans	80,000	110,000
Net obligations under finance leases and hire purchase contracts	-	88,986
Trade creditors	502,289	764,402
Corporation tax	30,639	1,128
Social security and other taxes	398,160	393,221
Other creditors	336,119	339,002
Accruals and deferred income	451,427	477,031
	<u>2,365,805</u>	<u>5,146,353</u>

Included within bank loans and overdrafts is £567,000 which is secured by legal charges over the leasehold properties and a fixed and floating charge over all the assets of the company

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

12. CREDITORS

Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	2,126,250	-
Net obligations under finance leases and hire purchase contracts	-	107,432
	<u>2,126,250</u>	<u>107,432</u>

Included within the above are amounts falling due as follows

	2011 £	2010 £
Between one and two years		
Bank loans	<u>567,000</u>	-
Between two and five years		
Bank loans	<u>1,559,250</u>	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £	2010 £
Between one and five years	<u>-</u>	<u>107,432</u>

The bank loan is secured by legal charges over the leasehold properties and a fixed and floating charge over all the other assets of the company

13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	176,072	172,339
Charge for year	46,795	3,733
	<u>222,867</u>	<u>176,072</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>222,867</u>	<u>176,072</u>

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
6,482 Ordinary shares of £1 each	<u>6,482</u>	<u>6,482</u>

15. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 June 2010	785,345	263,140
Profit for the year		183,812
At 31 May 2011	<u>785,345</u>	<u>446,952</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,054,967	1,435,727
Profit/(loss) for the year	<u>183,812</u>	<u>(380,760)</u>
Closing shareholders' funds	<u>1,238,779</u>	<u>1,054,967</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit/(loss)	409,020	(305,642)
Depreciation of tangible fixed assets	527,224	593,555
Profit on disposal of tangible fixed assets	(1,069)	-
Decrease in stocks	52,575	145,313
Decrease/(increase) in debtors	98,069	(117,618)
(Decrease)/increase in creditors	<u>(285,661)</u>	<u>616,700</u>
Net cash inflow from operating activities	<u>800,158</u>	<u>932,308</u>

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,419	88
Interest paid	(129,390)	(96,155)
Hire purchase interest	(19,803)	(8,210)
Net cash outflow from returns on investments and servicing of finance	(147,774)	(104,277)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(43,619)	(1,304,330)
Sale of tangible fixed assets	24,038	13,525
Net cash outflow from capital expenditure	(19,581)	(1,290,805)
	2011 £	2010 £
Financing		
Repayment of loans	(219,250)	(165,000)
Other new loans	-	110,000
Repayment of other loans	(30,000)	-
(Repayment of)/new finance leases	(196,418)	196,418
Net cash (outflow)/inflow from financing	(445,668)	141,418

19 ANALYSIS OF CHANGES IN NET DEBT

	1 June 2010 £	Cash flow £	Other non-cash changes £	31 May 2011 £
Cash at bank and in hand	45,179	152,757	-	197,936
Bank overdraft	(60,083)	59,912	-	(171)
	(14,904)	212,669	-	197,765
Debt				
Debts due within one year	(3,111,486)	445,668	2,018,818	(647,000)
Debts falling due after more than one year	(107,432)	-	(2,018,818)	(2,126,250)
Net debt	(3,233,822)	658,337	-	(2,575,485)

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

20. CONTINGENT LIABILITIES

The company has given a cross guarantee to secure the banking facilities of its parent company, Korado Limited. At the balance sheet date the potential liability in respect of the guarantee amounted to £2,693,250 (2010 - £Nil)

21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,285 (2010 - £11,235). Contributions totalling £Nil (2010 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

22. OPERATING LEASE COMMITMENTS

At 31 May 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within 1 year	-	-	2,145	-
Between 2 and 5 years	2,000	2,000	-	771
After more than 5 years	480,700	480,700	-	-
	<u>482,700</u>	<u>482,700</u>	<u>-</u>	<u>-</u>

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

23. RELATED PARTY TRANSACTIONS

During the year administration charges of £216,000 (2010 - £209,000) were paid to CTB Accounts Limited, a company of which J Torode and R Munding are both shareholders and J Torode is a director

Included within other creditors at the year end is £30,239 (2010 - £30,239) owed to R Munding, a director of the company No interest has been paid on this loan

Included within other creditors at the year end is £24,766 (2010 - £24,766) owed to Aristolend Limited, a company in which R Munding is a director No interest has been paid on this loan

Included within other creditors at the year end is £8,226 (2010 - £8,226) owed to Northern Light Limited, a company in which R Munding is a director No interest has been paid on this loan

Included within other loans at the year end is £5,000 (2010 - £10,000) owed to J Torode, a director Interest is payable for the year amounting to £375 (2010 - £150)

Included within other loans at the year end is £25,000 (2010 - £50,000) owed to Marcel Limited, a company in which J Torode is a director The loan is repayable on demand Interest is payable quarterly at 5% per annum, which resulted in interest payable for the year amounting to £1,500 (2010 - £750)

At the year end the company was owed £533,879 (2010 - £683,878) by Korado Limited, the company's parent During the year £150,000 was repaid by Korado Limited All of the directors of Korado Limited are also directors of Smiths of Smithfield Limited

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is wholly owned by Korado Limited The ultimate controlling party is C&R Global Marketing Limited, a company registered in Cyprus