

Registered number: 03704349

SMITHS OF SMITHFIELD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

THURSDAY



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SMITHS OF SMITHFIELD LIMITED

COMPANY INFORMATION

DIRECTORS

R Munding
H Williams
J Ratcliffe
R Smithson

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

CONTENTS

| | Page |
|--|--------|
| Directors' Report | 1 - 2 |
| Independent Auditors' Report | 3 - 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Cash Flow Statement | 7 |
| Notes to the Financial Statements | 8 - 16 |

SMITHS OF SMITHFIELD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2012

The directors present their report and the financial statements for the year ended 31 May 2012

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 2012 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 the Smiths of Smithfield restaurant, the impact of Crossrail works immediately adjacent to the restaurant. The Directors are of the opinion that the completion of the Crossrail project will generate a positive impact on trade at that location.

The Directors are aware of the threat posed by economic conditions and continue to closely monitor costs in the year ahead, whilst maintaining both standards and sales levels.

RESULTS

The profit for the year, after taxation, amounted to £66,248 (2011 - £183,811)

DIRECTORS

The directors who served during the year were

J Torode (resigned 31 August 2012)
R Munding
H Williams
J Ratcliffe (appointed 24 October 2011)
R Smithson (appointed 24 October 2011)

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

SMITHS OF SMITHFIELD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2012

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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

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 on 12 March 2013 and signed on its behalf



R Munding
Director

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 2012, set out on pages 5 to 16. 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 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 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.

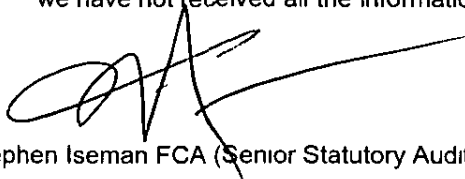
SMITHS OF SMITHFIELD LIMITED

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 FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

12 March 2013

SMITHS OF SMITHFIELD LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2012

| | Note | 2012 £ | 2011 £ |
|--|------|--------------------|--------------------|
| TURNOVER | 1,2 | 9,312,109 | 9,809,583 |
| Cost of sales | | <u>(2,734,303)</u> | <u>(2,923,543)</u> |
| GROSS PROFIT | | 6,577,806 | 6,886,040 |
| Administrative expenses | | <u>(6,410,540)</u> | <u>(6,477,020)</u> |
| OPERATING PROFIT | 3 | 167,266 | 409,020 |
| Interest receivable and similar income | | - | 1,419 |
| Interest payable and similar charges | 6 | <u>(85,864)</u> | <u>(149,194)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 81,402 | 261,245 |
| Tax on profit on ordinary activities | 7 | <u>(15,154)</u> | <u>(77,434)</u> |
| PROFIT FOR THE FINANCIAL YEAR | 15 | 66,248 | 183,811 |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 8 to 16 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED
03704349

BALANCE SHEET
AS AT 31 MAY 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|--|------|--------------------|--------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 4,219,716 | | 4,634,865 |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 191,088 | | 208,461 | |
| Debtors amounts falling due after more than one year | 10 | 533,879 | | 533,879 | |
| Debtors amounts falling due within one year | 10 | 335,635 | | 378,560 | |
| Cash at bank and in hand | | 168,708 | | 197,936 | |
| | | <u>1,229,310</u> | | <u>1,318,836</u> | |
| CREDITORS: amounts falling due within one year | 11 | <u>(2,323,455)</u> | | <u>(2,365,805)</u> | |
| NET CURRENT LIABILITIES | | | <u>(1,094,145)</u> | | <u>(1,046,969)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>3,125,571</u> | | <u>3,587,896</u> |
| CREDITORS: amounts falling due after more than one year | 12 | | <u>(1,643,438)</u> | | <u>(2,126,250)</u> |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 13 | | <u>(177,106)</u> | | <u>(222,867)</u> |
| NET ASSETS | | | <u>1,305,027</u> | | <u>1,238,779</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 | | 513,200 | | 446,952 |
| SHAREHOLDERS' FUNDS | 16 | | <u>1,305,027</u> | | <u>1,238,779</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 March 2013.


R Munding
Director

The notes on pages 8 to 16 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2012**

| | Note | 2012 £ | 2011 £ |
|---|------|-----------------|----------------|
| Net cash flow from operating activities | 17 | 712,164 | 800,156 |
| Returns on investments and servicing of finance | 18 | (85,864) | (147,774) |
| Taxation | | (30,640) | 31,764 |
| Capital expenditure and financial investment | 18 | (122,888) | (19,581) |
| Equity dividends paid | | - | (6,230) |
| CASH INFLOW BEFORE FINANCING | | 472,772 | 658,335 |
| Financing | 18 | (502,000) | (445,668) |
| (DECREASE)/INCREASE IN CASH IN THE YEAR | | (29,228) | 212,667 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MAY 2012**

| | 2012 £ | 2011 £ |
|--|--------------------|--------------------|
| (Decrease)/Increase in cash in the year | (29,228) | 212,667 |
| Cash outflow/(inflow) from decrease/increase in debt and lease financing | 502,000 | 445,668 |
| MOVEMENT IN NET DEBT IN THE YEAR | 472,772 | 658,335 |
| Net debt at 1 June 2011 | (2,575,485) | (3,233,820) |
| NET DEBT AT 31 MAY 2012 | (2,102,713) | (2,575,485) |

The notes on pages 8 to 16 form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2012

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 at the point of sale

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 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

1.5 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

1.6 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

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

1. ACCOUNTING POLICIES (continued)

1.7 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

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

| | 2012 £ | 2011 £ |
|---------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 538,610 | 473,894 |
| - held under finance leases | - | 53,330 |
| Auditors' remuneration | 13,500 | 13,000 |
| Auditors' remuneration - non-audit | - | 2,000 |
| Operating lease rentals | | |
| - other operating leases | 470,059 | 474,703 |
| | <u> </u> | <u> </u> |

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 2012 £ | 2011 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 3,220,692 | 3,318,212 |
| Social security costs | 231,311 | 264,429 |
| Other pension costs | 21,121 | 16,285 |
| | <u> </u> | <u> </u> |
| | 3,473,124 | 3,598,926 |
| | <u> </u> | <u> </u> |

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

| | 2012 No | 2011 No |
|----------------|-------------------|-------------------|
| Administration | 10 | 8 |
| Operational | 188 | 207 |
| | <u> </u> | <u> </u> |
| | 198 | 215 |
| | <u> </u> | <u> </u> |

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

5 DIRECTORS' REMUNERATION

| | 2012 | 2011 |
|------------|----------------|----------------|
| | £ | £ |
| Emoluments | 175,130 | 236,000 |

6. INTEREST PAYABLE

| | 2012 | 2011 |
|---|---------------|----------------|
| | £ | £ |
| On bank loans and overdrafts | 72,967 | 117,545 |
| On other loans | 12,897 | 11,846 |
| On finance leases and hire purchase contracts | - | 19,803 |
| | 85,864 | 149,194 |

7. TAXATION

| | 2012 | 2011 |
|--|-----------------|---------------|
| | £ | £ |
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 60,915 | 30,639 |
| Deferred tax (see note 13) | | |
| Origination and reversal of timing differences | (45,761) | 46,795 |
| Tax on profit on ordinary activities | 15,154 | 77,434 |

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

7 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the composite rate of corporation tax in the UK of 25.67% (2011 - 20.83%). The differences are explained below

| | 2012 £ | 2011 £ |
|--|----------------------|----------------------|
| Profit on ordinary activities before tax | <u>81,402</u> | <u>261,245</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.67% (2011 - 20.83%) | 20,896 | 54,417 |
| Effects of | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | (7) |
| Capital allowances for year in excess of depreciation | 46,969 | 30,261 |
| Utilisation of tax losses | - | (54,032) |
| Marginal relief | (6,950) | - |
| Current tax charge for the year (see note above) | <u><u>60,915</u></u> | <u><u>30,639</u></u> |

8. TANGIBLE FIXED ASSETS

| | S/Term Leasehold Property £ | Plant & machinery £ | Fixtures & fittings £ | Total £ |
|-----------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------|
| Cost | | | | |
| At 1 June 2011 | 4,633,940 | 1,057,783 | 2,351,304 | 8,043,027 |
| Additions | 9,198 | - | 114,263 | 123,461 |
| At 31 May 2012 | <u>4,643,138</u> | <u>1,057,783</u> | <u>2,465,567</u> | <u>8,166,488</u> |
| Depreciation | | | | |
| At 1 June 2011 | 1,454,725 | 92,376 | 1,861,061 | 3,408,162 |
| Charge for the year | 232,157 | 52,523 | 253,930 | 538,610 |
| At 31 May 2012 | <u>1,686,882</u> | <u>144,899</u> | <u>2,114,991</u> | <u>3,946,772</u> |
| Net book value | | | | |
| At 31 May 2012 | <u><u>2,956,256</u></u> | <u><u>912,884</u></u> | <u><u>350,576</u></u> | <u><u>4,219,716</u></u> |
| At 31 May 2011 | <u><u>3,179,215</u></u> | <u><u>965,407</u></u> | <u><u>490,243</u></u> | <u><u>4,634,865</u></u> |

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

9. STOCKS

| | 2012 £ | 2011 £ |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | <u>191,088</u> | <u>208,461</u> |

10. DEBTORS

| | 2012 £ | 2011 £ |
|-------------------------------------|----------------|----------------|
| Due after more than one year | | |
| Amounts owed by group undertakings | <u>533,879</u> | <u>533,879</u> |
| Due within one year | | |
| Trade debtors | 63,740 | 52,444 |
| Other debtors | 135,626 | 139,482 |
| Prepayments and accrued income | 136,269 | 186,634 |
| | <u>335,635</u> | <u>378,560</u> |

11 CREDITORS

Amounts falling due within one year

| | 2012 £ | 2011 £ |
|---------------------------------|------------------|------------------|
| Bank loans and overdrafts | 547,983 | 567,171 |
| Other loans | 80,000 | 80,000 |
| Trade creditors | 433,007 | 502,289 |
| Corporation tax | 60,915 | 30,639 |
| Social security and other taxes | 369,673 | 398,160 |
| Other creditors | 338,252 | 336,119 |
| Accruals and deferred income | 493,625 | 451,427 |
| | <u>2,323,455</u> | <u>2,365,805</u> |

The bank loan and overdrafts are 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 2012

12. CREDITORS

Amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|------------|------------------|------------------|
| Bank loans | <u>1,643,438</u> | <u>2,126,250</u> |

Included within the above are amounts falling due as follows

| | 2012 £ | 2011 £ |
|-----------------------------------|------------------|------------------|
| Between one and two years | | |
| Bank loans | <u>547,813</u> | <u>567,000</u> |
| Between two and five years | | |
| Bank loans | <u>1,095,625</u> | <u>1,559,250</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

| | 2012 £ | 2011 £ |
|-----------------------------------|-----------------|----------------|
| At beginning of year | 222,867 | 176,072 |
| (Released during)/charge for year | <u>(45,761)</u> | <u>46,795</u> |
| At end of year | <u>177,106</u> | <u>222,867</u> |

The provision for deferred taxation is made up as follows

| | 2012 £ | 2011 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | <u>177,106</u> | <u>222,867</u> |

14. SHARE CAPITAL

| | 2012 £ | 2011 £ |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 6,482 Ordinary shares of £1 each | <u>6,482</u> | <u>6,482</u> |

SMITHS OF SMITHFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

15 RESERVES

| | Capital redemption reserve £ | Profit and loss account £ |
|---------------------|---------------------------------------|---------------------------------|
| At 1 June 2011 | 785,345 | 446,952 |
| Profit for the year | | 66,248 |
| At 31 May 2012 | <u>785,345</u> | <u>513,200</u> |

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2012 £ | 2011 £ |
|-----------------------------|------------------|------------------|
| Opening shareholders' funds | 1,238,779 | 1,054,968 |
| Profit for the year | 66,248 | 183,811 |
| Closing shareholders' funds | <u>1,305,027</u> | <u>1,238,779</u> |

17 NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2012 £ | 2011 £ |
|--|----------------|----------------|
| Operating profit | 167,266 | 409,020 |
| Depreciation of tangible fixed assets | 538,610 | 527,224 |
| Profit on disposal of tangible fixed assets | (573) | (1,069) |
| Decrease in stocks | 17,373 | 52,575 |
| Decrease in debtors | 42,925 | 98,069 |
| Decrease in creditors | (53,437) | (285,663) |
| Net cash inflow from operating activities | <u>712,164</u> | <u>800,156</u> |

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

| | 2012 £ | 2011 £ |
|--|-----------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest received | - | 1,419 |
| Interest paid | (85,864) | (129,390) |
| Hire purchase interest | - | (19,803) |
| Net cash outflow from returns on investments and servicing of finance | <u>(85,864)</u> | <u>(147,774)</u> |

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (123,461) | (43,619) |
| Sale of tangible fixed assets | 573 | 24,038 |
| Net cash outflow from capital expenditure | (122,888) | (19,581) |
| | 2012 £ | 2011 £ |
| Financing | | |
| Repayment of loans | (502,000) | (219,250) |
| Repayment of other loans | - | (30,000) |
| Repayment of finance leases | - | (196,418) |
| Net cash outflow from financing | (502,000) | (445,668) |

19 ANALYSIS OF CHANGES IN NET DEBT

| | 1 June 2011 £ | Cash flow £ | Other non-cash changes £ | 31 May 2012 £ |
|---|---------------------|-----------------|-----------------------------------|---------------------|
| Cash at bank and in hand | 197,936 | (29,228) | - | 168,708 |
| Bank overdraft | (171) | - | - | (171) |
| | <u>197,765</u> | <u>(29,228)</u> | <u>-</u> | <u>168,537</u> |
| Debt: | | | | |
| Debts due within one year | (647,000) | 19,188 | - | (627,812) |
| Debts falling due after more than one year | (2,126,250) | 482,812 | - | (1,643,438) |
| Net debt | (2,575,485) | 472,772 | - | (2,102,713) |

20. 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 £21,121 (2011 - £16,285).

SMITHS OF SMITHFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2012

21. OPERATING LEASE COMMITMENTS

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as follows

| Expiry date: | Land and buildings | | 2012 | Other |
|-------------------------|--------------------|---------|-------|-------|
| | 2012 | 2011 | | 2011 |
| | £ | £ | £ | £ |
| Within 1 year | 11,000 | - | 5,427 | 2,145 |
| Between 2 and 5 years | 2,000 | 2,000 | - | - |
| After more than 5 years | 467,500 | 480,700 | - | - |

22. RELATED PARTY TRANSACTIONS

During the year administration charges of £155,417 (2011 - £216,000) 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 (2011 - £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 (2011 - £24,766) owed to Aristolend Limited, a company of 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 (2011 - £8,226) owed to Northern Light Limited, a company of which R Munding is a director No interest has been paid on this loan

Included within other creditors at the year end is £80,835 (2011 - £80,835) owed to Longlac Holdings Limited, an intermediate holding company No interest has been paid on this loan

Included within other loans at the year end is £5,000 (2011 - £5,000) owed to J Torode, a director during the year The loan is repayable on demand Interest payable for the year amounted to £375 (2011 - £375)

Included within other loans at the year end is £25,000 (2011 - £25,000) owed to Marcel Limited, a company of 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 £1,250 (2011 - £1,500)

The company forms part of a wholly-owned group for which consolidated financial statements are publicly available and accordingly has taken advantage of the exemption allowed under Financial Reporting Standard 8 Related Party Disclosures not to disclose transactions with other group entities

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is wholly owned by Korado Limited, a company registered in England and Wales The ultimate controlling party is C&R Global Marketing Limited, a company registered in Cyprus The directors consider that there is no overall ultimate controlling party