

AGW Holdings Limited

Directors' Report and Consolidated Financial Statements
for the Year Ended 31 December 2010

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COMPANIES HOUSE

Landin Wilcock & Co
Chartered Accountants & Registered Auditors
68 Queen Street
Sheffield
S1 1WR

AGW Holdings Limited

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AGW Holdings Limited
Company Information

Directors	A E Godwin N S Godwin Mrs A J Godwin P Gillott
Secretary	Mrs A J Godwin
Registered office	Adelphi Way Ireland Industrial Estate Staveley Derbyshire S43 3LS
Solicitors	Wake Smith & Tofields 68 Clarkehouse Road Sheffield S10 2LJ
Bank	National Westminster Bank Plc Sheffield City Office 42 High Street Sheffield S1 2GE
Auditors	Landin Wilcock & Co Chartered Accountants & Registered Auditors 68 Queen Street Sheffield S1 1WR

AGW Holdings Limited

Directors' Report for the Year Ended 31 December 2010

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2010

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the group is the manufacture of electronic components.

Business review

Fair review of the business

The group has managed to significantly increase its turnover on that of the previous year and despite the current economic climate the group has now returned back to profitability as a consequence of this.

Development and performance of the business

	2010	2009	2008	2007	2006
Turnover	£3,472,433	£2,714,280	£3,327,317	£3,562,432	£4,047,460
Turnover growth	28%	(18)%	(7)%	(12)%	5%
Gross profit margin	36%	33%	36%	39%	37%
Profit before tax	£333,515	(£47,064)	£261,904	£572,912	£675,486

AGW Holdings Limited
Directors' Report for the Year Ended 31 December 2010

continued

Position of the business

At the end of the year, the net assets totalled £3,151,225

Financial risk

Financial risk management objectives and policies

The Group's principal financial instruments comprise current and non-current investments, cash and short term deposits. The main purpose of these financial instruments is to manage the Group's funding and liquidity requirements. The Group has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from the directors. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Results and dividend

The results for the group are set out in the financial statements.

The directors do not recommend the payment of a dividend.

AGW Holdings Limited
Directors' Report for the Year Ended 31 December 2010

continued

Directors

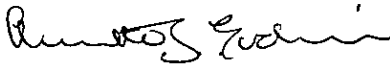
The directors who held office during the year were as follows

- A E Godwin
- N S Godwin
- Mrs A J Godwin
- P Gillott

Auditors

The auditors, Landin Wilcock & Co are deemed to be re-appointed in accordance with section 487(2) of the Companies ACT 2006

Approved by the Board on 6 June 2011 and signed on its behalf by



Mrs A J Godwin
Company Secretary

Independent Auditors' Report to the Members of AGW Holdings Limited

We have audited the financial statements of AGW Holdings Limited for the year ended 31 December 2010, set out on pages 7 to 26. 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 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 set out on page 2, 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 group's and the parent 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 statements in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

**Independent Auditors' Report to the Members of
AGW Holdings Limited**

continued

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's 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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Glen Marshall

Senior Statutory Auditor

for and on behalf of
Landin Wilcock & Co, Statutory Auditor

68 Queen Street
Sheffield
S1 1WR

Date 17/06/11

AGW Holdings Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	3,472,433	2,714,280
Cost of sales		<u>(2,236,872)</u>	<u>(1,810,226)</u>
Gross profit		1,235,561	904,054
Administrative expenses		(919,940)	(969,220)
Other operating income	3	<u>1,400</u>	<u>1,400</u>
Operating profit/(loss)	4	317,021	(63,766)
Other interest receivable and similar income		<u>16,494</u>	<u>16,702</u>
Profit/(loss) on ordinary activities before taxation		333,515	(47,064)
Tax on profit/(loss) on ordinary activities	8	<u>(72,767)</u>	<u>22,850</u>
Profit/(loss) for the financial year	20	260,748	(24,214)
Profit and loss reserve brought forward		2,885,377	3,909,591
Dividends	9	<u>-</u>	<u>(1,000,000)</u>
Profit and loss reserve carried forward		<u><u>3,146,125</u></u>	<u><u>2,885,377</u></u>

Turnover and operating profit/(loss) derive wholly from continuing operations
The group has no recognised gains or losses for the year other than the results above

The notes on pages 11 to 26 form an integral part of these financial statements

AGW Holdings Limited
Consolidated Balance Sheet as at 31 December 2010

		2010		2009	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		1,169,465		1,203,787
Current assets					
Stocks	12	461,227		477,480	
Debtors	13	731,842		452,875	
Investments	14	717,297		407,869	
Cash at bank and in hand		<u>1,592,756</u>		<u>1,762,381</u>	
		3,503,122		3,100,605	
Creditors. Amounts falling due within one year	15	<u>(1,444,274)</u>		<u>(1,336,783)</u>	
Net current assets			<u>2,058,848</u>		<u>1,763,822</u>
Total assets less current liabilities			3,228,313		2,967,609
Creditors: Amounts falling due after more than one year	16		(50,600)		(52,000)
Provisions for liabilities	17		<u>(26,488)</u>		<u>(25,132)</u>
Net assets			<u>3,151,225</u>		<u>2,890,477</u>
Capital and reserves					
Called up share capital	19		2,600		2,600
Other reserves	20		2,500		2,500
Profit and loss reserve	20		<u>3,146,125</u>		<u>2,885,377</u>
Shareholders' funds	21		<u>3,151,225</u>		<u>2,890,477</u>

Approved by the Board on 6 June 2011 and signed on its behalf by



A E Godwin
Director

Registration Number: 04512302

The notes on pages 11 to 26 form an integral part of these financial statements

AGW Holdings Limited
Balance Sheet as at 31 December 2010

		2010	2009
	Note	£	£
Fixed assets			
Tangible assets	10	992,839	1,011,979
Investments	11	<u>2,600</u>	<u>2,600</u>
		995,439	1,014,579
Current assets			
Debtors	13	63,789	63,332
Investments	14	655,027	345,661
Cash at bank and in hand		<u>935,696</u>	<u>1,179,881</u>
		1,654,512	1,588,874
Creditors: Amounts falling due within one year	15	<u>(1,014,801)</u>	<u>(1,014,408)</u>
Net current assets		<u>639,711</u>	<u>574,466</u>
Total assets less current liabilities		1,635,150	1,589,045
Provisions for liabilities	17	<u>(2,793)</u>	<u>(2,422)</u>
Net assets		<u>1,632,357</u>	<u>1,586,623</u>
Capital and reserves			
Called up share capital	19	2,600	2,600
Profit and loss reserve	20	<u>1,629,757</u>	<u>1,584,023</u>
Shareholders' funds	21	<u>1,632,357</u>	<u>1,586,623</u>

Approved by the Board on 6 June 2011 and signed on its behalf by



A E Godwin
Director

Registration Number: 04512302

The notes on pages 11 to 26 form an integral part of these financial statements

AGW Holdings Limited
Consolidated Cash Flow Statement for the Year Ended 31 December 2010

		2010	2009
	Note	£	£
Net cash flow from operating activities	23	134,186	1,178,717
Returns on investment and servicing of finance	24	16,494	16,702
Taxation	24	12,899	(54,415)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(38,401)	(1,126)
Sale of tangible fixed assets		14,625	9,500
		<u>(23,776)</u>	<u>8,374</u>
Equity dividends paid		-	(1,000,000)
Increase in cash		<u>139,803</u>	<u>149,378</u>

Reconciliation of net cash flow to movement in net funds

		2010	2009
	Note	£	£
Increase in cash in the year	25	<u>139,803</u>	<u>149,378</u>
Change in net funds resulting from cash flows		139,803	149,378
Net funds at the start of the year	25	<u>2,170,250</u>	<u>2,020,872</u>
Net funds at the end of the year	25	<u>2,310,053</u>	<u>2,170,250</u>

The notes on pages 11 to 26 form an integral part of these financial statements

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

1 Accounting policies

Basis of preparation

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

Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2010. The acquisitions method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. Its profit for the financial year was £45,734 (2009 - £145,679).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land	no depreciation
Freehold buildings	2% per annum of cost
Plant and machinery	10% per annum of written down value
Fixtures and fittings	25% per annum of written down value
Motor vehicles	25% per annum of written down value
Office equipment	20% per annum of written down value

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

continued

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities

2 Turnover

An analysis of turnover by geographical market is given below

	2010 £	2009 £
Sales - UK	3,091,152	2,358,033
Sales - Europe	138,399	309,327
Sales - Rest of world	242,882	46,920
	<u>3,472,433</u>	<u>2,714,280</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

3 Other operating income

	2010	2009
	£	£
Grants and subsidies receivable	<u>1,400</u>	<u>1,400</u>

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2010	2009
	£	£
The audit of the company's annual accounts	11,930	11,730
Foreign currency (gains)/losses	(19)	793
Loss on disposal of tangible fixed assets	2,366	1,926
Depreciation of owned assets	<u>55,732</u>	<u>57,559</u>

5 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	2010	2009
	No.	No.
Production	78	47
Distribution	4	4
Administration	21	20
Management	3	3
	<u>106</u>	<u>74</u>

The aggregate payroll costs of these persons were as follows

	2010	2009
	£	£
Wages and salaries	1,233,231	1,101,635
Social security costs	94,300	87,177
Other pension costs	20,303	120,304
	<u>1,347,834</u>	<u>1,309,116</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

6 Directors' remuneration

The directors' remuneration for the year are as follows

	2010	2009
	£	£
Directors' remuneration (including benefits in kind)	150,846	156,958
Directors' money purchase schemes	19,763	119,764
	<u>170,609</u>	<u>276,722</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2010	2009
	No.	No.
Money purchase	<u>2</u>	<u>2</u>

7 Income from investments

	2010	2009
	£	£
Current asset investments	<u>1,970</u>	<u>-</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

8 Taxation

Analysis of current period tax charge/(credit)

	2010 £	2009 £
Current tax		
Corporation tax charge/(credit)	62,835	(12,757)
(Over)/under provision in previous year	<u>8,576</u>	<u>-</u>
UK Corporation tax	<u>71,411</u>	<u>(12,757)</u>
 Deferred tax		
Origination and reversal of timing differences	<u>1,356</u>	<u>(10,093)</u>
 Total tax on profit/(loss) on ordinary activities	<u><u>72,767</u></u>	<u><u>(22,850)</u></u>

Factors affecting current period tax charge/(credit)

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28.00% (2009 - 21.00%)

The differences are reconciled below

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation	<u>333,515</u>	<u>(47,064)</u>
Standard rate corporation tax charge/(credit)	93,384	(9,883)
Expenses not deductible for tax purposes (including goods)	-	113
Non-taxable income	(944)	(294)
Accelerated capital allowances	803	2,662
Marginal relief	(6,575)	(5,355)
Loss relief	(12,298)	-
Small companies rate adjustment	(11,535)	-
Under provision prior year	<u>8,576</u>	<u>-</u>
Total current tax for the year	<u><u>71,411</u></u>	<u><u>(12,757)</u></u>

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

continued

9 Dividends

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Paid	-	1,000,000	-	1,000,000

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

10 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost						
As at 1 January 2010	1,112,904	826,267	81,384	84,638	123,992	2,229,185
Additions	-	55	1,955	35,490	901	38,401
Disposals	-	-	-	(38,505)	(1,125)	(39,630)
As at 31 December 2010	<u>1,112,904</u>	<u>826,322</u>	<u>83,339</u>	<u>81,623</u>	<u>123,768</u>	<u>2,227,956</u>
Depreciation						
As at 1 January 2010	100,925	705,809	57,097	52,285	109,282	1,025,398
Eliminated on disposals	-	-	-	(22,639)	-	(22,639)
Charge for the year	19,140	18,076	2,624	12,995	2,897	55,732
As at 31 December 2010	<u>120,065</u>	<u>723,885</u>	<u>59,721</u>	<u>42,641</u>	<u>112,179</u>	<u>1,058,491</u>
Net book value						
As at 31 December 2010	<u>992,839</u>	<u>102,437</u>	<u>23,618</u>	<u>38,982</u>	<u>11,589</u>	<u>1,169,465</u>
As at 31 December 2009	<u>1,011,979</u>	<u>120,458</u>	<u>24,287</u>	<u>32,353</u>	<u>14,710</u>	<u>1,203,787</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

Company

**Freehold
land and
buildings
£**

Cost

As at 1 January 2010 and 31 December 2010

1,112,904

Depreciation

As at 1 January 2010

100,925

Charge for the year

19,140

As at 31 December 2010

120,065

Net book value

As at 31 December 2010

992,839

As at 31 December 2009

1,011,979

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

11 Investments held as fixed assets

Company

	Shares in group undertakings £
Cost	
As at 1 January 2010 and 31 December 2010	<u>2,600</u>
Net book value	
As at 31 December 2010	<u>2,600</u>
As at 31 December 2009	<u>2,600</u>
The group holds more than 20% of the share capital of the following companies	

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
AGW Electronics Limited	England and Wales	Electronic equipment manufacturers	Ordinary	100
AGW International Limited	England and Wales	Electronic equipment manufacturers	Ordinary	100

12 Stocks and work in progress

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Raw materials	248,096	235,493	-	-
Work in progress	82,680	62,195	-	-
Finished goods	130,451	179,792	-	-
	<u>461,227</u>	<u>477,480</u>	<u>-</u>	<u>-</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

13 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	694,390	390,137	-	-
Amounts owed by group undertakings	-	-	57,637	57,151
Other debtors	3,525	26,484	-	-
Prepayments and accrued income	33,927	36,254	6,152	6,181
	<u>731,842</u>	<u>452,875</u>	<u>63,789</u>	<u>63,332</u>

14 Current asset investments

Group

	2010	2009
	£	£
Unlisted non-group shares	<u>717,297</u>	<u>407,869</u>

Company

	2010	2009
	£	£
Unlisted non-group shares	<u>655,027</u>	<u>345,661</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

15 Creditors: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	243,236	230,948	-	-
Amounts owed to group undertakings	-	-	100	100
Corporation tax	71,554	-	13,101	12,783
Taxation and social security	98,516	74,234	-	-
Other creditors	100,000	100,000	100,000	100,000
Director current accounts	900,000	900,000	900,000	900,000
Accruals and deferred income	30,968	31,601	1,600	1,525
	<u>1,444,274</u>	<u>1,336,783</u>	<u>1,014,801</u>	<u>1,014,408</u>

16 Creditors: Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accruals and deferred income	<u>50,600</u>	<u>52,000</u>	<u>-</u>	<u>-</u>

Included in the creditors are the following amounts due after more than five years

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
After more than five years not by instalments	<u>43,600</u>	<u>45,000</u>	<u>-</u>	<u>-</u>

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

continued

17 Provisions for liabilities

Group

	Deferred tax provision £
As at 1 January 2010	25,132
Deferred tax provision charged to the profit and loss account	1,356
Deferred tax provision utilised in the period	-
As at 31 December 2010	<u>26,488</u>

Company

	Deferred tax provision £
As at 1 January 2010	2,422
Deferred tax provision charged to the profit and loss account	371
As at 31 December 2010	<u>2,793</u>

Deferred tax

Deferred tax is provided at 21.00% (2009 - 21.00%)

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Accelerated capital allowances	<u>26,488</u>	<u>25,132</u>	<u>2,793</u>	<u>2,422</u>

18 Pension scheme

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £20,303 (2009 - £120,304).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

19 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
Equity		
2,600 Ordinary shares of £1 each	<u>2,600</u>	<u>2,600</u>

20 Reserves

Group

	Other reserves £	Profit and loss reserve £	Total £
Balance at 1 January 2010	2,500	2,885,377	2,887,877
Transfer from profit and loss account for the year	<u>-</u>	<u>260,748</u>	<u>260,748</u>
Balance at 31 December 2010	<u>2,500</u>	<u>3,146,125</u>	<u>3,148,625</u>

Company

	Profit and loss reserve £
Balance at 1 January 2010	1,584,023
Transfer from profit and loss account for the year	<u>45,734</u>
Balance at 31 December 2010	<u>1,629,757</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

21 Reconciliation of movements in shareholders' funds

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Profit/(loss) attributable to members of the group/company	260,748	(24,214)	45,734	145,679
Dividends	-	(1,000,000)	-	(1,000,000)
	<u>260,748</u>	<u>(1,024,214)</u>	<u>45,734</u>	<u>(854,321)</u>
Opening shareholders' funds	<u>2,890,477</u>	<u>3,914,691</u>	<u>1,586,623</u>	<u>2,440,944</u>
Closing shareholders' funds	<u>3,151,225</u>	<u>2,890,477</u>	<u>1,632,357</u>	<u>1,586,623</u>

22 Operating lease commitments

Group

As at 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and Buildings	
	2010	2009
	£	£
Within two and five years	<u>66,000</u>	<u>66,000</u>

AGW Holdings Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

continued

23 Reconciliation of operating profit/(loss) to operating cash flows

	2010	2009
	£	£
Operating profit/(loss)	317,021	(63,766)
Depreciation, amortisation and impairment charges	55,732	57,559
Loss on disposal of fixed assets	2,366	1,926
Decrease in stocks	16,253	94,377
(Increase)/decrease in debtors	(291,724)	66,036
Increase in creditors	34,538	1,022,585
Net cash inflow from operating activities	<u>134,186</u>	<u>1,178,717</u>

24 Analysis of cash flows

	2010	2009
	£	£
Returns on investment and servicing of finance		
Interest received	<u>16,494</u>	<u>16,702</u>
Taxation		
Taxation paid	142	(54,415)
Taxation refund	<u>12,757</u>	<u>-</u>
	<u>12,899</u>	<u>(54,415)</u>

25 Analysis of net funds

	At start of period	Cash flow	At end of period
	£	£	£
Cash at bank and in hand	<u>1,762,381</u>	<u>(169,625)</u>	<u>1,592,756</u>
Current asset investments	407,869	309,428	717,297
Net funds	<u>2,170,250</u>	<u>139,803</u>	<u>2,310,053</u>

AGW Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

continued

26 Related parties

Controlling entity

The company is controlled by the directors who own 90% of the called up share capital

Directors' loan accounts

The following balances owed to the directors were outstanding at the year end

	Maximum Balance £	2010 £	2009 £
A E Godwin	450,000	450,000	450,000
Mrs A J Godwin	150,000	150,000	150,000
N S Godwin	300,000	300,000	300,000
	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>

No interest is charged in respect of these balances