

**REGISTERED NUMBER: 4708513 (England and Wales)**

**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010  
FOR  
TOWERINPUT DISTRIBUTION LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2010**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Director</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>

**TOWERINPUT DISTRIBUTION LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 March 2010**

**DIRECTOR.**

M Rickards

**SECRETARY:**

XL Secretaries Ltd

**REGISTERED OFFICE.**

Radbourne  
56 Kenilworth Road  
Leamington Spa  
Warwickshire  
CV32 6JW

**REGISTERED NUMBER.**

4708513 (England and Wales)

**AUDITORS:**

Rochesters Audit Services Limited  
Registered Auditors  
No 3 Caroline Court  
13 Caroline Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1TR

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**REPORT OF THE DIRECTOR  
For The Year Ended 31 March 2010**

The director presents his report with the financial statements of the company for the year ended 31 March 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of import and distribution of welding products

**REVIEW OF BUSINESS**

The company has had a year of transition. It has seen a reduction in the sale of welding products, due to a combination of the economic climate and problems with the supplier, and it also separated from the Southern Bear trading group towards the end of the year via a management buy-out. The directors consider that the buy-out will benefit the company moving forward in a number of ways - primarily as management can now focus solely on the company as opposed to being distracted by group issues, thereby enabling new business to be pursued and profitability regained.

The terms of the buy-out included a release from certain inter-group debt and this has enabled the company to restructure its finances and balance sheet, thus providing a good foundation for future trade. The release from inter-group debt resulted in exceptional income of approximately £124,000 being recognised in the profit and loss account this year.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2010

**DIRECTORS**

M Rickards has held office during the whole of the period from 1 April 2009 to the date of this report

Other changes in directors holding office are as follows

J C Green - resigned 26 November 2009  
J C D Parsons - resigned 8 February 2010  
N G McGowan - resigned 8 February 2010

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTOR**  
**For The Year Ended 31 March 2010**

**AUDITORS**

During the year Rochesters Audit Services Ltd replaced RSM Tenon Audit Ltd as auditors and 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 read 'M Rickards', with a long, sweeping flourish extending to the right.

M Rickards - Director

5 November 2010

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF TOWERINPUT DISTRIBUTION LIMITED**

We have audited the financial statements of Towerinput Distribution Limited for the year ended 31 March 2010 on pages five to thirteen. 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.

### **Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director, and the overall presentation of the financial statements.

### **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 March 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 Director 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Peter Hewston (Senior Statutory Auditor)  
for and on behalf of Rochesters Audit Services Limited  
Registered Auditors  
No 3 Caroline Court  
13 Caroline Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1TR

5 November 2010

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF TOWERINPUT DISTRIBUTION LIMITED**

We have audited the financial statements of Towerinput Distribution Limited for the year ended 31 March 2010 on pages five to thirteen. 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.

### **Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director, and the overall presentation of the financial statements.

### **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 March 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.

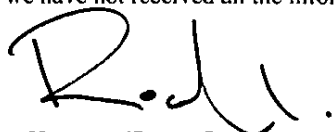
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Peter Hewston (Senior Statutory Auditor)  
for and on behalf of Rochesters Audit Services Limited  
Registered Auditors  
No 3 Caroline Court  
13 Caroline Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1TR

5 November 2010

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**PROFIT AND LOSS ACCOUNT  
For The Year Ended 31 March 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	96,428	357,452
Cost of sales		<u>41,911</u>	<u>198,794</u>
<b>GROSS PROFIT</b>		54,517	158,658
Administrative expenses		<u>265,287</u>	<u>46,496</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(210,770)	112,162
Fundamental reorganisation	5	<u>123,714</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(87,056)	112,162
Tax on (loss)/profit on ordinary activities	6	<u>(43,500)</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>(43,556)</u></u>	<u><u>112,162</u></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

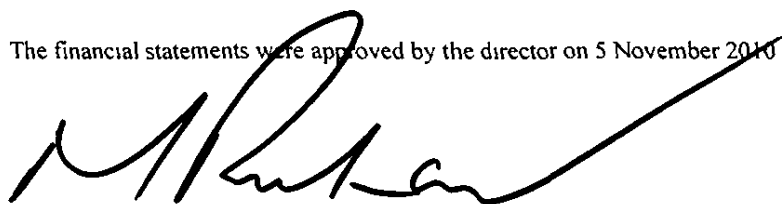


**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**BALANCE SHEET**  
**31 March 2010**

	Notes	2010 £	£	2009 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		1,631		2,160
<b>CURRENT ASSETS</b>					
Stocks	8	56,485		102,799	
Debtors	9	184,986		499,285	
Cash at bank		5,680		-	
		<u>247,151</u>		<u>602,084</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>227,752</u>		<u>539,658</u>	
<b>NET CURRENT ASSETS</b>			<u>19,399</u>		<u>62,426</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>21,030</u>		<u>64,586</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		3,401		3,401
Profit and loss account	14		17,629		61,185
<b>SHAREHOLDERS' FUNDS</b>	17		<u>21,030</u>		<u>64,586</u>

The financial statements were approved by the director on 5 November 2010 and were signed by



M Rickards - Director

The notes form part of these financial statements

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**PROFIT AND LOSS ACCOUNT  
For The Year Ended 31 March 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	96,428	357,452
Cost of sales		<u>41,911</u>	<u>198,794</u>
<b>GROSS PROFIT</b>		54,517	158,658
Administrative expenses		<u>265,287</u>	<u>46,496</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(210,770)	112,162
Fundamental reorganisation	5	<u>123,714</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(87,056)	112,162
Tax on (loss)/profit on ordinary activities	6	<u>(43,500)</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>(43,556)</u></u>	<u><u>112,162</u></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

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**CASH FLOW STATEMENT  
For The Year Ended 31 March 2010**

	Notes	2010 £	2009 £
<b>Net cash inflow from operating activities</b>	1	13,772	11,792
<b>Capital expenditure</b>	2	-	(2,647)
<b>Increase in cash in the period</b>		<u>13,772</u>	<u>9,145</u>

---

**Reconciliation of net cash flow  
to movement in net debt**

	3		
Increase in cash in the period		<u>13,772</u>	<u>9,145</u>
Change in net debt resulting from cash flows		<u>13,772</u>	<u>9,145</u>
<b>Movement in net debt in the period</b>		13,772	9,145
<b>Net debt at 1 April</b>		<u>(8,092)</u>	<u>(17,237)</u>
<b>Net funds/(debt) at 31 March</b>		<u>5,680</u>	<u>(8,092)</u>

The notes form part of these financial statements

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 March 2010**

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

	2010	2009
	£	£
Operating (loss)/profit	(210,770)	112,162
Depreciation charges	529	487
Decrease/(Increase) in stocks	46,314	(18,451)
Decrease/(Increase) in debtors	357,799	(401,540)
(Decrease)/Increase in creditors	(180,100)	319,134
	<u>13,772</u>	<u>11,792</u>
<b>Net cash inflow from operating activities</b>	<u><u>13,772</u></u>	<u><u>11,792</u></u>

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

	2010	2009
	£	£
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(2,647)
	<u>-</u>	<u>(2,647)</u>
<b>Net cash outflow for capital expenditure</b>	<u><u>-</u></u>	<u><u>(2,647)</u></u>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 4 09	Cash flow	At
	£	£	31 3 10
			£
Net cash			
Cash at bank and in hand	-	5,680	5,680
Bank overdraft	(8,092)	8,092	-
	<u>(8,092)</u>	<u>13,772</u>	<u>5,680</u>
	<u><u>(8,092)</u></u>	<u><u>13,772</u></u>	<u><u>5,680</u></u>
<b>Total</b>	<u><u>(8,092)</u></u>	<u><u>13,772</u></u>	<u><u>5,680</u></u>

**4 EXCEPTIONAL ITEMS**

As explained in note 5 to the financial statements, the company recognised exceptional income of £123,714 in the year from liabilities waived by its former parent undertaking. This income has been recognised as exceptional income in the profit and loss account. The movement in creditors within Note 1 to the cash flow statement does not include this reduction as it was a non-cash transaction.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and on-going services is recognised by reference to the stage of completion

**Tangible fixed assets**

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

Plant and machinery                      - 20% on cost

**Stocks**

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. Provision is made for any foreseeable losses where appropriate

**Deferred tax**

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and laws. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that it is more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted

**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. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date and the exchange differences are included in the profit and loss account

**Hire purchase and leasing commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract

**2 TURNOVER**

The turnover and profit before taxation are generated wholly within the UK and are attributable to the one principal activity of the company

**3 STAFF COSTS**

	2010	2009
	£	£
Wages and salaries	178,053	-
Social security costs	18,010	-
	<u>196,063</u>	<u>-</u>

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2010**

**3 STAFF COSTS - continued**

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

	2010	2009
Director	1	-
Administration	3	-
Distribution	3	-
	<u>7</u>	<u>-</u>

In the year ended 31 March 2009 staff costs were paid by a fellow subsidiary, Towerinput Ltd, and were not recharged to the company

**4 OPERATING (LOSS)/PROFIT**

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

	2010 £	2009 £
Hire of plant and machinery	4,160	-
Depreciation - owned assets	529	487
Auditors' remuneration	<u>5,500</u>	<u>2,500</u>
Directors' remuneration	<u>85,797</u>	<u>-</u>

**5 EXCEPTIONAL ITEMS**

During the year the company was sold by Southern Bear Plc to CFC 0083 Limited. As part of the sale agreement Southern Bear agreed to waive an amount of indebtedness from the company. This amounted to £123,714 and has been treated as exceptional income in the year. As this income related to Group transactions, the income is not taxable and thus has had no impact on the tax liabilities of the company.

**6 TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows

	2010 £	2009 £
Deferred tax	<u>(43,500)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(43,500)</u>	<u>-</u>

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2010**

**6 TAXATION - continued**

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	<u>(87,056)</u>	<u>112,162</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 - 28%)	(18,282)	31,405
Effects of		
Depreciation in excess of capital allowances	22	(11)
Utilisation of tax losses	-	(13,953)
Disallowable expenses	606	-
Group relief	-	(17,441)
Income not assessed as taxable	(25,980)	-
Losses carried forward	<u>43,634</u>	<u>-</u>
Current tax credit	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The company has tax losses carried forward amounting to approximately £208,000 (2009 £nil) to offset against future trading profit

**7 TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	<u>2,647</u>
<b>DEPRECIATION</b>	
At 1 April 2009	487
Charge for year	<u>529</u>
At 31 March 2010	<u>1,016</u>
<b>NET BOOK VALUE</b>	
At 31 March 2010	<u>1,631</u>
At 31 March 2009	<u>2,160</u>

**8 STOCKS**

	2010 £	2009 £
Stocks	<u>56,485</u>	<u>102,799</u>

**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2010**

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Trade debtors	26,434	31,495
Amounts owed by group undertakings	82,354	464,390
Other debtors	43,500	-
Called up share capital not paid	3,400	3,400
VAT	29,298	-
	<u>184,986</u>	<u>499,285</u>

Other debtors relates to a deferred tax asset provided for in respect of taxable losses carried forward for future utilisation

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Bank loans and overdrafts (see note 11)	-	8,092
Trade creditors	153,209	125,139
Amounts owed to group undertakings	47,257	331,900
Social security and other taxes	21,786	74,527
Accruals and deferred income	5,500	-
	<u>227,752</u>	<u>539,658</u>

**11 LOANS**

An analysis of the maturity of loans is given below

	2010	2009
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>-</u>	<u>8,092</u>

**12 SECURED DEBTS**

The following secured debts are included within creditors

	2010	2009
	£	£
Bank overdraft	<u>-</u>	<u>8,092</u>

**13 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
3,401	Ordinary	£1	<u>3,401</u>	<u>3,401</u>



**TOWERINPUT DISTRIBUTION LIMITED (REGISTERED NUMBER: 4708513)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2010**

**14 RESERVES**

	Profit and loss account £
At 1 April 2009	61,185
Deficit for the year	<u>(43,556)</u>
At 31 March 2010	<u><u>17,629</u></u>

**15 ULTIMATE PARENT COMPANY**

At the year end the company was a wholly owned subsidiary of CFC 0083 Limited, a company registered in England and Wales. CFC 0083 Limited acquired the company from its previous ultimate parent undertaking, Southern Bear Plc, in February 2010. No single individual has sole control of the company.

**16 RELATED PARTY DISCLOSURES**

M Rickards, director, is also a director in CFC 0083 Limited, the company's ultimate parent undertaking and Towerinput Limited, a fellow subsidiary undertaking of CFC 0083 Limited.

At the year end the amount due to the company from fellow subsidiary, Towerinput Limited, was £82,354 (2009 £205,490) and the amount due to the parent company, CFC 0083 Limited was £47,257 (2009 £nil). The movement in balances in the year was in respect of net payments/receipts incurred on behalf of those group companies in the period.

J D Parsons and N G McGowan, directors during the year, were also directors of Southern Bear Plc in the year. As explained in note 5, during the year the company's previous ultimate parent, Southern Bear Plc, waived recovery of a net amount of loans of £123,714. As at 31 March 2009 the company owed Southern Bear Plc £53,000. The company also owed Tarvail Ltd, a subsidiary of Southern Bear Plc, £nil (2009 £20,000) at 31 March 2010.

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
(Loss)/Profit for the financial year	<u>(43,556)</u>	<u>112,162</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(43,556)</b>	<b>112,162</b>
Opening shareholders' funds	<u>64,586</u>	<u>(47,576)</u>
<b>Closing shareholders' funds</b>	<u><u>21,030</u></u>	<u><u>64,586</u></u>