

Company Registration No 4745915 (England and Wales)

NEEDHAMS HOLDINGS LIMITED
UNAUDITED ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

WEDNESDAY



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COMPANIES HOUSE

NEEDHAMS HOLDINGS LIMITED

DIRECTOR AND ADVISERS

Director	P M Wilby
Secretary	L N Wilby
Company number	4745915
Registered office	Florian House 30 Wharfedale Road Ipswich Suffolk IP1 4JP
Accountants	Ensors Cardinal House 46 St Nicholas Street Ipswich IP1 1TT
Business address	Florian House 30 Wharfedale Road Ipswich Suffolk IP1 4JP
Solicitors	Gotelee Solicitors 31 - 41 Elm Street Ipswich Suffolk IP1 2AY

NEEDHAMS HOLDINGS LIMITED

CONTENTS

	Page
Director's report	1 - 2
Accountants' report	3
Consolidated profit and loss account	4
Balance sheets	5 - 6
Consolidated cash flow statement	7
Notes to the financial statements	8 - 20

NEEDHAMS HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

The director presents his report and financial statements for the year ended 30 September 2011

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company. The company's subsidiaries provide building and contracting services.

The current year's result reflects the effect of the difficult economic climate in the construction industry. The director has taken steps to control the group's costs and to secure a more stable funding basis going forward. The group continues to tender for and win new business. Against the backdrop of the continuing economic situation, the director remains cautious concerning the year ahead.

Results and dividends

The consolidated profit and loss account for the year is set out on

The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 October 2010:

P M Wilby

NEEDHAMS HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Statement of director's responsibilities

The director is responsible for preparing the Director's Report 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 group and of the profit or loss of the group 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 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



P M Wilby
Director
10 May 2012

NEEDHAMS HOLDINGS LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF NEEDHAMS HOLDINGS LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Needhams Holdings Limited for the year ended 30 September 2011 set out on pages 4 to 20 from the company's accounting records and from information and explanations you have given us

As a practicing member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook

This report is made solely to the Board of Directors of Needham Holdings Limited, as a body, in accordance with the terms of our engagement dated 27 July 2009

Our work has been undertaken solely to prepare for your approval the financial statements of Needhams Holdings Limited and state those matters that we have agreed to state to the Board of Directors of Needhams Holdings Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Needhams Holdings Limited and its Board of Directors as a body, for our work or for this report

It is your duty to ensure that Needhams Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Needhams Holdings Limited. You consider that Needhams Holdings Limited is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or a review of the financial statements of Needhams Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements



Ensors Chartered Accountants
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Date 10 MAY 2012

NEEDHAMS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	4,681,348	5,951,898
Cost of sales		(3,764,040)	(4,649,630)
Gross profit		917,308	1,302,268
Administrative expenses		(972,241)	(1,228,089)
Other operating income		3,876	7,654
Operating (loss)/profit	3	(51,057)	81,833
Investment income	4	97	128
Other interest receivable and similar income		-	1
Interest payable and similar charges	5	(27,778)	(38,492)
(Loss)/profit on ordinary activities before taxation		(78,738)	43,470
Tax on (loss)/profit on ordinary activities	6	2,509	(2,916)
(Loss)/profit on ordinary activities after taxation		(76,229)	40,554

NEEDHAMS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Tangible assets	8	201,685	300,434	-	-
Investments	9	-	-	104	104
		<u>201,685</u>	<u>300,434</u>	<u>104</u>	<u>104</u>
Current assets					
Stocks	10	34,219	32,716	-	-
Debtors	11	1,184,034	1,649,494	2	2
Cash at bank and in hand		18,896	7,950	-	-
		<u>1,237,149</u>	<u>1,690,160</u>	<u>2</u>	<u>2</u>
Creditors, amounts falling due within one year	12	(1,383,221)	(1,893,895)	(102)	(102)
Net current liabilities		<u>(146,072)</u>	<u>(203,735)</u>	<u>(100)</u>	<u>(100)</u>
Total assets less current liabilities		55,613	96,699	4	4
Creditors' amounts falling due after more than one year	13	(43,912)	(6,260)	-	-
Provisions for liabilities		-	(2,509)	-	-
		<u>11,701</u>	<u>87,930</u>	<u>4</u>	<u>4</u>
Capital and reserves					
Called up share capital	15	4	4	4	4
Profit and loss account	16	11,697	87,926	-	-
Shareholders' funds	17	<u>11,701</u>	<u>87,930</u>	<u>4</u>	<u>4</u>

NEEDHAMS HOLDINGS LIMITED

BALANCE SHEETS (CONTINUED)

AS AT 30 SEPTEMBER 2011

For the financial year ended 30 September 2011 the group was entitled to exemption from audit under section 477 Companies Act 2006. No member of the group has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the group keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the group as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the group.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board and authorised for issue on 10 May 2012



P M Wilby
Director

Company Registration No. 4745915

NEEDHAMS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	£	2011 £	£	2010 £
Net cash (outflow)/inflow from operating activities	26		(52,272)		10,255
Returns on investments and servicing of finance					
Interest received		-		1	
Interest paid		(27,778)		(38,492)	
Dividends received		97		128	
Net cash outflow for returns on investments and servicing of finance			(27,681)		(38,363)
Taxation			-		(15,428)
Capital expenditure					
Payments to acquire tangible assets		(2,631)		(5,734)	
Receipts from sales of tangible assets		16,109		10,968	
Net cash inflow for capital expenditure			13,478		5,234
Net cash outflow before management of liquid resources and financing			(66,475)		(38,302)
Management of liquid resources					
Bank deposits		1,125		(1,152)	
			1,125		(1,152)
Financing					
Capital element of hire purchase contracts		(57,947)		(105,860)	
Receipts from refinance of fixed assets		105,000		-	
Net cash inflow/(outflow) from financing			47,053		(105,860)
Decrease in cash in the year	27, 28		(18,297)		(145,314)

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The ability of the Needham Holdings group of companies to continue to meet its financial obligations for the foreseeable future is dependent upon the group's ability to trade profitably and to generate cash

A characteristic of the group's business is that it is involved in tender exercises for new and existing work. While it is pleasing that the group has been successful in a number of tenders this year, there is a high degree of competition for such tenders in the current economic climate. Clearly, the outcome of tender exercises can have a material impact of the nature and extent of the group's activity and ultimately its profitability and cash flows. The group continues to tender for new work and the directors have every reason to believe that the group's track record will be maintained. At the same time, the directors have taken the necessary steps to ensure that the group controls costs within available resources. The directors have also agreed a more stable funding basis for the group with the group's bankers during the year.

While the directors have taken the necessary steps to secure the long term future of the group, the directors note that the outcome of future events (such as tenders outcomes) are inherently uncertain. However, after making enquiries and considering these uncertainties, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these accounts.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 30 September 2011.

Under the Companies Act 2006, Needham (Building Contractors) Limited, Needhams Contracts Limited and Multiserve (E A) Limited are defined as group companies due to the company owning the entire share capital. 1st Call (E A) is defined as a group company as its entire share capital is owned by Multiserve (E A) Limited.

The directors have elected to prepare the group financial statements in accordance with the principals of acquisition accounting as permitted by the Companies Act 2006.

All accounting policies are consistent between group companies.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Accounting policies (continued)

1.5 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 less estimated residual value of each asset over its expected useful life, as follows

Tenant Improvements	10% on cost
Plant and machinery	25% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	4-6 years on cost with 5-10% residual value

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

A defined contribution scheme is operated for the benefit of employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

3	Operating (loss)/profit	2011	2010
		£	£
	Operating (loss)/profit is stated after charging		
	Depreciation of tangible assets	98,759	115,606
	Loss on disposal of tangible assets	2,667	4,198
	Operating lease rentals		
	- Plant and machinery	-	1,150
	- Other assets	78,517	87,586
		<u>78,517</u>	<u>87,586</u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2010 £-)	-	14,947
	Other	-	7,473
		<u>-</u>	<u>22,420</u>
		<u>-</u>	<u>22,420</u>
4	Investment income	2011	2010
		£	£
	Income from fixed asset investments	97	128
		<u>97</u>	<u>128</u>
5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	19,385	13,041
	Hire purchase interest	8,204	18,864
	Other interest	189	6,587
		<u>27,778</u>	<u>38,492</u>
		<u>27,778</u>	<u>38,492</u>

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	Adjustment for prior years	-	407
	Total current tax	-	407
	Origination and reversal of timing differences	(2,509)	2,509
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(78,738)	43,470
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	(15,748)	9,129
	Effects of		
	Non deductible expenses	4,422	4,264
	Depreciation add back	19,840	1,780
	Capital allowances	(13,103)	3,262
	Tax losses utilised	(7,828)	(21,024)
	Adjustments to previous periods	-	407
	Losses carried forward	12,417	2,534
	Other tax adjustments	-	55
		15,748	(8,722)
	Current tax charge for the year	-	407

7 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2011 £	2010 £
Holding company's loss for the financial year	-	-

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

8 Tangible fixed assets Group

	Tenant improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2010	132,473	230,235	9,080	716,701	1,088,489
Additions	-	1,016	-	17,770	18,786
Disposals	-	(8,500)	-	(135,020)	(143,520)
At 30 September 2011	132,473	222,751	9,080	599,451	963,755
Depreciation					
At 1 October 2010	76,282	219,447	8,404	483,922	788,055
On disposals	-	(8,500)	-	(116,244)	(124,744)
Charge for the year	13,247	5,568	173	79,771	98,759
At 30 September 2011	89,529	216,515	8,577	447,449	762,070
Net book value					
At 30 September 2011	42,944	6,236	503	152,002	201,685
At 30 September 2010	56,191	10,788	676	232,779	300,434

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 30 September 2011	-	-	138,329	138,329
At 30 September 2010	-	-	97,956	97,956
Depreciation charge for the year				
30 September 2011	-	-	71,040	71,040
30 September 2010	-	-	35,515	35,515

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

9 Fixed asset investments Group

	Shares in group undertakings £
Cost	
At 1 October 2010 & at 30 September 2011	1
Provisions for diminution in value	
At 1 October 2010	-
Charge for the year	1
At 30 September 2011	1

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Company

	Shares in group undertakings £
Cost	
At 1 October 2010 & at 30 September 2011	104
Net book value	
At 30 September 2011	104
At 30 September 2010	104

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Needham (Building Contractors) Limited	England & Wales	Ordinary	100
Needhams Contracts Limited	England & Wales	Ordinary	100
Multiserve (E A) Limited	England & Wales	Ordinary	100
1st Call (E A) Limited	England & Wales	Ordinary	100

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

9 Fixed asset investments

(continued)

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Needham (Building Contractors) Limited	Builder and contractor
Needhams Contracts Limited	Builder and contractor
Multiserve (E A) Limited	Builder and contractor
1st Call (E A) Limited	Dormant

10 Stocks

	Group 2011 £	2010 £	Company 2011 £	2010 £
Raw materials and consumables	34,219	32,716	-	-

11 Debtors

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	384,557	764,536	-	-
Other debtors	321,921	426,532	2	2
Prepayments and accrued income	477,556	458,426	-	-
	1,184,034	1,649,494	2	2

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

12 Creditors : amounts falling due within one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans and overdrafts	432,059	401,691	-	-
Net obligations under finance lease and hire purchase contracts	63,492	37,936	-	-
Trade creditors	690,927	1,217,303	-	-
Amounts owed to group undertakings	-	-	102	102
Taxes and social security costs	154,960	152,616	-	-
Directors current accounts	30,827	15,447	-	-
Other creditors	248	754	-	-
Accruals and deferred income	10,708	68,148	-	-
	<u>1,383,221</u>	<u>1,893,895</u>	<u>102</u>	<u>102</u>

The bank overdraft is secured via a cross guarantee and debenture between Needham (Building Contractors) Limited, Needhams Holdings Limited, Multiserve (E A) Limited and Needhams Contracts Limited

Mr & Mrs P M Wilby have provided a guarantee limited to £400,000 against the group bank overdraft

13 Creditors : amounts falling due after more than one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Net obligations under finance leases and hire purchase agreements	<u>43,912</u>	<u>6,260</u>	<u>-</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	63,492	37,936	-	-
Repayable between one and five years	43,912	6,260	-	-
	<u>107,404</u>	<u>44,196</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	<u>(63,492)</u>	<u>(37,936)</u>	<u>-</u>	<u>-</u>
	<u>43,912</u>	<u>6,260</u>	<u>-</u>	<u>-</u>

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

14 Pension and other post-retirement benefit commitments

Defined contribution

	2011 £	2010 £
Contributions payable by the group for the year	32,986	24,813

15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 4 Ordinary shares of £1 each	4	4

16 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 October 2010	87,926
Loss for the year	(76,229)
Balance at 30 September 2011	11,697

17 Reconciliation of movements in shareholders' funds Group

	2011 £	2010 £
(Loss)/Profit for the financial year	(76,229)	40,554
Opening shareholders' funds	87,930	47,376
Closing shareholders' funds	11,701	87,930

Company	2011 £	2010 £
Loss for the financial year	-	-
Opening shareholders' funds	4	4
Closing shareholders' funds	4	4

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

18 Contingent liabilities

Group

During the year a cross guarantee was put in place between the Needham (Building Contractors) Limited, Needham Contracts Limited, Needhams Holdings Limited and Multiserve (E A) Limited. At the year end the balance of the overdrafts were the following

Needham (Building Contractors) Limited - £432,059

Needham Contracts Limited - £nil

Multiserve (E A) Limited - £nil

Needhams Holdings Limited - £nil

19 Financial commitments

At 30 September 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	-	-	-	7,984
Between two and five years	7,600	14,280	13,248	-
In over five years	55,200	69,600	-	-
	<u>62,800</u>	<u>83,880</u>	<u>13,248</u>	<u>7,984</u>

20 Capital commitments

During 2009 Needham (Building Contractors) Limited entered into a contract for new accounting software. At the year end the company had a capital commitment of £20,685 (2010 £50,915)

21 Director's emoluments

	2011	2010
	£	£
Pensions	-	13,500
	<u>-</u>	<u>23,500</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2010- 1)

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Production Staff	43	57
Administrative Staff	18	28
	<u>61</u>	<u>85</u>

Employment costs

	2011 £	2010 £
Wages and salaries	1,504,809	1,723,909
Social security costs	139,516	157,221
Other pension costs	32,986	24,813
	<u>1,677,311</u>	<u>1,905,943</u>

23 Control

The ultimate controlling parties are Mr & Mrs P M Wilby who own 100% of the groups issued share capital

24 Related party transactions

Group

During the year the group was charged rent of £57,600 (2010 - £69,600) by Mr & Mrs P M Wilby in respect of premises occupied by the company

Mr & Mrs P M Wilby have provided a guarantee limited to £400,000 against the group bank overdraft

At the year end Mr P M Wilby was owed £30,827 (2010 - £15,447)

During the year the group also made purchases of £124,931 (2010 £nil) from Madlo Limited, a company in which Mr P M Wilby's Son-in-Law is a director. The group also sold a motor vehicle to Madlo Limited for £2,000. At the year end the group was owed £2,316 (2010 £nil) from Madlo Limited

Company

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

25 Post Balance Sheet Events

Group

At 31 December 2011 Mr & Mrs Wilby have renegotiated a guarantee limited to £312,082 (previously £400,000) including £12,082 for professional fees against the group bank overdraft

Company

26 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2011	2010
	£	£
Operating (loss)/profit	(51,057)	81,833
Depreciation of tangible assets	98,759	115,606
Loss on disposal of tangible assets	2,667	4,198
(Increase)/decrease in stocks	(1,503)	1,047
Decrease in debtors	465,460	198,060
Decrease in creditors within one year	(566,598)	(390,489)
Net cash (outflow)/inflow from operating activities	(52,272)	10,255

27 Analysis of net debt	1 October 2010	Cash flow	Other non-cash changes	30 September 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	6,798	12,071	-	18,869
Bank overdrafts	(401,691)	(30,368)	-	(432,059)
	<u>(394,893)</u>	<u>(18,297)</u>	<u>-</u>	<u>(413,190)</u>
Liquid resources				
Bank deposits	1,152	(1,125)	-	27
	<u>(44,196)</u>	<u>57,947</u>	<u>(121,155)</u>	<u>(107,404)</u>
Finance leases				
	<u>(437,937)</u>	<u>38,525</u>	<u>(121,155)</u>	<u>(520,567)</u>

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

28 Reconciliation of net cash flow to movement in net debt	2011 £	2010 £
Decrease in cash in the year	(18,297)	(145,314)
Cash inflow/(outflow) from decrease/(increase) in liquid resources	(1,125)	1,152
Cash outflow from decrease in debt	57,947	95,108
Change in net debt resulting from cash flows	38,525	(49,054)
New finance lease	(121,155)	-
Movement in net debt in the year	(82,630)	(49,054)
Opening net debt	(437,937)	(388,883)
Closing net debt	(520,567)	(437,937)