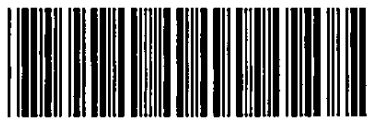


Company Registration No. 4745915 (England and Wales)

NEEDHAMS HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010

TUESDAY



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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	Flonan House 30 Wharfedale Road Ipswich Suffolk IP1 4JP
Registered auditors	Ensors Cardinal House 46 St Nicholas Street Ipswich IP1 1TT
Business address	Flonan House 30 Wharfedale Road Ipswich Suffolk IP1 4JP
Solicitors	Gotelee Solicitors 31 - 41 Elm Street Ipswich Suffolk IP1 2AY

NEEDHAMS HOLDINGS LIMITED

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NEEDHAMS HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The director presents his report and financial statements for the year ended 30 September 2010

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 group continues to experience the effects of the difficult economic climate in the construction industry where national and multi-national contractors are using their financial strength to compete for contracts, particularly in the residential property maintenance sector, at pricing levels that the group would consider to be significantly below cost.

As a result of these pressures the group continues to focus on controlling and where possible reducing costs. This has unfortunately resulted in further redundancies during the year with more likely to follow in the current year.

The effect of the cost reduction programme has been demonstrated by the subsidiaries' return to profitability in 2009/10. The group's current trading position continues to be challenging with the director targeting a breakeven year for 2010/11.

Financial Risk Management and Objectives

The financial risk management objectives of the group are set by the director to enable the group to achieve its long term objectives.

Traditionally, the group's good reputation has ensured a constant level of enquiries for new contracts. A proportion of the group's contracts run for a number of years, hence reducing the risk from price and cashflow fluctuations.

The group adopts the principal policy of financing its working capital through retained earnings and through a bank overdraft at the prevailing market interest rates.

The fixed assets are predominantly financed through asset finance, for a term broadly expected to match the useful economic lives of the assets in question.

The group is exposed to the usual credit and cash flow risk of selling on credit and manages this through strict credit control procedures. By adhering to stringent credit limits, established for each customer, based on a combination of payment history and by utilising credit reports, this risk is minimised.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 October 2009:

P M Wilby

Auditors

In accordance with section 487 (2) of the Companies Act 2006, a resolution proposing that Ensors be reappointed as auditors of the company will be put to the Annual General Meeting.

NEEDHAMS HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



P M Wilby

Director

23 June 2011

NEEDHAMS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEEDHAMS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Needhams Holdings Limited for the year ended 30 September 2010 set out on pages 5 to 21. 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 2, 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 group's and 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 group's and parent company's affairs as at 30 September 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the group's ability to continue as a going concern. The company is party to a cross guarantee in respect of an overdraft facility granted to the company and its subsidiary undertakings. At 30 September 2010, the company had a contingent liability of £401,691 in respect of this cross guarantee together with group net current liabilities of £203,735. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NEEDHAMS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NEEDHAMS HOLDINGS 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 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

Malcolm McGready (Senior Statutory Auditor)
for and on behalf of Ensors

23 June 2011

Chartered Accountants
Statutory Auditor

Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

NEEDHAMS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	5,951,898	7,306,404
Cost of sales		(4,649,630)	(5,676,148)
Gross profit		1,302,268	1,630,256
Administrative expenses		(1,228,089)	(1,476,870)
Other operating income		7,654	61,345
Operating profit	3	81,833	214,731
Investment income	4	128	139
Other interest receivable and similar income		1	1,376
Interest payable and similar charges	5	(38,492)	(52,828)
Profit on ordinary activities before taxation		43,470	163,418
Tax on profit on ordinary activities	6	(2,916)	(1,856)
Profit on ordinary activities after taxation		40,554	161,562

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

NEEDHAMS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	9	300,434	414,720	-	-
Investments	10	-	-	104	104
		<u>300,434</u>	<u>414,720</u>	<u>104</u>	<u>104</u>
Current assets					
Stocks	11	32,716	33,763	-	-
Debtors	12	1,649,494	1,847,983	2	2
Cash at bank and in hand		7,950	3,252	-	-
		<u>1,690,160</u>	<u>1,884,998</u>	<u>2</u>	<u>2</u>
Creditors, amounts falling due within one year	13	<u>(1,893,895)</u>	<u>(2,219,535)</u>	<u>(102)</u>	<u>(102)</u>
Net current liabilities		<u>(203,735)</u>	<u>(334,537)</u>	<u>(100)</u>	<u>(100)</u>
Total assets less current liabilities		96,699	80,183	4	4
Creditors amounts falling due after more than one year	14	(6,260)	(32,807)	-	-
Provisions for liabilities	15	<u>(2,509)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>87,930</u>	<u>47,376</u>	<u>4</u>	<u>4</u>
Capital and reserves					
Called up share capital	17	4	4	4	4
Profit and loss account	18	87,926	47,372	-	-
Shareholders' funds	19	<u>87,930</u>	<u>47,376</u>	<u>4</u>	<u>4</u>

Approved by the Board and authorised for issue on 23 June 2011



P M Wilby
Director

Company Registration No. 4745915

NEEDHAMS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	£	2010 £	£	2009 £
Net cash inflow from operating activities	29		10,255		387,931
Returns on investments and servicing of finance					
Interest received		1		1,376	
Interest paid		(38,492)		(52,828)	
Dividends received		128		139	
Net cash outflow for returns on investments and servicing of finance			(38,363)		(51,313)
Taxation			(15,428)		40,906
Capital expenditure					
Payments to acquire tangible assets		(5,734)		(935)	
Receipts from sales of tangible assets		10,968		43,318	
Net cash inflow for capital expenditure			5,234		42,383
Equity dividends paid			-		(14,000)
Net cash (outflow)/inflow before management of liquid resources and financing			(38,302)		405,907
Management of liquid resources					
Bank deposits		(1,152)		-	
			(1,152)		-
Financing					
Capital element of hire purchase contracts		(105,860)		(216,991)	
Net cash outflow from financing			(105,860)		(216,991)
(Decrease)/increase in cash in the year	30, 31		(145,314)		188,916

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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. The group has in place a cross guarantee in respect of its overdraft including all group members giving the group a contingent liability of £401,691 at 30 September 2010.

A characteristic of the group's business is that periodically contracts come up for tender and a number of contracts will be the subject of tender processes in the next twelve months. The outcome of these tender processes clearly cannot be determined with any certainty. However, the directors note that tendering for contracts has become increasingly competitive in the current economic climate. The outcome of tender exercises can have a material impact on the nature and scope of the group's activities and thus its profitability and cash flows. The directors have taken the necessary steps to ensure that the group is appropriately structured to mitigate this risk.

The directors have concluded that given the uncertainty concerning the outcome of re-tender processes that a material uncertainty that casts doubt upon the group's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the group 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 2010.

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 principles of acquisition accounting.

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 2010

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 2010

3	Operating profit	2010	2009
		£	£
	Operating profit / (loss) is stated after charging		
	Depreciation of tangible assets	115,606	155,581
	Loss on disposal of tangible assets	4,198	-
	Operating lease rentals		
	- Plant and machinery	1,150	1,521
	- Other assets	87,586	91,798
	and after crediting		
	Profit on disposal of tangible assets	-	(2,493)
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2009 £-)	14,947	14,200
	Other	7,473	25,222
		<u> </u>	<u> </u>
		22,420	39,422
		<u> </u>	<u> </u>
4	Investment income	2010	2009
		£	£
	Income from fixed asset investments	128	139
		<u> </u>	<u> </u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	13,041	17,324
	Hire purchase interest	18,864	25,843
	Other interest	6,587	9,661
		<u> </u>	<u> </u>
		38,492	52,828
		<u> </u>	<u> </u>

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	-	15,450
	Adjustment for prior years	407	(13,594)
	Total current tax	407	1,856
	Deferred tax		
	Origination and reversal of timing differences	2,509	-
		2,916	1,856
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	43,470	163,418
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	9,129	34,318
	Effects of		
	Non deductible expenses	4,264	5,815
	Capital allowances	5,042	10,141
	Tax losses utilised	(21,024)	(34,795)
	Adjustments to previous periods	407	(13,594)
	Losses carried forward	2,534	-
	Other tax adjustments	55	(29)
		(8,722)	(32,462)
	Current tax charge for the year	407	1,856

7 Profit 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)/profit for the financial year is made up as follows:

	2010 £	2009 £
Holding company's profit for the financial year	-	14,000

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

8	Dividends	2010 £	2009 £
	Ordinary interim paid	-	14,000

9 Tangible fixed assets Group

	Tenant Improvements	Plant and machinery	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£	£
Cost					
At 1 October 2009	132,473	255,700	18,031	827,746	1,233,950
Additions	-	5,044	690	10,750	16,484
Disposals	-	(30,509)	(9,641)	(121,795)	(161,945)
At 30 September 2010	132,473	230,235	9,080	716,701	1,088,489
Depreciation					
At 1 October 2009	63,035	243,136	17,708	495,349	819,228
On disposals	-	(30,509)	(9,641)	(106,629)	(146,779)
Charge for the year	13,247	6,820	337	95,202	115,606
At 30 September 2010	76,282	219,447	8,404	483,922	788,055
Net book value					
At 30 September 2010	56,191	10,788	676	232,779	300,434
At 30 September 2009	69,438	12,563	323	332,396	414,720

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 2010	-	-	97,956	97,956
At 30 September 2009	-	-	322,835	322,835
Depreciation charge for the year				
30 September 2010	-	-	35,515	35,515
30 September 2009	-	-	141,156	141,156

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 October 2009 & at 30 September 2010	104
Net book value	
At 30 September 2010	104
At 30 September 2009	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

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

11 Stocks

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Raw materials and consumables	32,716	33,763	-	-

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

12 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	764,536	921,433	-	-
Corporation tax	-	429	-	-
Other debtors	426,532	519,892	2	2
Prepayments and accrued income	458,426	406,229	-	-
	<u>1,649,494</u>	<u>1,847,983</u>	<u>2</u>	<u>2</u>

Amounts falling due after more than one year and included in the debtors above are

	2010 £	2009 £	2010 £	2009 £
Trade debtors	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>

13 Creditors . amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	401,691	252,831	-	-
Net obligations under finance lease and hire purchase contracts	37,936	106,497	-	-
Trade creditors	1,217,303	1,279,027	-	-
Amounts owed to group undertakings	-	-	102	102
Corporation tax	-	15,450	-	-
Taxes and social security costs	152,616	467,162	-	-
Directors current accounts	15,447	45,958	-	-
Other creditors	754	978	-	-
Accruals and deferred income	68,148	51,632	-	-
	<u>1,893,895</u>	<u>2,219,535</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

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

14 Creditors : amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Net obligations under finance leases and hire purchase agreements	6,260	32,807	-	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	34,693	106,497	-	-
Repayable between one and five years	-	32,807	-	-
	34,693	139,304	-	-
Included in liabilities falling due within one year	(37,936)	(106,497)	-	-
	(3,243)	32,807	-	-

15 Provisions for liabilities Group

	Deferred taxation £
Profit and loss account	2,509
Balance at 30 September 2010	2,509

The deferred tax liability is made up as follows:

	Group 2010 £	2009 £	Company 2010 £	2009 £
Accelerated capital allowances	2,509	-	-	-

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

16 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	24,813	19,330

17 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	4	4

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 October 2009	47,372
Profit for the year	40,554
Balance at 30 September 2010	87,926

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

19 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Group		
Profit for the financial year	40,554	161,562
Dividends	-	(14,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	40,554	147,562
Opening shareholders' funds	47,376	(100,186)
	<hr/>	<hr/>
Closing shareholders' funds	87,930	47,376
	<hr/>	<hr/>
	2010	2009
	£	£
Company		
(Loss)/Profit for the financial year	-	14,000
Dividends	-	(14,000)
	<hr/>	<hr/>
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	4	4
	<hr/>	<hr/>
Closing shareholders' funds	4	4
	<hr/>	<hr/>

20 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 - £315,168

Needham Contracts Limited - £39,208

Multiserve (E A) Limited - £47,315

Needhams Holdings Limited - £nil

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

21 Financial commitments

At 30 September 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date				
Within one year	-	-	7,984	-
Between two and five years	14,280	13,665	-	23,448
In over five years	69,600	69,600	-	-
	<u>83,880</u>	<u>83,265</u>	<u>7,984</u>	<u>23,448</u>

22 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 £50,915 (2009 £50,915)

23 Director's emoluments

	2010	2009
	£	£
Remuneration	10,000	52,149
Pensions	13,500	11,000
	<u>23,500</u>	<u>63,149</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2009- 1)

24 Transactions with directors

During the year Mr P M Wilby settled certain obligations of the group totalling £nil (2009 - £24,711)

During the year the group paid dividends of £nil (2009 - £14,000) to Mr & Mrs P M Wilby

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

25 Employees

Number of employees

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

	2010 Number	2009 Number
Production Staff	57	71
Administrative Staff	28	37
	<u>85</u>	<u>108</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,723,909	2,320,331
Social security costs	157,221	206,655
Other pension costs	24,813	19,330
	<u>1,905,943</u>	<u>2,546,316</u>

26 Control

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

27 Related party transactions

Group

During the year the group was charged rent of £69,600 (2009 - £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 £15,447 (2009 - £45,958)

During the year the group paid dividends of £nil (2009 - £14,000) to Mr & Mrs P M Wilby

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 2010

28 Post Balance Sheet Events

Group

On 30 April 2011 the trade, assets and liabilities of Multiserve (E A) Limited were hived across to Needham (Building Contractors) Limited From 1 May 2011 Multiserve (E A) Limited has been dormant

Company

29 Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
	£	£
Operating profit	81,833	214,731
Depreciation of tangible assets	115,606	155,581
(Loss)/profit on disposal of tangible assets	4,198	(2,493)
Decrease in stocks	1,047	23,858
Decrease in debtors	198,060	503,895
Decrease in creditors within one year	(390,489)	(507,641)
Net cash inflow from operating activities	10,255	387,931

30 Analysis of net debt	1 October 2009	Cash flow	Other non-cash changes	30 September 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	3,252	3,546	-	6,798
Bank overdrafts	(252,831)	(148,860)	-	(401,691)
	<u>(249,579)</u>	<u>(145,314)</u>	<u>-</u>	<u>(394,893)</u>
Liquid resources				
Bank deposits	-	1,152	-	1,152
Finance leases	(139,304)	95,108	-	(44,196)
Net debt	(388,883)	(49,054)	-	(437,937)

NEEDHAMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

31 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
(Decrease)/increase in cash in the year	(145,314)	188,916
Cash outflow from increase in liquid resources	1,152	-
Cash outflow from decrease in debt	95,108	216,991
	<hr/>	<hr/>
Movement in net debt in the year	(49,054)	405,907
Opening net debt	(388,883)	(794,790)
	<hr/>	<hr/>
Closing net debt	(437,937)	(388,883)
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