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FLAGDAWN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2011

Company Registration Number 05132696

RSM Tenon Limited
1st Floor, West Wing
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

FLAGDAWN LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

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FLAGDAWN LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 OCTOBER 2011

The board of directors	A M J Scott P S Clarke
Company secretary	P S Clarke
Business address	The Arena Business Centre Nimrod Way Ferndown Dorset BH21 7SH
Registered office	Davidson House Forbury Square Reading Berkshire RG1 3EU
Auditor	RSM Tenon Audit Limited Davidson House Forbury Square Reading Berkshire RG1 3EU
Accountants	RSM Tenon Limited 1st Floor, West Wing Davidson House Forbury Square Reading Berkshire RG1 3EU

FLAGDAWN LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 OCTOBER 2011

The directors present their report and the financial statements of the group for the year ended 31 October 2011

Principal activities and business review

The principal activity of the company continues to be that of holding investments and of the subsidiaries, that of retailing and servicing caravans

The results for the group has net assets of £1,002,517 (2010 £1,118,119) The group generated turnover of £10,605,269 (2010 £10,234,118) The group has generated profit before tax of £33,156 (2010 £199,698)

The current economic conditions create an element of uncertainty over demand, but the group's forecasts, projects and actual trading results since the year end show an improvement when compared to the current year The group is expected to have sufficient financial resources available through current facilities and therefore the directors believe that the group is well places to manage its business risks successfully despite the economic uncertainty

Results and dividends

The profit for the year, after taxation, amounted to £16,398 (2010 £159,856) Dividends of £132,000 (2010 £140,000) were paid in the year

Financial instruments

The company has trade debtors and creditors on normal terms All of its transactions are in sterling It has loans secured on freehold property and caravans but uses no other financial instruments and does not use financial instruments as part of its financial risk management It is not exposed to any credit risk as cash is received before caravans are despatched The nature of its financial instruments means that it is not subject to price or liquidity risk

Directors

The directors who served the company during the year and to the date of signing this report were as follows

A M J Scott
P S Clarke

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and

FLAGDAWN LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

RSM Tenon are deemed to be reappointed under section 487 (2) of the Companies Act 2006

Signed by order of the directors



P S Clarke
Company Secretary

Approved by the directors on 26/03/2012

FLAGDAWN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLAGDAWN LIMITED

YEAR ENDED 31 OCTOBER 2011

We have audited the group and parent company financial statements ("the financial statements") of Flagdown Limited for the year ended 31 October 2011 on pages 6 to 24. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 2011 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 matters 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.

FLAGDAWN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLAGDAWN LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2011

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

Jeremy Filley, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Date - *28/3/12*

FLAGDAWN LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2010 £
Group turnover	2	10,605,269	10,234,118
Cost of sales		(8,410,156)	(8,016,121)
Gross profit		<u>2,195,113</u>	<u>2,217,997</u>
Distribution costs		(400,357)	(349,314)
Administrative expenses		(1,741,902)	(1,653,302)
Other operating income	3	79,166	70,911
Operating profit	4	<u>132,020</u>	<u>286,292</u>
Interest payable and similar charges	7	(98,864)	(86,594)
Profit on ordinary activities before taxation		<u>33,156</u>	<u>199,698</u>
Tax on profit on ordinary activities	8	(16,758)	(39,842)
Profit for the financial year	24,25	<u>16,398</u>	<u>159,856</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 11 to 24 form part of these financial statements

FLAGDAWN LIMITED
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 OCTOBER 2011

	2011 £	2010 £
Profit for the financial year		
Attributable to the shareholders of the parent company	16,398	159,856
Unrealised profit on revaluation of certain fixed assets	<u>—</u>	<u>146,544</u>
Total gains and losses recognised since the last annual report	<u>16,398</u>	<u>306,400</u>

The notes on pages 11 to 24 form part of these financial statements

FLAGDAWN LIMITED
CONSOLIDATED BALANCE SHEET
31 OCTOBER 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	11		74,097		84,682
Tangible assets	12		1,964,833		1,946,720
			<u>2,038,930</u>		<u>2,031,402</u>
Current assets					
Stocks	14	1,489,861		1,267,631	
Debtors	15	131,375		326,967	
Cash at bank and in hand		139,592		50,332	
			<u>1,760,828</u>	<u>1,644,930</u>	
Creditors: Amounts falling due within one year	16	<u>(1,865,598)</u>		<u>(1,577,971)</u>	
Net current (liabilities)/assets			<u>(104,770)</u>		<u>66,959</u>
Total assets less current liabilities			<u>1,934,160</u>		<u>2,098,361</u>
Creditors: Amounts falling due after more than one year	17		<u>(918,818)</u>		<u>(961,797)</u>
Provisions for liabilities					
Deferred taxation	19		<u>(12,825)</u>		<u>(18,445)</u>
			<u>1,002,517</u>		<u>1,118,119</u>
Capital and reserves					
Called-up share capital	23		500,100		500,100
Revaluation reserve	24		414,466		414,466
Profit and loss account	24		87,951		203,553
Shareholders' funds	25		<u>1,002,517</u>		<u>1,118,119</u>

These financial statements were approved by the directors and authorised for issue on 26/03/2012, and are signed on their behalf by

P S Clarke
Director

A M Scott
Director

FLAGDAWN LIMITED
Registered Number 05132696

COMPANY BALANCE SHEET

31 OCTOBER 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	12		748,441		684,899
Investments	13		500,200		500,200
			<u>1,248,641</u>		<u>1,185,099</u>
Current assets					
Debtors	15	258,155		273,793	
Creditors Amounts falling due within one year	16	<u>(321,068)</u>		<u>(262,896)</u>	
Net current (liabilities)/assets			<u>(62,913)</u>		<u>10,897</u>
Total assets less current liabilities			<u>1,185,728</u>		<u>1,195,996</u>
Creditors Amounts falling due after more than one year	17		<u>(407,155)</u>		<u>(389,217)</u>
			<u>778,573</u>		<u>806,779</u>
Capital and reserves					
Called-up share capital	23		500,100		500,100
Revaluation reserve	24		267,921		267,921
Profit and loss account	24		10,552		38,758
Shareholders' funds			<u>778,573</u>		<u>806,779</u>

These financial statements were approved by the directors and authorised for issue on 26/03/2012, and are signed on their behalf by

P S Clarke
Director

A M Scott
Director

FLAGDAWN LIMITED
CONSOLIDATED CASH FLOW
YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	£	2010 £	£
Net cash inflow from operating activities	26		203,739		166,453
Returns on investments and Servicing of finance					
Interest paid		(94,046)		(83,406)	
Interest element of hire purchase		<u>(4,818)</u>		<u>(3,188)</u>	
Net cash outflow from returns on investments and servicing of finance			(98,864)		(86,594)
Taxation			(36,517)		(139,799)
Capital expenditure					
Payments to acquire tangible fixed assets		(127,267)		(246,937)	
Receipts from sale of fixed assets		<u>6,708</u>		<u>169,321</u>	
Net cash outflow from capital expenditure			(120,559)		(77,616)
Equity dividends paid			(132,000)		(114,000)
Cash outflow before financing			<u>(184,201)</u>		<u>(251,556)</u>
Financing					
Increase in bank loans		121,698		81,098	
Capital element of hire purchase		<u>(26,280)</u>		<u>(13,005)</u>	
Net cash inflow from financing			95,418		68,093
Decrease in cash	26		<u>(88,783)</u>		<u>(183,463)</u>

The notes on pages 11 to 24 form part of these financial statements

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisition are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the estimated useful economic life of that asset as follows:

Goodwill - 10% straight line

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- 10% straight line
Plant & Machinery	- 20% straight line
Fixtures & Fittings	- 20% straight line
Motor Vehicles	- 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

1 Accounting policies (continued)

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2011 £	2010 £
United Kingdom	10,605,269	10,234,118

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

3 Other operating income

	2011	2010
	£	£
Commission receivable	71,680	66,913
Other operating income	7,486	3,998
	<u>79,166</u>	<u>70,911</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Amortisation of intangible assets	10,585	10,585
Depreciation of owned fixed assets	77,370	106,137
Depreciation of assets held under hire purchase agreements	25,076	17,881
Profit on disposal of fixed assets	—	(83,624)
Operating lease costs		
-Other	108,981	110,679
Auditor's remuneration - audit of the financial statements	21,200	20,000
Auditor's remuneration - other fees	9,500	9,000

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	<u>21,200</u>	<u>20,000</u>

Auditor's remuneration - other fees

- Taxation services	<u>9,500</u>	<u>9,000</u>
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5 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2011	2010
	No	No
Number of directors	2	2
Number of employees	40	40
	<u>42</u>	<u>42</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	965,138	975,954
Social security costs	97,997	98,159
	<u>1,063,135</u>	<u>1,074,113</u>

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	<u>205,007</u>	<u>203,470</u>
Remuneration of highest paid director:		
	2011	2010
	£	£
Total remuneration (excluding pension contributions)	<u>105,340</u>	<u>103,400</u>

7 Interest payable and similar charges

	2011	2010
	£	£
Interest payable on bank borrowing	77,063	69,906
Hire purchase interest	4,818	3,188
Other similar charges payable	16,983	13,500
	<u>98,864</u>	<u>86,594</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011	2010
	£	£
In respect of the year		
UK Corporation tax	22,378	36,518
(Over)/under provision in prior year	-	(507)
	<u>22,378</u>	<u>36,011</u>
Deferred tax		
Origination and reversal of timing differences	(5,620)	3,831
Tax on profit on ordinary activities	<u>16,758</u>	<u>39,842</u>

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2010 - 21%)

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>33,156</u>	<u>199,698</u>
Profit on ordinary activities by rate of tax	6,631	41,937
Effects of		
Expenses not deductible for tax purposes	5,793	5,167
Capital allowances for period in excess of depreciation	9,520	(13,485)
Adjustments to tax charge in respect of previous periods	-	(507)
Marginal relief	-	(2,921)
Difference in rates	434	5,820
Total current tax (note 8(a))	<u>22,378</u>	<u>36,011</u>

9. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £103,794 (2010 - £104,196)

10 Dividends

Equity dividends

	2011	2010
	£	£
Paid during the year		
Equity dividends on ordinary shares	<u>132,000</u>	<u>114,000</u>

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 November 2010 and 31 October 2011	<u>105,852</u>
Amortisation	
At 1 November 2010	21,170
Charge for the year	10,585
At 31 October 2011	<u>31,755</u>
Net book value	
At 31 October 2011	<u>74,097</u>
At 31 October 2010	<u>84,682</u>

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

12. Tangible fixed assets

Group	Freehold land £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 November 2010	1,801,033	185,441	50,897	124,873	2,162,244
Additions	87,716	10,600	11,443	17,508	127,267
Disposals	—	—	—	(7,000)	(7,000)
At 31 October 2011	<u>1,888,749</u>	<u>196,041</u>	<u>62,340</u>	<u>135,381</u>	<u>2,282,511</u>
Depreciation					
At 1 November 2010	38,221	107,400	16,634	53,269	215,524
Charge for the year	27,438	34,358	13,362	27,288	102,446
Disposals	—	—	—	(292)	(292)
At 31 October 2011	<u>65,659</u>	<u>141,758</u>	<u>29,996</u>	<u>80,265</u>	<u>317,678</u>
Net book value					
At 31 October 2011	<u>1,823,090</u>	<u>54,283</u>	<u>32,344</u>	<u>55,116</u>	<u>1,964,833</u>
At 31 October 2010	<u>1,762,812</u>	<u>78,041</u>	<u>34,263</u>	<u>71,604</u>	<u>1,946,720</u>

Land and buildings was revalued in October 2010 by an independent firm of Chartered Surveyors on an open market existing use basis

If the land and buildings had not been included at valuation, they would have been included under the historical cost convention. The historical cost of land and buildings is £1,474,283 (2010 £1,392,287)

Hire purchase agreements

Included within the net book value of £1,964,833 is £49,786 (2010 - £74,862) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £25,076 (2010 - £17,881)

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

12. Tangible fixed assets (continued)

Company	Freehold land £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 November 2010	679,511	6,873	686,384
Additions	64,000	1,368	65,368
At 31 October 2011	<u>743,511</u>	<u>8,241</u>	<u>751,752</u>
Depreciation			
At 1 November 2010	—	1,485	1,485
Charge for the year	—	1,826	1,826
At 31 October 2011	<u>—</u>	<u>3,311</u>	<u>3,311</u>
Net book value			
At 31 October 2011	<u>743,511</u>	<u>4,930</u>	<u>748,441</u>
At 31 October 2010	<u>679,511</u>	<u>5,388</u>	<u>684,899</u>

Freehold land was revalued in February in 2009 by an independent firm of Chartered Surveyors on an open market existing use basis

If the freehold land had not been included at valuation they would have been included under the historical cost convention. The historical cost of freehold land is £475,590 (2010 £411,590)

13. Investments

Company	Group companies £
Cost and net book value	
At 1 November 2010 and 31 October 2011	<u>500,200</u>

FLAGDAWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2011

	Country of incorporation	Holding shares held	Proportion of voting rights and	Nature of business
Subsidiary undertakings				
All held by the company				
Futuredrive Limited	England	Ordinary shares	100%	Retailing and servicing of caravans
The Caravan Company (Properties) Limited	England	Ordinary shares	100%	Property rental
The Caravan Company (Northampton) Limited	England	Ordinary shares	100%	Retailing and servicing of caravans
The Caravan Company (Reading) Limited	England	Ordinary shares	100%	Retailing and servicing of caravans
The Caravan Company (Wimborne) Limited	England	Ordinary shares	100%	Retailing and servicing of caravans

14 Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Stock	<u>1,489,861</u>	<u>1,267,631</u>	<u>—</u>	<u>—</u>

15. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	68,679	240,970	—	—
Amounts owed by group undertakings	—	—	235,923	247,923
VAT recoverable	—	—	11,857	7,267
Other debtors	10,245	7,291	—	—
Prepayments and accrued income	52,451	78,706	10,375	18,603
	<u>131,375</u>	<u>326,967</u>	<u>258,155</u>	<u>273,793</u>

FLAGDAWN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

16. Creditors. Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	1,575,327	1,256,527	75,752	60,330
Trade creditors	73,398	64,165	8,780	18,512
Amounts owed to group undertakings	—	—	221,290	164,290
Hire purchase agreements	22,920	25,280	—	—
Directors' loan accounts	13,900	13,900	—	—
Other creditors including taxation and social security				
Corporation tax	22,378	36,517	—	3,180
PAYE and social security	28,758	27,742	11,746	11,064
VAT	85,797	90,671	—	—
Accruals and deferred income	43,120	63,169	3,500	5,520
	<u>1,865,598</u>	<u>1,577,971</u>	<u>321,068</u>	<u>262,896</u>

The bank loans and overdrafts are secured over the group's freehold land and buildings. Included in bank loans and overdrafts is a loan of £618,550 (2010 £489,780) which is secured on stock.

The hire purchases are secured over the related asset.

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	904,029	923,088	407,155	389,217
Hire purchase agreements	14,789	38,709	—	—
	<u>918,818</u>	<u>961,797</u>	<u>407,155</u>	<u>389,217</u>

The bank loans and overdrafts are secured over the group's freehold land and buildings.

The hire purchases are secured over the related asset.

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17. Creditors' Amounts falling due after more than one year (continued)

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	<u>573,355</u>	<u>635,108</u>	<u>218,083</u>	<u>236,433</u>

There are five loans (2010 four loans) which are repayable over more than 5 years. The terms of repayment are as follows:

Loan 1 The loan together with the interest thereon is to be repaid by 179 monthly installments from June 2006. Interest is charged at a rate which is equivalent to 1.65% per annum above the bank's base rate.

Loan 2 The loan together with the interest thereon is to be repaid by 179 monthly installments from April 2009. Interest is charged at a rate which is equivalent to 2.95% per annum above the bank's base rate.

Loan 3 The loan together with the interest thereon is to be repaid by 179 monthly installments from April 2009. Interest is charged at a rate which is equivalent to 2.45% per annum above the bank's base rate.

Loan 4 The loan together with the interest thereon is to be repaid by 120 monthly installments from April 2010. Interest is charged at a rate which is equivalent to 3.00% per annum above the bank's base rate.

Loan 5 The loan together with the interest thereon is to be repaid by 156 monthly installments from July 2011. Interest is charged at a rate which is equivalent to be 1.00% per annum above the bank's base rate.

18. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	22,920	25,280	-	-
Amounts payable between 2 to 5 years	14,789	38,709	-	-
	<u>37,709</u>	<u>63,989</u>	<u>-</u>	<u>-</u>

19. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	18,445	14,614	-	-
(Decrease)/Increase in provision	(5,620)	3,831	-	-
Provision carried forward	<u>12,825</u>	<u>18,445</u>	<u>-</u>	<u>-</u>

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19. Deferred taxation (continued)

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>12,825</u>	<u>-</u>	<u>18,445</u>	<u>-</u>

20 Commitments under operating leases

At 31 October 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	<i>Land and buildings</i>	
	2011 £	2010 £
Operating leases which expire		
Within 1 year	3,090	2,700
Within 2 to 5 years	52,000	52,000
After more than 5 years	170,000	170,000
	<u>225,090</u>	<u>224,700</u>

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	<i>Land and buildings</i>	
	2011 £	2010 £
Operating leases which expire		
Within 1 year	<u>3,090</u>	<u>-</u>

21. Contingencies

The company has guaranteed the bank borrowings of Futuredrive Limited, The Caravan Company (Wimborne) Limited, The Caravan Company (Northampton) Limited, The Caravan Company (Reading) Limited and The Caravan Company (Properties) Limited. At 31 October 2011 the potential liability amounted to £1,377,899 (2010 £1,242,032)

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22. Related party transactions

The directors, P S Clarke and A M Scott are owed £6,950 (2010 £6,950) and £6,950 (2010 £6,950) respectively by the company

P S Clarke and A M Scott have each personally guaranteed bank borrowings of the group up to a maximum amount of £170,000 (2010 £170,000)

P S Clarke incurred expenses on behalf of the group totalling £26,420 (2010 9,511) A M Scott incurred expenses on behalf of the group totalling £26,714 (2010 £6,362) No amounts were outstanding to the directors in respect of these expenses at the year end (2010 £Nil)

Rent and insurance, amounting to £43,700 (2010 £43,521) was payable to Masterflag Limited, a company, of which A M Scott's parents are directors

The group paid rent of £52,000 (2010 £52,000) to a pension scheme of which P S Clarke and A M Scott are trustees During the prior year, the group sold land and buildings with a net book value of £31,640 to the pension scheme for £145,000 No balance was due from the pension as at the year end (2010 £Nil)

23 Share capital

Allotted, called up and fully paid

	2011		2010	
	No	£	No	£
500,100 Ordinary shares of £1 each	<u>500,100</u>	<u>500,100</u>	<u>500,100</u>	<u>500,100</u>

24. Reserves

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	414,466	203,553
Profit for the year	—	16,398
Equity dividends	—	(132,000)
Balance carried forward	<u>414,466</u>	<u>87,951</u>
Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	267,921	38,758
Profit for the year	—	103,794
Equity dividends	—	(132,000)
Balance carried forward	<u>267,921</u>	<u>10,552</u>

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25 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	16,398	159,856
Other net recognised gains and losses	—	146,545
Equity dividends	(132,000)	(114,000)
Net (reduction)/addition to shareholders' funds	(115,602)	192,401
Opening shareholders' funds	1,118,119	925,718
Closing shareholders' funds	<u>1,002,517</u>	<u>1,118,119</u>

26. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	132,020	286,292
Amortisation	10,585	10,585
Depreciation	102,446	124,018
Profit on disposal of fixed assets	—	(83,624)
(Increase)/decrease in stocks	(222,230)	32,775
Decrease/(increase) in debtors	195,592	(186,699)
Decrease in creditors	(14,674)	(16,894)
Net cash inflow from operating activities	<u>203,739</u>	<u>166,453</u>

Reconciliation of net cash flow to movement in net debt

	2011 £	£	2010 £	£
Decrease in cash in the period	(88,783)		(183,463)	
Net cash (inflow) from bank loans	(121,698)		(81,098)	
Cash outflow in respect of hire purchase	<u>26,280</u>		<u>13,005</u>	
Change in net debt		(184,201)		(251,556)
Net debt at 1 November 2010		(2,193,272)		(1,941,717)
Net debt at 31 October 2011		<u>(2,377,473)</u>		<u>(2,193,272)</u>

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2011

26 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At 1 November 2010 £	Cash flows £	At 31 October 2011 £
Net cash			
Cash in hand and at bank	50,332	89,260	139,592
Overdrafts	(696,065)	(178,043)	(874,108)
	<u>(645,733)</u>	<u>(88,783)</u>	<u>(734,516)</u>
Debt			
Debt due within 1 year	(560,462)	(140,757)	(701,219)
Debt due after 1 year	(923,088)	19,059	(904,029)
Hire purchase agreements	(63,989)	26,280	(37,709)
	<u>(1,547,539)</u>	<u>(95,418)</u>	<u>(1,642,957)</u>
Net debt	<u>(2,193,272)</u>	<u>(184,201)</u>	<u>(2,377,473)</u>

27 Ultimate controlling party

P S Clarke and A M Scott, the directors of the company, are the ultimate controlling parties by virtue of their 100% shareholding in Flagdawn Limited