

FRIDAY



A14 \*A18Q8EUY\* #120  
11/05/2012  
COMPANIES HOUSE

**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**

---

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members of Flagdawn Limited	4 to 5
Consolidated profit and loss account	6
Consolidated statement of total recognised gains and losses	7
Consolidated group balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 to 24
 <b>The following pages do not form part of the statutory financial statements</b>	
Detailed consolidated profit and loss account	26
Notes to the detailed consolidated profit and loss account	27 to 28

---

**FLAGDAWN LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 OCTOBER 2011**

---

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

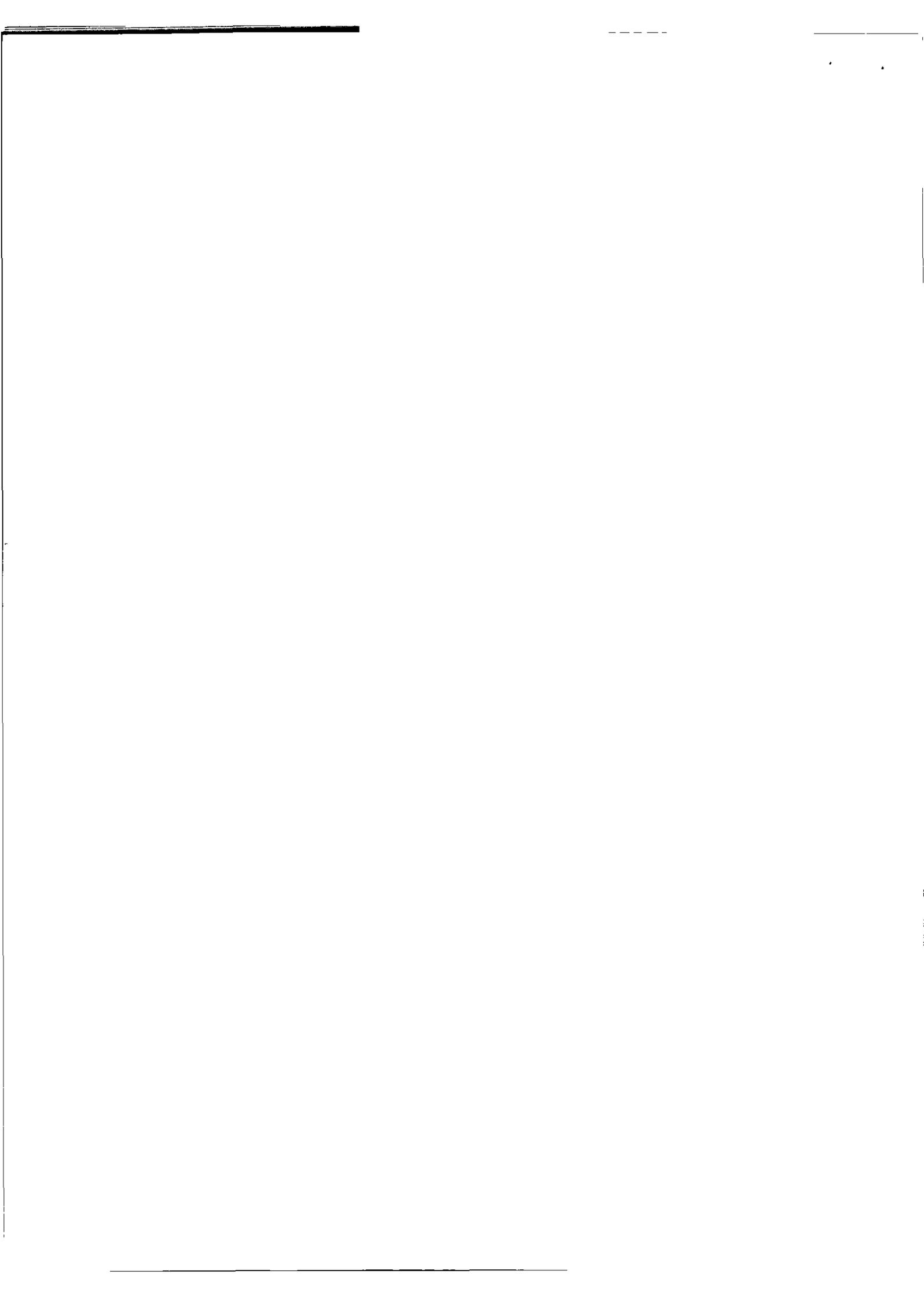
A M J Scott  
P S Clarke

**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.

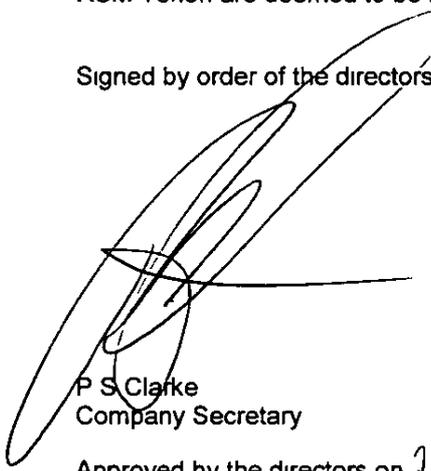
In so far as the directors are, individually, aware

- 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 25/03/2012

**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 £
<b>Group turnover</b>	2	10,605,269	10,234,118
Cost of sales		(8,410,156)	(8,016,121)
<b>Gross profit</b>		<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
<b>Operating profit</b>	4	<u>132,020</u>	<u>286,292</u>
Interest payable and similar charges	7	(98,864)	(86,594)
<b>Profit on ordinary activities before taxation</b>		<u>33,156</u>	<u>199,698</u>
Tax on profit on ordinary activities	8	(16,758)	(39,842)
<b>Profit for the financial year</b>	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	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		74,097		84,682
Tangible assets	12		1,964,833		1,946,720
			2,038,930		2,031,402
<b>Current assets</b>					
Stocks	14	1,489,861		1,267,631	
Debtors	15	131,375		326,967	
Cash at bank and in hand		139,592		50,332	
			1,760,828	1,644,930	
<b>Creditors: Amounts falling due within one year</b>	16	(1,865,598)		(1,577,971)	
<b>Net current (liabilities)/assets</b>			(104,770)		66,959
<b>Total assets less current liabilities</b>			1,934,160	2,098,361	
<b>Creditors: Amounts falling due after more than one year</b>	17		(918,818)		(961,797)
<b>Provisions for liabilities</b>					
Deferred taxation	19		(12,825)		(18,445)
			1,002,517	1,118,119	
<b>Capital and reserves</b>					
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
<b>Shareholders' funds</b>	25		1,002,517		1,118,119

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	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		748,441		684,899
Investments	13		500,200		500,200
			<u>1,248,641</u>		<u>1,185,099</u>
<b>Current assets</b>					
Debtors	15	258,155		273,793	
<b>Creditors Amounts falling due within one year</b>	16	<u>(321,068)</u>		<u>(262,896)</u>	
<b>Net current (liabilities)/assets</b>			<u>(62,913)</u>		<u>10,897</u>
<b>Total assets less current liabilities</b>			<u>1,185,728</u>		<u>1,195,996</u>
<b>Creditors Amounts falling due after more than one year</b>	17		<u>(407,155)</u>		<u>(389,217)</u>
			<u>778,573</u>		<u>806,779</u>
<b>Capital and reserves</b>					
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
<b>Shareholders' funds</b>			<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 £	£
<b>Net cash inflow from operating activities</b>	26		203,739		166,453
<b>Returns on investments and Servicing of finance</b>					
Interest paid		(94,046)		(83,406)	
Interest element of hire purchase		(4,818)		(3,188)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(98,864)		(86,594)
<b>Taxation</b>			(36,517)		(139,799)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(127,267)		(246,937)	
Receipts from sale of fixed assets		6,708		169,321	
<b>Net cash outflow from capital expenditure</b>			(120,559)		(77,616)
<b>Equity dividends paid</b>			(132,000)		(114,000)
<b>Cash outflow before financing</b>			(184,201)		(251,556)
<b>Financing</b>					
Increase in bank loans		121,698		81,098	
Capital element of hire purchase		(26,280)		(13,005)	
<b>Net cash inflow from financing</b>			95,418		68,093
<b>Decrease in cash</b>	26		(88,783)		(183,463)

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	<u>10,605,269</u>	<u>10,234,118</u>

---

**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>
---------------------	--------------	--------------

**5 Particulars of employees**

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

	2011 No	2010 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	<u>(5,620)</u>	<u>3,831</u>
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	33,156	199,698
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**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 November 2010 and 31 October 2011	<u>105,852</u>
<b>Amortisation</b>	
At 1 November 2010	21,170
Charge for the year	10,585
At 31 October 2011	<u>31,755</u>
<b>Net book value</b>	
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 £
<b>Cost or valuation</b>					
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>
<b>Depreciation</b>					
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>
<b>Net book value</b>					
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 £
<b>Cost or valuation</b>			
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>
<b>Depreciation</b>			
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>
<b>Net book value</b>			
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 £
<b>Cost and net book value</b>	
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	Proportion of voting rights and Holding shares held	Nature of business
<b>Subsidiary undertakings</b>			
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**

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

**15. Debtors**

	<i>Group</i>		<i>Company</i>	
	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**

	<i>Group</i>		<i>Company</i>	
	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**

	<i>Group</i>		<i>Company</i>	
	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.

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

**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

	<i>Group</i>		<i>Company</i>	
	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 month 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

	<i>Group</i>		<i>Company</i>	
	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

	<i>Group</i>		<i>Company</i>	
	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>

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

**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)

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

---

**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>

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

**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	<u>(132,000)</u>	<u>(114,000)</u>
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	<u>(14,674)</u>	<u>(16,894)</u>
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		<u>(184,201)</u>		<u>(251,556)</u>
Net debt at 1 November 2010		<u>(2,193,272)</u>		<u>(1,941,717)</u>
Net debt at 31 October 2011		<u>(2,377,473)</u>		<u>(2,193,272)</u>

**FLAGDAWN LIMITED**  
**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