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**ANGLO ERI LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2009**

(Company registration number 06303767)

TUESDAY



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**ANGLO ERI LIMITED**

**FINANCIAL STATEMENTS for the year ended 31 May 2009**

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	1
Directors' report	2 - 3
Independent auditors' report to the members	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 17

## **ANGLO ERI LIMITED**

### **DIRECTORS' REPORT for the year ended 31 May 2009**

The directors present their second annual report and audited financial statements for the year ended 31 May 2009

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is the manufacture of interior shopfittings

#### **BUSINESS REVIEW**

The economic climate has had a significant impact on demand levels from the retail sector which has resulted in the company reporting reduced turnover and operating profit of £16,131,362 and £203,111 respectively

#### **RESULTS AND DIVIDENDS**

Profit for the year after taxation amounted to £64,816 (2008 11 month period £966,092)

The directors do not recommend the payment of a dividend

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The board anticipates that the remainder of 2009 will show monthly activity levels ahead of those experienced during the 12 months to 31 May 2009 and, based on indications received from its customers regarding levels of expenditure for 2010, is optimistic that activity levels will continue to increase during the second half of the 2009/2010 financial year

The company monitors cash flow as part of its ongoing operational and control procedures. The board is satisfied that the company has facilities which are adequate to fund both its existing operations and future expansion plans

#### **KEY PERFORMANCE INDICATORS**

The board and senior management meet on a regular basis to monitor turnover, gross and net profit performance, value added per productive hour and future capacity requirements. These key performance indicators have all performed satisfactorily and in line with expectations during the year

#### **DIRECTORS**

The directors who served the company during the year were as follows

S H Hayes  
S G Wain  
P J Eady  
R S Jones

The interests of the directors in the share capital of the ultimate parent undertaking, Estrella Group Limited, are shown in the financial statements of that company

#### **CHARITABLE DONATIONS**

During the year the company made charitable donations amounting to £846 (2008 11 month period £712)

## ANGLO ERI LIMITED

### DIRECTORS' REPORT for the year ended 31 May 2009 (*continued*)

#### STATEMENT OF 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 of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies, as described on page 8, and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

#### PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

#### AUDITORS

In accordance with Section 495 of the Companies Act 2006, a resolution proposing the re-appointment of Clement Keys will be put to the Annual General Meeting

This report was approved by the board on 14 January 2010 and signed on its behalf by



**S G Wain**  
Director

## REPORT OF THE INDEPENDENT AUDITORS to the members of ANGLO ERI LIMITED

For the year ended 31 May 2009

We have audited the financial statements of Anglo ERI Limited for the year ended 31 May 2009, set out on pages 5 to 17. 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 Sections 495 and 496 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 DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its 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.

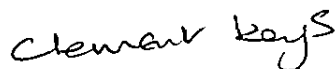
### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records or 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.



Duncan McNab FCA (Senior Statutory Auditor)

For and on behalf of  
**CLEMENT KEYS**

Chartered Accountants  
& Statutory Auditors  
39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

14 January 2010

**ANGLO ERI LIMITED**

**PROFIT AND LOSS ACCOUNT for the year ended 31 May 2009**

	Note	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
<b>TURNOVER</b>	2	<b>16,131,362</b>	23,263,179
Cost of sales		(12,892,671)	(19,076,817)
<b>GROSS PROFIT</b>		<b>3,238,691</b>	4,186,362
Selling and distribution costs		(365,550)	(445,072)
Administrative expenses		(2,771,065)	(3,182,822)
Goodwill	9	101,035	994,398
<b>OPERATING PROFIT</b>	3	<b>203,111</b>	1,552,866
Other interest receivable and similar income	6	2,750	861
Interest payable and similar charges	7	(109,991)	(175,909)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>95,870</b>	1,377,818
Tax on profit on ordinary activities	8	(31,054)	(411,726)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR/PERIOD</b>		<b>64,816</b>	966,092
Balance brought forward		966,092	-
Balance carried forward		<b>1,030,908</b>	966,092

All turnover and operating results are derived from continuing activities

No statement of recognised gains and losses is given as all profits and losses are recognised above

*The notes on pages 8 to 17 form part of these financial statements*

ANGLO ERI LIMITED  
REGISTERED NUMBER 06303767

BALANCE SHEET as at 31 May 2009

	Note	2009		2008	
		£	£	£	£
<b>FIXED ASSETS</b>					
Goodwill	9		(302,237)		(403,272)
Tangible assets	10		669,269		797,333
<b>CURRENT ASSETS</b>					
Stocks	11	1,888,810		2,003,677	
Debtors	12	3,811,061		6,325,557	
Cash in hand		539,238		1,571	
		<u>6,239,109</u>		<u>8,330,805</u>	
<b>CREDITORS. Amounts falling</b>					
<b>Due within one year</b>	13	<u>(4,876,399)</u>		<u>(6,923,044)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,362,710</u>		<u>1,407,761</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,729,742</u>		<u>1,801,822</u>
<b>CREDITORS. Amounts falling due after more than</b>					
<b>one year</b>	14		(583,423)		(719,273)
<b>PROVISIONS FOR LIABILITIES AND</b>					
<b>CHARGES</b>	16		(15,411)		(16,457)
<b>NET ASSETS</b>			<u>1,130,908</u>		<u>1,066,092</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		100,000		100,000
Profit and loss account	18		1,030,908		966,092
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19		<u>1,130,908</u>		<u>1,066,092</u>

These financial statements were approved by the directors on 14 January 2010 and signed on their behalf by

  
P J Eady  
DIRECTOR

  
S G Wain  
DIRECTOR

The notes on pages 8 to 17 form part of these financial statements

**ANGLO ERI LIMITED**

**CASH FLOW STATEMENT for the year ended 31 May 2009**

	Note	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
Net cash flow from operating activities	20	888,516	613,178
Net cash flow from returns on investments and servicing of finance	21	(70,910)	(172,116)
Net cash flow from capital expenditure and financial investment	21	(49,225)	(699,167)
<b>Cash inflow/(outflow) before financing</b>		<b>768,381</b>	<b>(258,105)</b>
Net cash flow from financing	21	(31,636)	60,598
<b>Increase/(decrease) in cash in the year/period</b>	22	<b>736,745</b>	<b>(197,507)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT for the year ended 31 May 2009**

	Note	Year Ended 31 May 2009	11 Months Ended 31 May 2008
Increase/(decrease) in cash in the year/period	22	736,745	(197,507)
Net cash flow from new finance leases and hire purchase agreements	22	31,636	(156,098)
<b>Movement in net debt in the year/period</b>	22	<b>768,381</b>	<b>(353,605)</b>
Net debt at the start of the year/period		(353,605)	-
<b>Net debt at 31 May 2009</b>	22	<b>414,776</b>	<b>(353,605)</b>

*The notes on pages 8 to 17 form part of these financial statements*



## ANGLO ERI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009

#### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

##### **Basis of accounting**

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

##### **Turnover**

Turnover is recognised, net of discounts and Value Added Tax, with reference to the delivery and installation of goods, as this is the point at which the significant risks and rewards of ownership of the goods and services have been transferred to the customer

##### **Negative goodwill**

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised

##### **Depreciation**

Depreciation is calculated to write off the cost of an asset, less the estimated residual value, over the useful life of that asset

Plant and machinery	- 10% to 20% straight line
Fixtures and fittings	- 33 3% straight line
Motor vehicles	- 33 3% straight line

##### **Foreign currencies**

Foreign currency transactions are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

##### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period the lease

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet. Assets held under hire purchase agreements are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shortest. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. In respect of work in progress and finished goods, cost includes all direct costs of production and the appropriate proportion of overheads

##### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

##### **Deferred Taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences

# ANGLO ERI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)

### 2. TURNOVER

The turnover for the year is attributable to the company's principal activity. An analysis of turnover by geographical market is given below

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
United Kingdom	15,777,063	21,948,374
Rest of Europe	354,299	1,312,690
Rest of World	-	2,115
	<u>16,131,362</u>	<u>23,263,179</u>

The directors consider that the company operates in one business segment

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
Auditors' remuneration		
Audit - current year	15,000	15,500
- prior period	5,070	-
Depreciation and other amounts written off tangible fixed assets		
Owned	154,043	116,121
Leased	19,550	14,662
Loss on disposal of fixed assets	3,696	-
Operating lease rentals		
Land and buildings	600,090	367,365
Plant and machinery	90,628	52,484
Negative goodwill		
Amortisation	(101,035)	(92,789)
Realised during the year/period	-	(901,609)
	<u>                    </u>	<u>                    </u>

### 4. DIRECTORS' EMOLUMENTS

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
Directors' emoluments	153,575	209,681
Pension contributions to money purchase pension schemes	12,000	10,000
	<u>165,575</u>	<u>219,681</u>

#### Number of employees

Retirement benefits are accruing to the following number of directors under a Money Purchase Scheme

1	1
-	-

The total amount payable to the highest paid director in respect of emoluments and pension contributions was £153,575 (2008 £209,681) and £12,000 (2008 £10,000) respectively

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)**

**5 STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	<b>Year Ended 31 May 2009</b>	<b>11 Months Ended 31 May 2008</b>
	<b>Number of employees</b>	
Management and administration	<b>50</b>	<b>50</b>
Production and distribution	<b>53</b>	<b>70</b>
	<b>103</b>	<b>120</b>

The aggregate payroll costs of these persons were as follows

	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,035,737</b>	<b>3,172,568</b>
Social security costs	<b>326,834</b>	<b>299,876</b>
Other pension costs	<b>17,943</b>	<b>13,513</b>
	<b>3,380,514</b>	<b>3,485,957</b>

**6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year Ended 31 May 2009 £</b>	<b>11 Months Ended 31 May 2008 £</b>
Bank interest receivable	<b>2,750</b>	<b>861</b>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year Ended 31 May 2009 £</b>	<b>11 Months Ended 31 May 2008 £</b>
On bank loans and overdrafts	<b>4,882</b>	<b>4,585</b>
Intra group loan account interest	<b>36,331</b>	<b>2,932</b>
Other interest	<b>58,419</b>	<b>160,298</b>
Finance charges payable under finance lease and hire purchase contracts	<b>10,359</b>	<b>8,094</b>
	<b>109,991</b>	<b>175,909</b>

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)**

**8. TAXATION**

**a) Analysis of charge for the year/period**

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
The tax charge is made up as follows		
UK corporation tax		
Current tax on profit for the year/period	37,218	395,269
Adjustment in respect of prior period	(5,118)	-
	<u>32,100</u>	<u>395,269</u>
Deferred tax		
Origination and reversal of timing differences	(795)	16,457
Adjustment in respect of prior period	(251)	-
	<u>(1,046)</u>	<u>16,457</u>
Tax on profit on ordinary activities	<u>31,054</u>	<u>411,726</u>

**b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher (2008 lower) than the effective standard rate of corporation tax in the UK for the year of 28% (2008 29.67%). The differences are reconciled below

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
Profit on ordinary activities before tax	95,870	1,377,818
Taxation at the effective standard rate of 28% (2008 29.67%)	26,844	408,799
Effects of		
Depreciation in excess of capital allowances	795	(16,457)
Expenses not deductible for tax purposes	9,579	3,986
Rate differences and other	-	(1,059)
Adjustment in respect of prior period	(5,118)	-
Total current tax credit (see above)	<u>32,100</u>	<u>395,269</u>

**c) Factors that may affect future tax charges**

There are no factors affecting future tax charges

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year to 31 May 2009 (continued)**

**9 GOODWILL**

	£
<b>Cost</b>	
At 1 June 2008 and 31 May 2009	(1,397,670)
	-----
<b>Amortisation</b>	
At 1 June 2008	994,398
Realised during the year	101,035
	-----
<b>At 31 May 2009</b>	<b>1,095,433</b>
	-----
<b>Net book value</b>	
At 31 May 2009	(302,237)
	-----
At 31 May 2008	(403,272)
	-----

**10. TANGIBLE FIXED ASSETS**

	<b>Plant, equipment, fixtures and fittings £</b>
<b>Cost</b>	
At 1 June 2008	928,116
Additions	52,225
Disposals	(12,249)
	-----
<b>At 31 May 2009</b>	<b>968,092</b>
	-----
<b>Depreciation</b>	
At 1 June 2008	130,783
Charge for the year	173,593
Disposals	(5,553)
	-----
<b>At 31 May 2009</b>	<b>298,823</b>
	-----
<b>Net book value</b>	
At 31 May 2009	669,269
	-----
At 31 May 2008	797,333
	-----

Included in the total net book value of tangible fixed assets at 31 May 2009 was £161,287 (2008 £180,837) in respect of assets held under hire purchase agreements and finance leases

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year to 31 May 2009 (continued)**

**11 STOCKS**

	2009 £	2008 £
Raw materials and consumables	943,492	1,030,200
Work in progress	505,027	592,755
Finished goods	440,291	380,722
	<u>1,888,810</u>	<u>2,003,677</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material

**12 DEBTORS**

	2009 £	2008 £
Trade debtors	3,422,563	5,866,564
Amounts owed by group undertakings	4,198	84,900
Other debtors	128,334	128,334
Prepayments and accrued income	255,966	245,759
	<u>3,811,061</u>	<u>6,325,557</u>

**13 CREDITORS. Amounts falling due within one year**

	2009 £	2008 £
Bank loans and overdrafts	-	199,078
Trade creditors	1,692,209	1,829,328
Amounts owed to group undertakings	524,802	544,245
Obligations under hire purchase agreements and finance leases	34,309	31,636
Corporation tax	281,063	395,269
Other taxes and social security	170,242	573,111
Other creditors	1,534,548	2,574,780
Accruals and deferred income	639,226	775,597
	<u>4,876,399</u>	<u>6,923,044</u>

**14 CREDITORS: Amounts falling due after more than one year**

	2009 £	2008 £
Amounts owed to parent undertaking	493,270	594,811
Obligations under hire purchase agreements and finance leases	90,153	124,462
	<u>583,423</u>	<u>719,273</u>

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)**

**15 SECURED DEBTS**

	2009 £	2008 £
The following secured debts are included within creditors		
Within amounts falling due within one year		
Bank loans and overdrafts	-	199,078
Obligations under hire purchase agreements and finance leases	34,309	31,636
Other creditors	1,288,212	2,148,154
	<u>1,322,521</u>	<u>2,378,868</u>
Within amounts falling due after more than one year		
Obligations under hire purchase agreements and finance leases	90,153	124,462
	<u>90,153</u>	<u>124,462</u>

Bank loans and overdrafts are secured by a fixed and floating charge over all assets both present and future

Obligations under hire purchase agreements and finance leases are secured over the relevant assets

Other creditors are secured over book debts and related rights

**16 PROVISION FOR LIABILITIES AND CHARGES**

	2009 £	2008 £
The movement in deferred taxation during the year was		
At beginning of the year	16,457	-
Adjustment in respect of prior period	(251)	-
Movement in the year	(795)	16,457
<b>At 31 May 2009</b>	<u>15,411</u>	<u>16,457</u>

The elements of deferred taxation provided for at 28% are as follows

Difference between accumulated depreciation and amortisation and capital allowances	15,411	16,457
	<u>15,411</u>	<u>16,457</u>

**17 SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised share capital</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid.</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)**

**18 PROFIT AND LOSS ACCOUNT**

	£
At 1 June 2008	966,092
Profit after taxation for the year	64,816
<b>At 31 May 2009</b>	<b>1,030,908</b>

**19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	Share Capital £	Profit & Loss Account £	Total £
At 1 June 2008	100,000	966,092	1,066,092
Retained profit for the year	-	64,816	64,816
<b>At 31 May 2009</b>	<b>100,000</b>	<b>1,030,908</b>	<b>1,130,908</b>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
Operating profit	203,111	1,552,866
Amortisation of intangible fixed assets	(101,035)	(994,398)
Depreciation on tangible fixed assets	173,593	130,783
Loss on disposal on tangible fixed assets	3,696	-
Decrease/(increase) in stocks	114,867	(718,649)
Decrease/(increase) in debtors	2,514,496	(5,536,008)
(Decrease)/increase in creditors	(2,020,212)	6,178,584
	<b>888,516</b>	<b>613,178</b>

**21 ANALYSIS OF CASH FLOWS FOR HEADINGS IN THE CASH FLOW STATEMENT**

	Year Ended 31 May 2009 £	11 Months Ended 31 May 2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,750	861
Interest paid	(63,301)	(164,883)
Interest element of finance lease and hire purchase payments	(10,359)	(8,094)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(70,910)</b>	<b>(172,116)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(52,225)	(236,554)
Proceeds from disposal of tangible fixed assets	3,000	-
Acquisition of the trade and certain assets of Anglo CIL	-	(462,613)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(49,225)</b>	<b>(699,167)</b>
<b>Financing</b>		
Ordinary share capital	-	100,000
Capital element of hire purchase payments	(31,636)	(39,402)
<b>Net cash (outflow)/inflow from financing</b>	<b>(31,636)</b>	<b>60,598</b>





**ANGLO ERI LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)**

**22 ANALYSIS OF CHANGES IN NET DEBT**

	As at 1 June 2008 £	Cash Flow £	As at 31 May 2009 £
Cash at bank and in hand	1,571	537,667	539,238
Bank overdraft	(199,078)	199,078	-
	<u>(197,507)</u>	<u>736,745</u>	<u>539,238</u>
Debt			
Hire purchase			
Due within one year	(31,636)	(2,673)	(34,309)
Due after more than one year	(124,462)	34,309	(90,153)
	<u>(156,098)</u>	<u>31,636</u>	<u>(124,462)</u>
Change in net debt	<u>(353,605)</u>	<u>768,381</u>	<u>414,776</u>

**23 COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows

	2009		2008	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire				
Within one year	-	38,715	-	-
In the second to fifth years inclusive	215,090	36,766	110,000	92,016
Over five years	385,000	1,300	385,000	1,300
	<u>600,090</u>	<u>76,781</u>	<u>495,000</u>	<u>93,316</u>

**24 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES**

	2009 £	2008 £
Finance commitments under hire purchase agreements and finance leases included within creditors are analysed as follows		
Amount payable within one year	34,309	31,636
Amount payable within two to five years	90,153	124,462
	<u>124,462</u>	<u>156,098</u>

**25. PENSION SCHEME**

The company operates a defined contribution scheme for certain of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge for the year was £17,943 (2008: £13,513) and included within other creditors is an amount of £740 (2008: £nil).

## ANGLO ERI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2009 (continued)

#### 26. RELATED PARTY DISCLOSURES

The following transactions have been carried out under arm's length commercial trading terms

	Year Ended 31 May 2009	Period ended 31 May 2008 £
<b>Estrella Group Limited</b>		
Management charges from Estrella Group Limited	170,000	680,000
Other recharges from Estrella Group Limited	150,120	20,368
Sales	-	11,149
Intra group loan account interest paid	29,605	2,932
<b>CDM Shopfitting Limited</b>		
Purchases	8,003	4,464
Sales	3,587	87,198
<b>CDM Displays Limited</b>		
Management charge to CDM Displays Limited	17,222	12,144
Purchases	20,680	-
<b>ERI Limited</b>		
Intra group loan account interest	6,726	-
Purchases	501,759	1,381,838
Sales	44,654	40,726

At 31 May 2009 amounts owed to the company's ultimate parent undertaking and the company's fellow subsidiary undertakings amounted to £493,270 (2008 £594,811) and £524,802 (2008 £544,245) respectively. Amounts owed by fellow subsidiary undertakings amounted to £4,198 (2008 £84,900).

#### 27. CONTINGENT LIABILITY

The company is party to a number of composite guarantees whereby it has guaranteed the indebtedness of its parent company and a number of its fellow subsidiary companies. At 31 May 2009 the composite indebtedness towards which the company contributed was £2,626,891 (2008 £1,645,923).

The company is part of a VAT group registration. The other group members are Estrella Group Limited and Estrella Interiors Limited. At 31 May 2009 both Estrella Group Limited and Estrella Interiors Limited had amounts owing.

#### 28. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a subsidiary undertaking of Estrella Group Limited, incorporated in Great Britain. Copies of the financial statements of this entity are available from Number 7, Mill Pool, Nash Lane, Belbroughton, Stourbridge, West Midlands, DY9 9AF. The directors consider the ultimate controlling party is Mr S H Hayes by virtue of his controlling shareholding in Estrella Group Limited.