

# Andersons (Denton Holme) Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2011

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# Andersons (Denton Holme) Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

M Barker  
V Woods

### SECRETARY

C Barker

### REGISTERED OFFICE

Denton Holme Sawmills  
Denton Street  
Carlisle  
Cumbria  
CA2 5EQ

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
The Waterfront  
Salts Mill Road  
Saltaire  
West Yorkshire  
BD17 7EZ

### BANKERS

National Westminster Bank plc  
PO Box 666  
Ashton House  
Waterloo Street  
Bolton  
BL1 8FH

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# Andersons (Denton Holme) Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Andersons (Denton Holme) Limited for the year ended 31 December 2011

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of timber merchants and kitchen furniture suppliers

### REVIEW OF THE BUSINESS & FUTURE DEVELOPMENTS

The company's balance sheet as detailed on page 8 shows a satisfactory position, shareholders' funds amounting to £810,213

The company supplies timber, kitchen and joinery products, to both trade and retail customers, from its three branches located in Carlisle, Dumfries and Kilmarnock. The company also has a property for redevelopment

The directors are pleased to report another profitable year of trading for the company in difficult trading conditions caused by reduced consumer spending in the economy as a whole. Premises have been secured for a fourth branch which is planned to open in August 2012. Cash resources have been managed carefully during the period with the company continuing to trade well within its banking facilities

The directors believe that the company is well positioned to take advantage of the opportunities presented as the economic climate slowly improves

The directors consider their key performance indicators to be the following

Turnover	-	reduced by 4%
Gross margin	-	maintained at 32%

As a result of a group restructure in January 2011, the company became a wholly owned subsidiary of Triggerdown Ltd. Further details are set out in note 18 to the financial statements

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £41,053 (2010 - profit £90,483). Particulars of dividends paid are detailed in note 8 to the financial statements

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors believe they have addressed all the major risks faced by the business. Long term supply agreements remain in place with key suppliers. Debt is monitored closely to minimise bad debt risk and major debt has insurance policy cover. Overhead cost is closely monitored to maintain net margin. Cashflow remains tightly controlled

The directors continue to monitor and anticipate changes in the marketplace and embrace new products and technologies to ensure the business remains a market leader

The new build housing market is showing a slow recovery and, along with customers improving their existing properties, this enables Andersons to embrace all opportunities in the current trading environment

### DIRECTORS

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

M Barker  
V Woods

# Andersons (Denton Holme) Limited

## DIRECTORS' REPORT

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### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



M Barker  
Director

6 August 2012

# Andersons (Denton Holme) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDERSONS (DENTON HOLME) LIMITED

We have audited the financial statements on pages 6 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 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 December 2011 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 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.

*Baker Tilly UK Audit LLP*

KEITH HILLAM (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Waterfront

Salts Mill Road

Saltaire

West Yorkshire

BD17 7EZ

14 August 2012

# Andersons (Denton Holme) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

		2011	2010
	<i>Notes</i>	£	£
TURNOVER	2	7,917,394	8,214,394
Cost of sales		5,410,759	5,561,863
Gross profit		2,506,635	2,652,531
Administrative expenses		2,446,583	2,476,748
OPERATING PROFIT	3	60,052	175,783
Interest receivable		100	292
		60,152	176,075
Interest payable and similar charges	6	(4,434)	(23,030)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		55,718	153,045
Taxation	7	14,665	62,562
PROFIT FOR THE FINANCIAL YEAR	20	41,053	90,483

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

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**Andersons (Denton Holme) Limited**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
for the year ended 31 December 2011

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	2011	2010
	£	£
Profit on ordinary activities before taxation	55,718	153,045
Realisation of gains recognised in previous periods	—	800,388
Historical cost profit on ordinary activities before taxation	<u>55,718</u>	<u>953,433</u>
Historical cost profit for the year after taxation	<u>41,053</u>	<u>890,871</u>



# Andersons (Denton Holme) Limited

## BALANCE SHEET

31 December 2011

	<i>Notes</i>	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	9	<u>259,800</u>	<u>342,223</u>
<b>CURRENT ASSETS</b>			
Stocks	10	1,097,011	1,018,977
Debtors	11	1,420,186	2,004,203
Cash at bank and in hand		142,519	390,573
		<u>2,659,716</u>	<u>3,413,753</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>1,901,030</u>	<u>2,507,536</u>
<b>NET CURRENT ASSETS</b>			
		758,686	906,217
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1,018,486</u>	<u>1,248,440</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	186,437	7,680
Deferred taxation	16	21,836	16,600
		<u>810,213</u>	<u>1,224,160</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	50,000	50,000
Profit and loss account	20	760,213	1,174,160
<b>SHAREHOLDERS' FUNDS</b>			
	21	<u>810,213</u>	<u>1,224,160</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 6 August 2012 and are signed on their behalf by



M Barker  
Director

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

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### 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

#### GOING CONCERN

The company continued to trade profitably in 2011 due to the prompt action taken in the previous two years to match staffing levels and costs to anticipated revenues as recessionary conditions continued to impact on the economy.

During the year the company continued to operate well within its banking facilities, which have been renewed subsequent to the year end. Management accounts for the first six months of 2012 show continued profitability.

Given the above, the directors are satisfied that the company has sufficient cashflows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

#### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business, exclusive of Value Added Tax.

#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

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

Leasehold Property	-	over the period of the lease
Plant & Machinery	-	4% - 10% straight line
Fixtures & Fittings	-	10% - 25% straight line
Motor Vehicles	-	25-33% 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.

#### 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 at a constant rate of charge on the balance of capital repayments outstanding.

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

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### 1 ACCOUNTING POLICIES *(continued)*

#### 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

#### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 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 company after deducting all of its liabilities.

### 2 TURNOVER

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

An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	<u>7,917,394</u>	<u>8,214,394</u>

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation of owned fixed assets	134,457	166,899
Depreciation of assets held under hire purchase agreements	6,053	3,821
(Profit)/Loss on disposal of fixed assets	(18,671)	1,305
Auditor's remuneration		
- as auditor	11,000	10,500
Operating lease costs		
- Other	293,542	175,750

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2011	2010
	No	No
Number of production staff	40	37
Number of administrative staff	12	11
Number of management staff	2	2
	<u>54</u>	<u>50</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,246,877	1,250,625
Social security costs	141,077	136,853
Other pension costs	30,892	29,865
	<u>1,418,846</u>	<u>1,417,343</u>

### 5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	210,478	271,809
Value of company pension contributions to money purchase schemes	22,311	21,456
	<u>232,789</u>	<u>293,265</u>

Remuneration of highest paid director

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	137,763	165,315
Value of company pension contributions to money purchase schemes	10,900	10,728
	<u>148,663</u>	<u>176,043</u>

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 5 DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
On bank loans and overdrafts	1,169	12,977
On finance leases	2,934	9,077
Other interest	331	976
	<u>4,434</u>	<u>23,030</u>

### 7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2010 - 28%)	10,000	88,000
Over provision in prior year	(571)	(538)
Total current tax	<u>9,429</u>	<u>87,462</u>
Deferred tax		
Origination and reversal of timing differences	5,236	(24,900)
Tax on profit on ordinary activities	<u>14,665</u>	<u>62,562</u>

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2010 - 28%), as explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>55,718</u>	<u>153,045</u>
Profit on ordinary activities by rate of tax	11,144	42,853
Effects of		
Depreciation in excess of capital allowances	(2,824)	16,349
Expenses not deductible for tax	1,520	31,387
Other differences	160	483
Over provision in prior years	(571)	(538)
Small companies relief	-	(3,072)
Total current tax (note 7(a))	<u>9,429</u>	<u>87,462</u>

### 8 DIVIDENDS

#### Equity dividends

	2011 £	2010 £
Paid during the year		
Equity dividends on ordinary shares £9 10	<u>455,000</u>	<u>36,000</u>

During the year ended 31 December 2010 a dividend of £7 20 per £1 ordinary share was declared. The holder of 45,000 £1 ordinary shares waived his right to this dividend.

### 9 TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2011	18,341	207,032	808,394	424,334	1,458,101
Additions	-	-	36,806	39,942	76,748
Disposals	-	-	(32,417)	(97,743)	(130,160)
At 31 December 2011	<u>18,341</u>	<u>207,032</u>	<u>812,783</u>	<u>366,533</u>	<u>1,404,689</u>
Depreciation					
At 1 January 2011	12,514	178,048	568,459	356,857	1,115,878
Charge for the year	1,834	9,905	73,407	55,364	140,510
On disposals	-	-	(17,570)	(93,929)	(111,499)
At 31 December 2011	<u>14,348</u>	<u>187,953</u>	<u>624,296</u>	<u>318,292</u>	<u>1,144,889</u>
Net book value					
At 31 December 2011	<u>3,993</u>	<u>19,079</u>	<u>188,487</u>	<u>48,241</u>	<u>259,800</u>
At 31 December 2010	<u>5,827</u>	<u>28,984</u>	<u>239,935</u>	<u>67,477</u>	<u>342,223</u>

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 9 TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2011 £	2010 £
Historical cost		
At 1 January 2011	-	669,277
Disposals in year	-	(669,277)
At 31 December 2011	<u>-</u>	<u>-</u>
Depreciation		
At 1 January 2011	-	258,510
On disposals	-	(269,665)
Charge for year	-	11,155
At 31 December 2011	<u>-</u>	<u>-</u>
Net historical cost value		
At 31 December 2011	<u>-</u>	<u>-</u>
At 1 January 2011	<u>-</u>	<u>410,767</u>

#### Hire purchase agreements

Included within the net book value of £259,800 is £45,608 (2010 - £20,559) 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 £6,053 (2010 - £3,821)

### 10 STOCKS

	2011 £	2010 £
Finished goods	787,933	709,899
Development property	309,078	309,078
	<u>1,097,011</u>	<u>1,018,977</u>

### 11 DEBTORS

	2011 £	2010 £
Trade debtors	466,688	600,415
Amounts owed by group undertakings	-	671,865
Amounts owed by related undertakings	704,378	140,710
Other debtors	101,642	117,842
Directors' current account	41,093	378,542
Prepayments and accrued income	106,385	94,829
	<u>1,420,186</u>	<u>2,004,203</u>

During the year ended 31 December 2011 the company loaned monies to M Barker, a director, on an interest free basis. The balance at 31 December 2011 was £41,093 (2010 £365,266) and the maximum balance outstanding during the year was £365,266. During the year amounts were also owing to the company by V Woods, director. The balance at 31 December 2011 was £nil (2010 £13,276) and the maximum balance outstanding during the year was £13,276.

**Andersons (Denton Holme) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

12 CREDITORS Amounts falling due within one year

	2011	2010
	£	£
Bank loans	50,308	220,000
Trade creditors	914,645	971,840
Amounts owed to group undertakings	5,000	–
Corporation tax	97,429	132,854
Other taxation and social security	191,929	266,967
Obligations under hire purchase agreements	17,107	17,676
Other creditors	144,321	374,659
Factoring account	339,460	434,252
Directors' current account	29,026	–
Accruals and deferred income	111,805	89,288
	<u>1,901,030</u>	<u>2,507,536</u>

The bank loan is an interest only loan on which interest is being incurred at 1.5% above the bank's base rate

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011	2010
	£	£
Bank loans	50,308	220,000
Factoring account	339,460	434,252
Hire purchase contracts	17,107	17,676
	<u>406,875</u>	<u>671,928</u>

13 CREDITORS Amounts falling due after more than one year

	2011	2010
	£	£
Bank loans and overdrafts	165,000	–
Obligations under hire purchase agreements	21,437	7,680
	<u>186,437</u>	<u>7,680</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011	2010
	£	£
Bank loans and overdrafts	165,000	–
Hire purchase contracts	21,437	7,680
	<u>186,437</u>	<u>7,680</u>



**Andersons (Denton Holme) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**14 CREDITORS - CAPITAL INSTRUMENTS**

Creditors include finance capital which is due for repayment as follows

	2011	2010
	£	£
Amounts repayable		
In one year or less or on demand	50,308	220,000
In more than one year but not more than two years	44,000	-
In more than two years but not more than five years	121,000	-
	<u>215,308</u>	<u>220,000</u>

**15 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	2011	2010
	£	£
Amounts payable within 1 year	17,107	17,676
Amounts payable between 2 to 5 years	21,437	7,680
	<u>38,544</u>	<u>25,356</u>

**16 DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was

	2011	2010
	£	£
Provision brought forward	16,600	41,500
Profit and loss account movement arising during the year	5,236	(24,900)
Provision carried forward	<u>21,836</u>	<u>16,600</u>

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

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	21,836	16,600
	<u>21,836</u>	<u>16,600</u>

**17 COMMITMENTS UNDER OPERATING LEASES**

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

	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 2 to 5 years	96,400	-	62,000	970
After more than 5 years	134,600	-	157,600	-
	<u>231,000</u>	<u>-</u>	<u>219,600</u>	<u>970</u>

# Andersons (Denton Holme) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 18 RELATED PARTY TRANSACTIONS

Until 24 January 2011 the company was a wholly owned subsidiary of Singleday Ltd. As a result of a group reorganisation on 24 January 2011, Singleday Ltd's assets and liabilities were transferred to two other companies by way of a demerger and Singleday Ltd was liquidated. Andersons (Denton Holme) Ltd consequently became a wholly owned subsidiary of Triggerdown Ltd. Triggerdown Ltd is controlled by M Barker, a director of Andersons (Denton Holme) Ltd.

Consolidated accounts are prepared by Triggerdown Limited and, consequently, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with its parent company.

During the year the company sold a vehicle to M Barker, director, for £16,000 and a second vehicle to V Woods, director, for £2,947. Both transactions were at open market value.

The company is also related to Reverseword Ltd, a company which is controlled by M Barker. During the year the company paid rent of £111,601 (2010 - £nil) to Reverseword Ltd on normal commercial terms. At the year end there was a debt due to the company from Reverseword Ltd of £555,458 (2010 - £nil).

The company is also related to Pacific Imports Ltd, a company which is controlled by M Barker. During the year the company settled expenses on behalf of Pacific Imports Ltd totalling £8,210. At the year end there was a debt due to the company from Pacific Imports Ltd of £199,920 (2010 - £191,710). A provision of £51,000 (2010 - £51,000) has been made against this debt.

### 19 SHARE CAPITAL

	2011	2010
	£	£
Allotted, called up and fully paid 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 20 PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
At the beginning of the year	1,174,160	573,662
Profit for the financial year	41,053	90,483
Dividends	(455,000)	(36,000)
Transfer from revaluation reserve	-	546,015
At the end of the year	<u>760,213</u>	<u>1,174,160</u>

### 21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	41,053	90,483
Dividends	(455,000)	(36,000)
Net (reduction)/addition to shareholders' funds	(413,947)	54,483
Opening shareholders' funds	<u>1,224,160</u>	<u>1,169,677</u>
Closing shareholders' funds	<u>810,213</u>	<u>1,224,160</u>