

**STANHOPE-SETA LIMITED**  
**DIRECTORS' REPORT**  
**AND**  
**ABBREVIATED ACCOUNTS**  
**31ST JULY, 2009**

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**STANHOPE-SETA LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

Mrs. M. Richardson  
M. Verity  
G. Verity

**SECRETARY AND REGISTERED OFFICE**

Mrs. M. Richardson  
10 Orange Street,  
Haymarket,  
London WC2H 7DQ.

**AUDITORS**

Shipleys LLP  
10 Orange Street,  
Haymarket,  
London WC2H 7DQ.

**STANHOPE-SETA LIMITED**

COMPANY NUMBER: 361699

**DIRECTORS' REPORT**

The directors have pleasure in presenting their annual report and the abbreviated accounts of the company for the year ended 31st July, 2009.

**ACTIVITIES**

The principal activity of the company is the manufacture of testing equipment for the hydrocarbon industries.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £519,696. A dividend of £473,000 was paid in the year and the retained profit carried forward is £3,498,265.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's range of equipment is designed for the hydrocarbon industries. The company is reliant on the performance of these industries and therefore any change in their level of activity is likely to affect its results. Obsolescence of the existing test procedures represents a key risk to the company, and therefore ongoing development of the instrument range will be an important part of mitigating this and will provide new opportunities for the company.

**FAIR REVIEW OF THE BUSINESS**

The directors are pleased with the company's performance for the year. Sales exceeded expectations due to expansion and growth within developing markets. Increasing energy requirements continue to drive demand for oil and environmental pressures are driving a demand for reduced emissions. The industry is responding by looking for improvements in refining efficiency, and tighter quality control on fuels. Bio fuels also now represent a key growth area for the industry. The company's Research and Development group is actively developing instruments to fulfil these new industry requirements and improve existing technologies. Competition within the instrumentation sector is significant, not only from other established manufacturers but also from local domestic products coming from countries such as China. The company's product line is well established, and the directors are confident that the reputation of the company will greatly assist, where competition is present. The directors continue to monitor cost levels to ensure that an adequate return is received.

The key financial highlights are as follows:

|                        | 2009     | 2008     | 2007     | 2006     |
|------------------------|----------|----------|----------|----------|
| Turnover growth        | 10.5%    | 34.5%    | 12.7%    | 12.7%    |
| Profit before taxation | £402,709 | £481,525 | £526,311 | £156,104 |

## **STANHOPE-SETA LIMITED**

### **DIRECTORS' REPORT – CONTINUED**

#### **EXPOSURE TO THE EFFECTS OF FUTURE CHANGES IN INTEREST RATES**

The company's principal financial instruments comprise bank balances, trade debtors, trade creditors and accruals. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility. The company makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors and accruals liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

#### **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 and then apply them consistently;
- make judgements 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.

**STANHOPE-SETA LIMITED**  
**DIRECTORS' REPORT – CONTINUED**

**DIRECTORS' RESPONSIBILITIES (continued)**

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are 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 company's auditors are aware of that information.

**DIRECTORS**

The directors who held office throughout the year under review were Mrs. M. Richardson, Mr. M. Verity and Mr. G. Verity.

**By Order of the Board**

A handwritten signature in black ink, appearing to read 'M. Richardson', with a long horizontal flourish extending to the right.

**M. Richardson**  
**Secretary**

6th October, 2009

**INDEPENDENT AUDITORS' REPORT TO**  
**STANHOPE-SETA LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes, together with the financial statements of Stanhope-Seta Limited for the year ended 31st July, 2009 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



KENNETH ROBERTS  
(Senior Statutory Auditor)  
For and on behalf of  
SHIPLEYS LLP  
Chartered Accountants  
Statutory Auditor

10 Orange Street  
Haymarket  
London WC2H 7DQ

6th October, 2009

**STANHOPE-SETA LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST JULY, 2009**

|  | Notes | 2009<br>£         | 2008<br>£         |
|--|-------|-------------------|-------------------|
| <b>GROSS PROFIT</b>                                      |       | 3,875,052         | 3,672,942         |
| <b>DISTRIBUTION EXPENSES</b>                             |       | (202,912)         | (208,810)         |
| <b>ADMINISTRATIVE EXPENSES</b>                           |       | (3,311,321)       | (3,068,357)       |
| <b>OTHER OPERATING INCOME</b>                            | 2     | <u>10,236</u>     | <u>10,691</u>     |
| <b>OPERATING PROFIT</b>                                  |       | 371,055           | 406,466           |
| <b>INTEREST RECEIVED</b>                                 |       | <u>31,654</u>     | <u>75,059</u>     |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 3     | 402,709           | 481,525           |
| <b>TAXATION</b>  | 5     | <u>116,987</u>    | <u>(47,710)</u>   |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>AFTER TAXATION</b>  |       | 519,696           | 433,815           |
| <b>DIVIDEND PAID</b>                                     |       | <u>(473,000)</u>  | <u>(133,000)</u>  |
| <b>RETAINED PROFIT FOR THE YEAR</b>                      |       | 46,696            | 300,815           |
| <b>RETAINED PROFIT BROUGHT FORWARD</b>                   |       | <u>3,451,569</u>  | <u>3,150,754</u>  |
| <b>RETAINED PROFIT CARRIED FORWARD</b>                   |       | <u>£3,498,265</u> | <u>£3,451,569</u> |

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

## STANHOPE-SETA LIMITED

## BALANCE SHEET

31ST JULY, 2009

|   | Notes | 2009<br>£          | 2008<br>£          |
|---|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                   |       |                    |                    |
| Tangible assets                                       | 6     | 1,060,595          | 1,087,528          |
| <b>CURRENT ASSETS</b>                                 |       |                    |                    |
| Stocks  | 7     | 2,366,526          | 2,273,921          |
| Debtors   | 8     | 1,910,672          | 1,745,725          |
| Bank balances and cash                                |       | <u>2,015,946</u>   | <u>2,087,469</u>   |
|   |       | 6,293,144          | 6,107,115          |
| <b>CREDITORS: Amounts falling due within one year</b> | 9     | <u>(2,825,374)</u> | <u>(2,602,974)</u> |
| <b>NET CURRENT ASSETS</b>                             |       | <u>3,467,770</u>   | <u>3,504,141</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | 4,528,365          | 4,591,669          |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>          | 10    | <u>(30,000)</u>    | <u>(140,000)</u>   |
|   |       | <u>£4,498,365</u>  | <u>£4,451,669</u>  |
| <b>CAPITAL AND RESERVES</b>                           |       |                    |                    |
| Called up share capital                               | 11    | 1,000,100          | 1,000,100          |
| Profit and loss account                               |       | <u>3,498,265</u>   | <u>3,451,569</u>   |
| <b>SHAREHOLDERS' FUNDS</b>                            | 12    | <u>£4,498,365</u>  | <u>£4,451,669</u>  |

These abbreviated accounts have been prepared in accordance with the special provisions relating to medium-sized companies under section 445(3) of the Companies Act 2006.

Approved by the Board on 6th October, 2009

  
M. Richardson - Director

The notes on pages 8 to 13 form part of these abbreviated accounts.



## STANHOPE-SETA LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST JULY, 2009

|  | Notes | 2009<br>£       | 2008<br>£         |
|--|-------|-----------------|-------------------|
| Reconciliation of operating profit           |       |                 |                   |
| to net cash inflow from operating activities |       | 371,055         | 406,466           |
| Depreciation charges                         |       | 87,775          | 94,219            |
| Profit on disposal of fixed assets           |       | 374             | -                 |
| Increase in stock                            |       | (92,605)        | (220,322)         |
| (Increase)/decrease in debtors               |       | (160,004)       | 30,436            |
| Increase in creditors                        |       | 278,858         | 793,597           |
| Net cash inflow from operating activities    |       | <u>£485,453</u> | <u>£1,104,396</u> |

## CASH FLOW STATEMENT

|  |    |                   |                  |
|--|----|-------------------|------------------|
| Net cash inflow from operating activities            |    | 485,453           | 1,104,396        |
| Returns on investments and servicing of finance      | 13 | 31,654            | 75,059           |
| Taxation paid  |    | (54,414)          | (7,710)          |
| Dividend paid  |    | (473,000)         | (133,000)        |
| Capital expenditure                                  | 14 | <u>(61,216)</u>   | <u>(32,141)</u>  |
| Cash (outflow)/inflow before use of liquid resources |    | (71,523)          | 1,006,604        |
| Management of liquid resources                       | 15 | <u>1,718,205</u>  | <u>(953,313)</u> |
| Increase in cash                                     |    | <u>£1,646,682</u> | <u>£53,291</u>   |

|  |    |                    |                   |
|--|----|--------------------|-------------------|
| Reconciliation of net cash flow to movement in net funds | 17 |                    |                   |
| Increase in cash in period                               |    | 1,646,682          | 53,291            |
| Cash inflow from increase in liquid resources            |    | <u>(1,718,205)</u> | <u>953,313</u>    |
| (Decrease)/increase in funds in the year                 |    | (71,523)           | 1,006,604         |
| Net funds at 1st August, 2008                            |    | <u>2,087,469</u>   | <u>1,080,865</u>  |
| Net funds at 31st July, 2009                             |    | <u>£2,015,946</u>  | <u>£2,087,469</u> |

The notes on pages 8 to 13 form part of these abbreviated accounts.

**STANHOPE-SETA LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**31ST JULY, 2009**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention in accordance with the following accounting policies:

**1.1 Depreciation of Tangible Fixed Assets**

With the exception of freehold land, fixed assets are depreciated over their estimated useful lives as follows:-

|                        |   |   |
|------------------------|---|---|
| Freehold buildings     | - | over 50 years   |
| Plant and equipment    | - | 15% to 33 $\frac{1}{3}$ % reducing balance method or over 7 years<br>Straight-line method |
| Furniture and fittings | - | 15% reducing balance method   |
| Motor vehicles         | - | 25% reducing balance method   |

**1.2 Stocks**

Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure.

**1.3 Deferred Taxation**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences, which result in an obligation to pay more tax at a future date, at the current tax rates and laws. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.4 Research and Development**

All research and development expenditure is written off to the profit and loss account as incurred.

**1.5 Intangible Assets**

Expenditure on patents and trademarks is written off to the profit and loss account as incurred.

**1.6 Foreign Currency Conversion**

Transactions denominated in foreign currencies are translated at rates ruling at the date of the transaction. Balances denominated in foreign currencies are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

**1.7 Pension Schemes**

The company operates funded, money purchase pension schemes. Pension costs are charged to the profit and loss account in the financial period in which they are incurred.

**STANHOPE-SETA LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED**  
**31ST JULY, 2009**

|  |                   |                   |
|--|-------------------|-------------------|
| <b>2. OTHER OPERATING INCOME</b>   | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Discounts received   | 7,461             | 7,916             |
| Rent receivable  | <u>2,775</u>      | <u>2,775</u>      |
|  | <u>£10,236</u>    | <u>£10,691</u>    |
| <b>3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>                    | <b>£</b>          | <b>£</b>          |
| This is stated after charging/(crediting):-                                |                   |                   |
| Auditors' remuneration   | 13,500            | 12,500            |
| Depreciation - owned assets  | 87,775            | 94,219            |
| Bank charges   | 19,517            | 24,889            |
| Exchange gains   | (1,506)           | (14,383)          |
| Loss on disposal of fixed assets   | <u>374</u>        | <u>-</u>          |
| <b>4. STAFF COSTS AND DIRECTORS' REMUNERATION</b>                          | <b>£</b>          | <b>£</b>          |
| Wages and salaries   | 2,942,754         | 2,813,328         |
| Social security costs  | 331,469           | 322,394           |
| Other pension costs  | <u>22,565</u>     | <u>18,229</u>     |
|  | <u>£3,296,788</u> | <u>£3,153,951</u> |
| The average number of persons employed by the company during the year was: | <b>Number</b>     | <b>Number</b>     |
| Production, inspection and stores  | 26                | 25                |
| Administration and technical   | <u>39</u>         | <u>37</u>         |
|  | <u>65</u>         | <u>62</u>         |
| Directors' emoluments:   | <b>£</b>          | <b>£</b>          |
| Fees and salaries  | 1,151,360         | 1,151,360         |
| Benefits in kind   | <u>5,538</u>      | <u>4,476</u>      |
|  | <u>£1,156,898</u> | <u>£1,155,836</u> |

The highest paid director received £557,360 (2008: £557,339).

During the year three directors were accruing retirement benefits under a money purchase pension scheme (2008: three).

## STANHOPE-SETA LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED

31ST JULY, 2009

| 5(a). TAX ON PROFITS ON ORDINARY ACTIVITIES   | 2009<br>£ | 2008<br>£ |
|---|-----------|-----------|
| <b>Current tax:</b>   |           |           |
| UK corporation tax on profits of the period   | -         | (60,000)  |
| Adjustment in respect of previous periods   | 6,987     | 2,290     |
| Total current tax   | 6,987     | (57,710)  |
| <b>Deferred tax:</b>  |           |           |
| Origination and reversal of timing differences (note 10)  | 110,000   | 10,000    |
| Tax on profit on ordinary activities  | £116,987  | £(47,710) |
| <b>5(b). Factors affecting the tax charge for the period</b>  |           |           |
| Profit on ordinary activities before tax  | £402,709  | £481,525  |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008: 20%) | (84,569)  | (96,305)  |
| Expenses not deductible for tax purposes  | (542)     | (1,339)   |
| Deductions allowable for tax purposes   | 89,926    | 45,805    |
| Capital allowances for the year in excess of depreciation   | (4,682)   | (4,638)   |
| Trading losses brought forward utilised in the year   | (133)     | 2,871     |
| Deferred tax adjustment   | 110,000   | 10,000    |
| Adjustment to tax charge in respect of provision made   | 6,987     | (4,104)   |
| Current tax charge for the period (note 5(a))   | £116,987  | £(47,710) |

## 6. TANGIBLE FIXED ASSETS

|                        | Freehold<br>Land and<br>Buildings<br>£ | Plant<br>and<br>Equipment<br>£ | Furniture<br>and<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£ |
|------------------------|--|--------------------------------|-----------------------------------|------------------------|------------|
| <b>Cost</b>            |  |                                |                                   |                        |            |
| At 1st August, 2008    | 883,917                                | 348,145                        | 315,858                           | 89,057                 | 1,636,977  |
| Additions              | -                                      | 15,168                         | 764                               | 54,534                 | 70,466     |
| Disposals              | -                                      | -                              | -                                 | (24,800)               | (24,800)   |
| At 31st July, 2009     | 883,917                                | 363,313                        | 316,622                           | 118,791                | 1,682,643  |
| <b>Depreciation</b>    |  |                                |                                   |                        |            |
| At 1st August, 2008    | 74,738                                 | 278,878                        | 161,326                           | 34,507                 | 549,449    |
| Charge for year        | 9,342                                  | 36,059                         | 23,295                            | 19,079                 | 87,775     |
| Eliminated on disposal | -                                      | -                              | -                                 | (15,176)               | (15,176)   |
| At 31st July, 2009     | 84,080                                 | 314,937                        | 184,621                           | 38,410                 | 622,048    |
| <b>Net Book Value</b>  |  |                                |                                   |                        |            |
| At 31st July, 2009     | £799,837                               | £48,376                        | £132,001                          | £80,381                | £1,060,595 |
| At 31st July, 2008     | £809,179                               | £69,267                        | £154,532                          | £54,550                | £1,087,528 |

## STANHOPE-SETA LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED

31ST JULY, 2009

## 6. TANGIBLE FIXED ASSETS – continued

There were no significant capital commitments at 31st July, 2008 or at 31st July, 2009

|  | 2009              | 2008              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| <b>7. STOCKS</b>   |                   |                   |
| The amounts attributable to the different categories are as follows: |                   |                   |
| Raw materials and consumables  | 1,162,347         | 1,128,695         |
| Work in progress   | 114,433           | 79,246            |
| Finished goods   | <u>1,089,746</u>  | <u>1,065,980</u>  |
|  | <u>£2,366,526</u> | <u>£2,273,921</u> |
| <b>8. DEBTORS</b>  |                   |                   |
|  | £                 | £                 |
| Amounts falling due within one year:                                 |                   |                   |
| Trade debtors  | 1,786,940         | 1,599,357         |
| Corporation tax recoverable  | 4,943             | -                 |
| Other debtors  | 74,285            | 102,156           |
| Prepayments  | <u>44,504</u>     | <u>44,212</u>     |
|  | <u>£1,910,672</u> | <u>£1,745,725</u> |
| <b>9. CREDITORS: Amounts falling due within one year</b>             |                   |                   |
|  | £                 | £                 |
| Trade creditors  | 866,716           | 807,700           |
| Corporation tax  | -                 | 56,458            |
| Taxes and social security costs                                      | 58,010            | 54,658            |
| Directors' loan account  | 640,443           | 339,680           |
| Other creditors  | -                 | 75,776            |
| Accruals   | <u>1,260,205</u>  | <u>1,268,702</u>  |
|  | <u>£2,825,374</u> | <u>£2,602,974</u> |

**STANHOPE-SETA LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED**  
**31ST JULY, 2009**

**10. PROVISION FOR LIABILITIES AND CHARGES**

| Deferred taxation                   | Accelerated Capital Allowances<br>£ | Total<br>£       |
|-------------------------------------|-------------------------------------|------------------|
| Brought forward at 1st August, 2008 | 140,000                             | 140,000          |
| Adjustment in year                  | <u>(110,000)</u>                    | <u>(110,000)</u> |
| Carried forward at 31st July, 2009  | <u>£30,000</u>                      | <u>£30,000</u>   |

**11. SHARE CAPITAL**

|   | 2009<br>£         | 2008<br>£         |
|---|-------------------|-------------------|
| <b>Authorised, allotted, called up and fully paid</b> |                   |                   |
| 100 'A' Ordinary shares of £1 each                    | 100               | 100               |
| 1,000,000 'B' Ordinary shares of £1 each              | <u>1,000,000</u>  | <u>1,000,000</u>  |
|   | <u>£1,000,100</u> | <u>£1,000,100</u> |

**12. SHAREHOLDERS' FUNDS**

|                   | £                 | £                 |
|-------------------|-------------------|-------------------|
| Equity shares     | 4,838,265         | 4,451,569         |
| Non equity shares | <u>100</u>        | <u>100</u>        |
|                   | <u>£4,838,365</u> | <u>£4,451,669</u> |

Non equity shares consist of 100 'A' ordinary shares of £1 each as detailed in note 11. The shares confer the right on a winding up to the return of the capital paid up in priority to any other class of share.

**13. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

|   | 2009<br>£      | 2008<br>£      |
|---|----------------|----------------|
| Interest received                         | <u>31,654</u>  | <u>75,059</u>  |
| Net cash inflow on returns on investments | <u>£31,654</u> | <u>£75,059</u> |

**14. CAPITAL EXPENDITURE**

|  | £                | £                |
|--|------------------|------------------|
| Purchase of tangible fixed assets                | (70,466)         | (32,141)         |
| Receipts from the sale of tangible fixed assets  | <u>9,250</u>     | <u>-</u>         |
| Net cash outflow relating to capital expenditure | <u>£(61,216)</u> | <u>£(32,141)</u> |

## STANHOPE-SETA LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED

31ST JULY, 2009

|   | 2009<br>£         | 2008<br>£         |
|---|-------------------|-------------------|
| <b>15. MANAGEMENT OF LIQUID RESOURCES</b>                     |                   |                   |
| Withdrawn from/(placed on) bank term deposits                 | <u>1,718,205</u>  | <u>(953,313)</u>  |
| Net cash inflow/(outflow) from management of liquid resources | <u>£1,718,205</u> | <u>£(953,313)</u> |

**16. RECONCILIATION OF MOVEMENTS  
IN SHAREHOLDERS' FUNDS**

|   | £                 | £                 |
|---|-------------------|-------------------|
| Profit for the financial year           | 46,696            | 300,815           |
| Shareholders' funds at 1st August, 2008 | <u>4,451,669</u>  | <u>4,150,854</u>  |
| Shareholders' funds at 31st July, 2009  | <u>£4,498,365</u> | <u>£4,451,669</u> |

**17. ANALYSIS OF NET FUNDS**

|                          | At 1st August,<br>2008<br>£ | Cash flow<br>£     | At 31st July,<br>2009<br>£ |
|--------------------------|-----------------------------|--------------------|----------------------------|
| Cash at bank and in hand | 369,264                     | 1,646,682          | 2,015,946                  |
| Bank term deposits       | <u>1,718,205</u>            | <u>(1,718,205)</u> | <u>-</u>                   |
|                          | <u>£2,087,469</u>           | <u>£(71,523)</u>   | <u>£2,015,946</u>          |

**18. CONTINGENT LIABILITIES**

The company had given guarantees in respect of performance bonds at 31st July, 2008 and at 31st July, 2009. No claim has arisen in respect of these bonds and the amounts involved are not significant in relation to the company's net assets.

**19. DIRECTORS' TRANSACTIONS**

The following arms-length transactions are included in the accounts:

Aircraft rental of £60,000 (2008: £60,000) payable to Mrs. M. Richardson, a director of the company.