

**Report of the Directors and**  
**Financial Statements**  
**for the Year Ended 31 March 2011**  
**for**  
**Ivor Shaw Limited**  
**Trading as Pennine Healthcare**

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**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

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**for the Year Ended 31 March 2011**

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**Ivor Shaw Limited**  
**Trading as Pennine Healthcare**

**Company Information**  
**for the Year Ended 31 March 2011**

**DIRECTORS:**

Mrs E J Fothergill  
I M Shaw  
D N Shaw

**REGISTERED OFFICE:**

City Gate  
London Road  
Derby  
DE24 8WY

**REGISTERED NUMBER:**

00755641 (England and Wales)

**AUDITORS:**

Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Report of the Directors**  
**for the Year Ended 31 March 2011**

The directors present their report with the financial statements of the company for the year ended 31 March 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture and distribution of medical products

**REVIEW OF BUSINESS**

**Business review and principal activities**

Ivor Shaw Limited trading as Pennine Healthcare specialises in the manufacture of sterile products used in custom procedure packs for anaesthetic, respiratory, gastroenterology, urology and surgical suction purposes as well as an extensive range of single-use medical devices. The company operates a manufacturing facility in Derby.

The results for the company show a pre-tax profit of £0.6m (2010: £1.1m) for the year and sales of £20.52m (2010: £20.55m). Net cash decreased for 2011 by £1.38m (2010: increase £23.6k). This was anticipated and arose from a decrease in liquid cash to support increased stocks, lower profits, part payment of dividends and loan finance repayments.

**Research and development**

The directors regard investment in research and development as integral to the continuing success of the business. Consistently pursuing new opportunities and embracing innovative solutions the company, in conjunction with healthcare professionals, has helped to design and develop groundbreaking products for advanced patient care.

**Future outlook**

The external commercial environment is expected to remain challenging in 2011/12. Increasing life expectancy, the rising cost of drugs and public health challenges are all placing pressure on the UK healthcare system. Government plans to overhaul the structure of the NHS, introduce changes in the responsibility for spend and introduce greater competition with the private sector all indicate a period of future uncertainty for device manufacturers.

Continuing economic weakness in the Eurozone has had an impact on 2011 export sales which is expected to continue, especially in Greece and Portugal. To reduce the level of reliance on the Eurozone, the company is exploring opportunities in the developing markets of the E7 countries where increased affluence is leading demand for healthcare provision, generating markets with better growth prospects.

Despite these challenges, excellent opportunities remain for the development of both our core and new business and we are confident that we will maintain our current performance.

**Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks.

Risks are formally reviewed by the management team and appropriate processes put in place to monitor and mitigate them.

The key business risks and uncertainties affecting the company are considered to relate to competition from low-cost manufacturing economies due to lower end-user budgets, foreign currency fluctuations, and changes in the regulatory framework.

**Key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**DIVIDENDS**

An interim dividend of £74.96251 per share was paid on 5 April 2010. The directors recommend that no final dividend be paid.

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Report of the Directors**  
**for the Year Ended 31 March 2011**

The total distribution of dividends for the year ended 31 March 2011 will be £600,000

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report

Mrs E J Fothergill  
I M Shaw  
D N Shaw

**CHARITABLE CONTRIBUTIONS**

During the year the company paid charitable donations of £4,839 to various small local charities

**EMPLOYMENT POLICIES**

Within the bounds of confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the company and are of interest to them as employees

Disabled persons are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain him/her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 accounting 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.

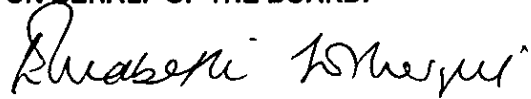
**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Report of the Directors**  
**for the Year Ended 31 March 2011**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**ON BEHALF OF THE BOARD:**



Mrs E J Fothergill - Director

Date

17/7/2011.

**Report of the Independent Auditors to the Shareholders of  
Ivor Shaw Limited**

We have audited the financial statements of Ivor Shaw Limited for the year ended 31 March 2011 on pages six to twenty. 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 a Report of the Auditors 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 set out on page three, 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 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 March 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 Report of the Directors 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.

Ian Neal FCA CTA (Senior Statutory Auditor)  
for and on behalf of Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

- 3 AUG 2011

Date

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Profit and Loss Account**  
**for the Year Ended 31 March 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	2	20,523,424	20,553,718
Cost of sales		16,330,509	16,208,007
<b>GROSS PROFIT</b>		4,192,915	4,345,711
Distribution costs		1,748,059	1,492,977
Administrative expenses		1,792,176	1,754,013
		3,540,235	3,246,990
<b>OPERATING PROFIT</b>	4	652,680	1,098,721
Interest payable and similar charges	5	58,507	42,219
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		594,173	1,056,502
Tax on profit on ordinary activities	6	151,466	107,360
<b>PROFIT FOR THE FINANCIAL YEAR</b>		442,707	949,142

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year



**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

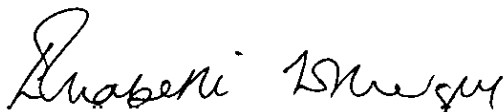
**Balance Sheet**  
**31 March 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	8	74,628	83,964
Tangible assets	9	1,293,936	1,290,868
Investments	10	5	5
		<u>1,368,569</u>	<u>1,374,837</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,763,148	2,077,833
Debtors	12	4,668,349	4,001,465
Cash at bank and in hand		20,584	596,086
		<u>7,452,081</u>	<u>6,675,384</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>4,374,300</u>	<u>3,252,166</u>
<b>NET CURRENT ASSETS</b>		<u>3,077,781</u>	<u>3,423,218</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,446,350</u>	<u>4,798,055</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(382,365)	(549,911)
<b>PROVISIONS FOR LIABILITIES</b>	18	<u>(122,000)</u>	<u>(148,866)</u>
<b>NET ASSETS</b>		<u><u>3,941,985</u></u>	<u><u>4,099,278</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	8,004	8,004
Profit and loss account	20	<u>3,933,981</u>	<u>4,091,274</u>
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>3,941,985</u></u>	<u><u>4,099,278</u></u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by

17/7/2011.

and were



Mrs E J Fothergill - Director

The notes form part of these financial statements

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Cash Flow Statement**  
**for the Year Ended 31 March 2011**

	Notes	2011	2010
		£	£
<b>Net cash (outflow)/inflow from operating activities</b>	24	(109,189)	1,237,243
<b>Returns on investments and servicing of finance</b>	25	(61,126)	(58,788)
<b>Taxation</b>		35,685	(491,697)
<b>Capital expenditure and financial investment</b>	25	(328,406)	(254,722)
<b>Equity dividends paid</b>		(600,000)	(216,112)
		<u>(1,063,036)</u>	<u>215,924</u>
<b>Financing</b>	25	(318,011)	(192,266)
<b>(Decrease)/Increase in cash in the period</b>		<u>(1,381,047)</u>	<u>23,658</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	26		
(Decrease)/Increase in cash in the period		(1,381,047)	23,658
Cash outflow from decrease in debt and lease financing		<u>318,011</u>	<u>192,266</u>
Change in net debt resulting from cash flows		(1,063,036)	215,924
New finance leases		<u>(58,990)</u>	<u>-</u>
<b>Movement in net debt in the period</b>		(1,122,026)	215,924
<b>Net debt at 1 April</b>		<u>(430,775)</u>	<u>(646,699)</u>
<b>Net debt at 31 March</b>		<u>(1,552,801)</u>	<u>(430,775)</u>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 March 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Preparation of consolidated financial statements**

The financial statements contain information about Ivor Shaw Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has not prepared consolidated financial statements under Sections 402 and 495 of the Companies Act 2006 as its sole subsidiary undertaking is dormant and has no assets or liabilities.

**Turnover**

Turnover represents net invoiced sales of goods excluding VAT plus finished goods stock allocated to a binding order awaiting despatch to the customer, which includes relevant costs, overheads and attributable profit based on sales value at the balance sheet date.

**Goodwill**

The deemed goodwill arising on the subsidiary acquired in 2008 is being amortised over 10 years from April 2009.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Assets in the course of construction	- not provided
Plant and machinery	- 10% to 20% on cost
Fixtures and office equipment	- 10% to 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

**Stocks**

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Amounts recoverable on contracts are valued at anticipated net sales value of allocated finished goods after provision for contingencies and anticipated future losses.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**1 ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts 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 shorter.

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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution scheme for its employees and a self-administered scheme for its directors. Amounts under both schemes are charged to profit and loss when paid.

**Fixed asset investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**2 TURNOVER**

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

An analysis of turnover by geographical market is given below:

	2011 £	2010 £
UK	13,716,409	13,067,634
EU	5,053,594	5,663,909
Rest of the world	1,753,421	1,822,175
	<u>20,523,424</u>	<u>20,553,718</u>

**3 STAFF COSTS**

	2011 £	2010 £
Wages and salaries	4,960,760	4,765,550
Social security costs	399,241	392,413
Other pension costs	69,231	61,633
	<u>5,429,232</u>	<u>5,219,596</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Management and administration	27	25
Production	213	211
Selling and distribution	59	52
	<u>299</u>	<u>288</u>

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	358,309	334,528
Depreciation - assets on hire purchase contracts	21,871	22,342
Loss on disposal of fixed assets	4,148	-
Goodwill amortisation	9,336	9,336
Auditors' remuneration	12,000	12,000
Property rent	398,094	380,000
Equipment and vehicle rentals	103,718	94,789
Research and development	41,715	36,440
Foreign exchange differences	50,344	(30,219)
	<u>86,952</u>	<u>84,995</u>
Directors' remuneration	<u>86,952</u>	<u>84,995</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	-	1
	<u>-</u>	<u>1</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £	2010 £
Bank interest	3,777	3,223
Interest on late tax	-	2,243
Director's loan interest	49,059	18,832
Pension fund loan interest	307	8,919
Hire purchase and finance lease interest	5,364	9,002
	<u>58,507</u>	<u>42,219</u>

**6 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	180,500	142,180
Adjustment re prior year	(2,168)	-
Total current tax	178,332	142,180
Deferred tax		
Origination and reversal of timing differences	(26,866)	(34,820)
Tax on profit on ordinary activities	<u>151,466</u>	<u>107,360</u>

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**6 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>594,173</u>	<u>1,056,502</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	166,368	295,821
Effects of		
Capital allowances in excess of depreciation	16,900	33,333
Expenses not deductible for tax purposes	7,437	7,946
Research and development deduction	(8,471)	(72,973)
Marginal relief	(1,734)	(3,989)
Investment write down not tax deductible	-	46,539
Share of loss from interest in LLP	-	(164,497)
Adjustments for prior years	(2,168)	-
Current tax charge	<u>178,332</u>	<u>142,180</u>

**7 DIVIDENDS**

	2011 £	2010 £
Interim	<u>600,000</u>	<u>216,112</u>

**8 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 April 2010 and 31 March 2011	<u>93,300</u>
<b>AMORTISATION</b>	
At 1 April 2010	9,336
Amortisation for year	<u>9,336</u>
At 31 March 2011	<u>18,672</u>
<b>NET BOOK VALUE</b>	
At 31 March 2011	<u>74,628</u>
At 31 March 2010	<u>83,964</u>

**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**9 TANGIBLE FIXED ASSETS**

	Assets in the course of construction £	Plant and machinery £	Fixtures and office equipment £
<b>COST</b>			
At 1 April 2010	19,828	4,231,307	1,197,370
Additions	107,881	138,652	83,482
Disposals	(383)	-	-
Reclassification/transfer	(55,174)	55,174	-
At 31 March 2011	72,152	4,425,133	1,280,852
<b>DEPRECIATION</b>			
At 1 April 2010	-	3,260,338	949,729
Charge for year	-	249,225	104,689
Eliminated on disposal	-	-	-
At 31 March 2011	-	3,509,563	1,054,418
<b>NET BOOK VALUE</b>			
At 31 March 2011	72,152	915,570	226,434
At 31 March 2010	19,828	970,969	247,641
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2010	113,180	67,395	5,629,080
Additions	65,739	11,817	407,571
Disposals	(66,167)	-	(66,550)
At 31 March 2011	112,752	79,212	5,970,101
<b>DEPRECIATION</b>			
At 1 April 2010	67,528	60,617	4,338,212
Charge for year	19,407	6,859	380,180
Eliminated on disposal	(42,227)	-	(42,227)
At 31 March 2011	44,708	67,476	4,676,165
<b>NET BOOK VALUE</b>			
At 31 March 2011	68,044	11,736	1,293,936
At 31 March 2010	45,652	6,778	1,290,868

The net book value of tangible fixed assets includes £96,794 (2010 - £83,615) in respect of assets held under hire purchase contracts

**Ivor Shaw Limited (Registered number. 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**10 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 April 2010 and 31 March 2011	886,575	166,211	1,052,786
<b>PROVISIONS</b>			
At 1 April 2010 and 31 March 2011	886,571	166,210	1,052,781
<b>NET BOOK VALUE</b>			
At 31 March 2011	4	1	5
At 31 March 2010	4	1	5

The company's investments at the balance sheet date in the share capital of companies include the following

**Pennine Healthcare Limited**

Nature of business Dormant

	% holding 100 00	2011 £	2010 £
Class of shares			
Ordinary			
Aggregate capital and reserves		4	4

**11 STOCKS**

	2011 £	2010 £
Raw materials	1,808,422	1,507,439
Work-in-progress	629,492	334,569
Finished goods	325,234	235,825
	2,763,148	2,077,833

**12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Trade debtors	4,112,366	3,409,089
Amounts recoverable on contract	387,986	462,473
Other debtors	21,472	23,275
Directors' current accounts	6,374	-
Taxation recoverable	-	33,517
Prepayments and accrued income	140,151	73,111
	4,668,349	4,001,465



**Ivor Shaw Limited (Registered number: 00755641)**  
**Trading as Pennine Healthcare**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Bank loans and overdrafts (see note 15)	805,545	-
Other loans (see note 15)	200,000	343,750
Hire purchase contracts (see note 16)	35,256	63,146
Trade creditors	2,511,134	2,303,223
Tax	180,500	-
Social security and other taxes	227,818	216,758
Other creditors	94,134	112,320
Directors' current accounts	156,593	70,054
Accruals and deferred income	163,320	142,915
	<u>4,374,300</u>	<u>3,252,166</u>

**14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Other loans (see note 15)	353,295	533,295
Hire purchase contracts (see note 16)	29,070	16,616
	<u>382,365</u>	<u>549,911</u>

**15 LOANS**

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	805,545	-
Pension fund loan	-	148,750
Director's loan account	200,000	195,000
	<u>1,005,545</u>	<u>343,750</u>
Amounts falling due between one and two years		
Director's loan account	200,000	195,000
Loan from subsidiary	4	4
	<u>200,004</u>	<u>195,004</u>
Amounts falling due between two and five years		
Director's loan account	<u>153,291</u>	<u>338,291</u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	2011 £	2010 £
Gross obligations repayable		
Within one year	38,196	67,928
Between one and five years	30,738	18,444
	<u>68,934</u>	<u>86,372</u>
Finance charges repayable		
Within one year	2,940	4,782
Between one and five years	1,668	1,828
	<u>4,608</u>	<u>6,610</u>
Net obligations repayable		
Within one year	35,256	63,146
Between one and five years	29,070	16,616
	<u>64,326</u>	<u>79,762</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring				
Within one year	-	-	5,066	7,338
Between one and five years	-	-	66,124	52,495
In more than five years	400,092	380,000	18,829	-
	<u>400,092</u>	<u>380,000</u>	<u>90,019</u>	<u>59,833</u>

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**Notes to the Financial Statements - continued**  
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**17 SECURED DEBTS**

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdraft	805,545	-
Hire purchase contracts	64,326	79,762
	<u>869,871</u>	<u>79,762</u>

The hire purchase liabilities are secured on the assets to which they relate

A bank overdraft facility repayable on demand, is secured by way of an unlimited debenture providing a fixed and floating charge over the company's assets

The company's bankers have also given a facility of £50,000 covering Bonds and Guarantees given to third parties

**18 PROVISIONS FOR LIABILITIES**

	2011 £	2010 £
Deferred tax		
Accelerated capital allowances	<u>122,000</u>	<u>148,866</u>
		Deferred tax £
Balance at 1 April 2010		148,866
Released to profit & loss		(26,866)
Balance at 31 March 2011		<u>122,000</u>

**19 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
8,004	Ordinary	£1	<u>8,004</u>	<u>8,004</u>

**20 RESERVES**

	Profit and loss account £
At 1 April 2010	4,091,274
Profit for the year	442,707
Dividends	(600,000)
At 31 March 2011	<u>3,933,981</u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**21 RELATED PARTY DISCLOSURES**

Interim dividends declared in the year to Mrs E J Fothergill and D N Shaw who are directors, were £314,992 (2010 - £113,456) and £255,022 (2010 - £91,856) respectively

Mrs E J Fothergill and D N Shaw each maintain current accounts with company to which their interim dividends were credited during the year. Amounts were withdrawn on demand and the amounts due at the balance sheet date were (£6,374) owed from (2010 - £7,587 owed to) and £156,593 (2010 - £62,467) owing to, respectively

During the previous year the company contributed £166,211 being the substantial part of the capital as a member of a limited liability partnership, Shaw Green Technology LLP to undertake environmental and energy based research activities. Due to the uncertain nature of future income streams this investment has been written down to £1 during the year ended 31 March 2010. The intellectual property rights ultimately arising will belong to the LLP which is managed and controlled by Mrs E J Fothergill

The loan balance of £553,291 at the balance sheet date (2010 - £728,291) arising from an advance by Mrs E J Fothergill in 2008 is repayable in quarterly instalments of £50,000 with interest on the balance due at 8% above bank base rate (previously 2% above base rate). The gross interest charged for the year was £49,059 (2010 - £18,832)

The company trades with Riverside Medical Packaging Limited, a company in which D N Shaw has an interest as a director and a shareholder. Significant transactions under normal trading terms were sales - £46,564 (2010 - £25,876) and purchases - £517,931 (2010 - £457,587). Trade debtors and trade creditors include in respect of the above trading £3,932 (2010 - £12,708) and £127,889 (2010 - £113,579) respectively

The company trades with One-System Limited, a company in which I M Shaw has an interest as a director and a shareholder. Purchases under normal trading terms were £11,429 (2010 - £3,663). No amounts remained outstanding in respect of these transactions for either year

The company traded with Solar Medical Products Limited, a company in which Mrs E J Fothergill had an interest as a director and shareholder. Sales in the year were £1,878 (2010 - £2,345). Purchases in the year were £28,731 (2010 - £80,595). The amounts outstanding at the balance sheet date included in trade debtors and trade creditors were £2,196 (2010 - £899) and £3,463 (2010 - 3,892) respectively

The Ivor Shaw Limited Retirement Fund, of which Mrs E J Fothergill and D N Shaw are trustees and members, had a loan with the company which was repayable by instalments of £75,000 per annum at an interest rate of 3% above the bank base rate. At the balance sheet date the company owed the Retirement Fund £Nil (2010 - £148,750). The company was charged interest of £307 (2010 - £8,919) during the year. As at 31 March 2011, £Nil (2010 - £8,919) was due to the pension fund in respect of the loan interest. The company also leased property from the Retirement Fund for £398,094 (2010 - £380,000). The company paid expenses on behalf of the Retirement Fund during the year ended 31 March 2011 of £28,929 (2010 - £400). At 31 March 2011 £34,715 (2010 - £400) was owed to the company by the Retirement Fund in respect of these recharges

**22 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mrs E J Fothergill

**Ivor Shaw Limited (Registered number: 00755641)**  
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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Profit for the financial year	442,707	949,142
Dividends	(600,000)	(216,112)
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(157,293)</b>	<b>733,030</b>
Opening shareholders' funds	4,099,278	3,366,248
<b>Closing shareholders' funds</b>	<b>3,941,985</b>	<b>4,099,278</b>

**24 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2011 £	2010 £
Operating profit	652,680	1,098,721
Depreciation charges	389,516	532,416
Loss on disposal of fixed assets	4,148	1,953
(Increase)/Decrease in stocks	(685,315)	234,587
Increase in debtors	(694,027)	(498,036)
Increase/(Decrease) in creditors	223,809	(132,398)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(109,189)</b>	<b>1,237,243</b>

**25 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(55,762)	(49,786)
Interest element of hire purchase payments	(5,364)	(9,002)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(61,126)</b>	<b>(58,788)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(348,581)	(88,511)
Purchase of fixed asset investments	-	(166,211)
Sale of tangible fixed assets	20,175	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(328,406)</b>	<b>(254,722)</b>
<b>Financing</b>		
Loan repayments in year	(323,750)	(170,000)
Capital repayments in year	(74,426)	(56,306)
Amount introduced by directors	569,865	118,312
Amount withdrawn by directors	(489,700)	(84,272)
<b>Net cash outflow from financing</b>	<b>(318,011)</b>	<b>(192,266)</b>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2011**

**26 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 4 10 £	Cash flow £	Other non-cash changes £	At 31 3 11 £
Net cash				
Cash at bank and in hand	596,086	(575,502)		20,584
Bank overdraft	-	(805,545)		(805,545)
	<u>596,086</u>	<u>(1,381,047)</u>		<u>(784,961)</u>
Debt				
Hire purchase	(79,762)	74,426	(58,990)	(64,326)
Debts falling due within one year	(413,804)	63,585	-	(350,219)
Debts falling due after one year	(533,295)	180,000	-	(353,295)
	<u>(1,026,861)</u>	<u>318,011</u>	<u>(58,990)</u>	<u>(767,840)</u>
Total	<u>(430,775)</u>	<u>(1,063,036)</u>	<u>(58,990)</u>	<u>(1,552,801)</u>