No 967104

MARTHON LIMITED
(FORMERLY COSALT HOLIDAY HOMES LIMITED)

FINANCIAL STATEMENTS

for the fifty-two weeks ended
26 October 2008

MARTHON LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 26 OCTOBER 2008

Contents

MARTHON LIMITED

Directors

M Short

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the fifty-two weeks ended 26 October 2008 ("the year").

1. Review of the Business

During the year ended 26 October 2008, until 25 October 2008 the company's principal activity was the design and manufacture of caravan holiday homes, custom homes and chalets, and the design and manufacture of "Kingsform" furniture doors and panels. However, on 25 October 2008, the directors took the decision to cease the design and manufacture of caravan holiday homes, and manufacture of "Kingsform" furniture doors and panels following poor operating performance. On 25 October 2008 the entire share capital of the company was sold by Cosalt plc to Inhoco 3485 Limited (of which the ultimate controlling party are funds managed by Endless LLP). On 1 March 2009, the directors took the decision to cease the design and manufacture of custom homes and chalets. On 13 July 2009, the trade and certain assets of the custom homes and chalets business were sold to a third party. Following this the company has substantially ceased to trade. As a result of this the directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

The operating performance during the year has been poor, with difficult conditions within the holiday homes market. Turnover decreased from £49,748,607 in the fifty-two weeks ended 29 October 2007 to £37,147,690 in the fifty-two weeks ended 26 October 2008. Operating loss was £4,970,385 in 2008 against a profit of £80,581 in 2007.

The loss for the financial year amounted to £13,973,386 (2007: £741,077).

Balance sheet

Due to the issue of shares through the capitalisation of loans in the year, the balance sheet shows an increase in net assets to £1,424,571.

Principal risks

The most significant risks to the company going forward is the recoverability of the remaining net assets.

Key Performance Indicators (KPIs)

Management monitored the performance of the operations compared to budget and forecast.

KPIs monitored on a daily basis were:
- Production volume
- Sales volume and value
- Quality
- Order intake

KPIs monitored monthly/weekly were the above plus:
- Profit and cash generation
- Overtime and absenteeism rates
- Health and safety rate (accidents per 100 employees)

Future prospects

Subsequent to the year-end, following the sale of the trade and certain assets of the custom homes and chalets business, the company has substantially ceased to trade.

2. Dividends

The directors do not propose a dividend in respect of the current period (2007: £nil).

3. Directors

The remaining director is Mr M Short. Mr Wood resigned as director on 31 December 2007. Mr P A Jonsson resigned on 01 June 2008. Mr M Lejman was appointed on 01 June 2008 and resigned on 25 October 2008. Mr N R Carrick resigned on 25 October 2008. Mr A Lee resigned on 25 November 2008 and Mr I J Tanser resigned on 19 December 2008.

4. Employees

Details of employees and their remuneration are shown in note 5 to the financial statements.

It is the policy of the company to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career development.

The company considers it important that employees are well informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

5. Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 8 to the financial statements. In note 15 to the financial statements, additional information is provided on assets used by the company which are subject to lease agreements.

MARTHON LIMITED
DIRECTORS' REPORT
continued

6. Payments to Suppliers

For all trade creditors it is the company's policy to agree the terms of payment at the start of business with that supplier. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The number of days' purchases outstanding at the end of the year was 48 days (2007: 62 days).

7. Political and Charitable Donations

During the year the company made no political or charitable donations (2007: £nil).

8. Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board

M Short
Director
Stockholm Road
HULL

28 August 2009

MARTHON LIMITED

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT PLC TO THE MEMBERS OF MARTHON LIMITED

We have audited the financial statements of Marthon Limited for the fifty-two week period ended 26 October 2008 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement and the related notes. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements but under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 26 October 2008 and of its loss for the fifty-two weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

28 August 2009

MARTHON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FIFTY-TWO WEEKS ENDED 26 OCTOBER 2008

	Note	**Year ended 26 October 2008**			Year ended 28 October 2007		
		Continuing operations £	**Discontinued operations £**	**Total £**	Continuing operations £	Discontinued operations £	Total £
Turnover	2	7,451,793	29,695,897	37,147,690	9,660,251	40,088,356	49,748,607
Operating costs		(7,997,030)	(34,121,045)	(42,118,075)	(8,906,810)	(40,761,216)	(49,668,026)
Operating (loss)/profit	3	(545,237)	(4,425,148)	(4,970,385)	753,441	(672,860)	80,581
Closure costs relating to Holiday Homes business	4	-	(7,718,893)	(7,718,893)	-	-	-
Interest payable and similar charges	5	(240,418)	(840,290)	(1,080,708)	(200,474)	(826,171)	(1,026,645)
Loss on ordinary activities before taxation				(13,769,986)			(946,064)
Tax on loss on ordinary activities	7			(203,400)			204,987
Loss for the financial period	14			(13,973,386)			(741,077)

Operating (loss)/profit includes exceptional items of £368,701 (2007: £366,500).

The company has no recognised gains and losses other than the loss for the year disclosed above. Accordingly, a statement of recognised gains and losses has not been included in these financial statements.

The notes on pages 9 to 18 form part of these financial statements.

MARTHON LIMITED

BALANCE SHEET - 26 OCTOBER 2008

	Note	26 October 2008 £	26 October 2008 £	28 October 2007 £	28 October 2007 £
Fixed assets					
Tangible fixed assets	8		309,427		1,497,104
Current assets					
Stocks	9	3,729,556		7,146,483	
Debtors	10	6,537,476		12,385,251	
Bank and cash balances		534,321		272,233	
		10,801,353		19,803,957	
Creditors					
Amounts falling due within one year	11	5,297,818		24,785,191	
Net current assets/(liabilities)			5,503,535		(4,981,234)
Total assets less current liabilities			5,812,962		(3,484,130)
Creditors					
Amounts falling due after more than one year	11		-		305,334
			5,812,962		(3,789,464)
Provisions for liabilities and charges	12	4,388,391		507,600	
Deferred income					
Grants not yet credited to profit		-		20,674	
			4,388,391		528,274
Net assets/(liabilities)			1,424,571		(4,317,738)
Capital and reserves					
Called up share capital	13		19,715,995		300
Profit and loss account	14		(18,291,424)		(4,318,038)
Equity shareholders' funds/(deficit)	14		1,424,571		(4,317,738)

Approved by the Board on 28 August 2009.

M Short

M Short - Director

The notes on pages 9 to 18 form part of these financial statements.

MARTHON LIMITED

CASH FLOW STATEMENT
for the 52 weeks ended 26 October 2008

	Note	2008 £	2007 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating (loss)/profit		(4,970,385)	80,581
Holiday homes business closure costs		(7,718,893)	-
Depreciation and impairment charges		1,987,642	420,490
Loss on sale of fixed assets		11,645	-
Decrease/(increase) in stocks		3,416,927	(578,248)
Decrease/(increase) in debtors		5,599,775	(1,113,249)
(Decrease) in creditors		(13,696,001)	(1,386,559)
Increase in provisions		3,925,391	141,000
Net cash outflow from operating activities		(11,443,899)	(2,435,985)
Cash flow statement			
Cash applied to operating activities		(11,443,899)	(2,435,985)
Returns on investments and servicing of finance	17	(1,080,708)	(1,026,645)
Taxation		-	321,657
Capital expenditure and financial investment	17	(811,610)	(215,467)
Cash (outflow)/inflow before management of liquid resources and financing		(13,336,217)	(3,356,440)
Financing	17	13,598,315	460,404
Increase/(decrease) in cash in the year		262,098	(2,896,036)
Reconciliation of net cash flow to movement in net debt	18		
Increase/(decrease) in cash in the year		262,098	(2,896,036)
Cash outflow from decrease in debt and lease financing		6,117,380	(460,404)
Change in net debt resulting from cash flows		6,379,478	(3,356,440)
New finance leases		-	(192,693)
Movement in net debt in the year		6,379,478	(3,549,133)
Net debt at the start of the year		(6,128,059)	(2,578,926)
Net funds/(debt) at the end of the year		251,419	(6,128,059)

The notes on pages 9 to 18 form part of these financial statements.

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008

1 Accounting policies

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

Basis of accounting

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

In previous years, the financial statements have been prepared on a going concern basis. However, on 25 October 2008, the directors took the decision to cease the design and manufacture of caravan holiday homes, and the design and manufacture of 'Kingsform' furniture doors and panels, following poor operating performance. On 25 October 2008 the entire share capital of the company was sold by Cosalt plc to Inhoco 3485 Limited (of which the ultimate controlling party are funds managed by Endless LLP). On 1 March 2009, the directors took the decision to cease the design and manufacture of custom homes and chalets. On 13 July 2009, the trade and certain assets of the custom homes and chalets business was sold to a third party. Following this the company has substantially ceased to trade. As a result of this the directors have not prepared the financial statements on a going concern basis. This has led to the reclassification of all non-current assets and liabilities as current assets and liabilities, and has resulted in closure costs of £7,718,893 and associated closure provisions of £3,950,391.

Depreciation

Tangible fixed assets are depreciated on a straight-line basis at annual rates which vary depending on the type of asset but which are generally:

Plant and machinery	5 to 33.3%
Motor vehicles	20 to 25%

Government grants

Capital grants received for plant are taken to deferred income and released to profit and loss account in instalments relating to the relevant asset lives. Other grants are recognised in the profit and loss account in the same year as the related expenditure.

Leased assets

Assets which are financed by leasing agreements transferring substantially all the risks and rewards of ownership (finance leases) are capitalised and depreciated over their useful lives. The liability to the leasing company is included in creditors. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account. All other payments under lease agreements are charged in full to the profit and loss account.

Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

1 Accounting policies (continued)

Pension costs

Until the 25 October 2008, the Company participated in the Cosalt plc group pension scheme providing benefits based on final pensionable pay. Following the sale of the Company on this date, the Company ceased to participate in that pension scheme.

Until that time, the assets of the scheme were held separately from those of the Company. The Company was unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 Retirement Benefits, accounted for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

For defined contribution schemes all contributions are charged directly to the profit and loss account in the years in which they are payable.

2 Turnover

Turnover represents the goods and services, excluding Value Added Tax, invoiced to customers arising from the principal activities as disclosed in the Directors' Report. The geographical analysis of turnover by destination is as follows:

	2008 £	2007 £
United Kingdom	36,683,042	48,874,510
Overseas	464,648	874,097
	37,147,690	49,748,607

All turnover originated in the United Kingdom.

3 Operating profit/(loss)

Operating profit/(loss) has been arrived at after charging/(crediting):		2008 £	2007 £
Movement in stocks of finished goods and work in progress		1,333,705	(600,439)
Government grants		(7,867)	(10,703)
Raw materials and consumables		22,835,393	31,618,249
Auditors' remuneration	- audit fees	14,400	14,400
Operating lease charges	- plant	169,110	176,433
	- other	412,225	371,476
Other external charges		3,717,547	4,927,056
Staff costs (note 6)		11,993,880	11,910,180
Depreciation on owned assets		282,525	268,012
Depreciation on assets held under finance leases		173,071	152,478
Other operating income		-	(27,902)
Other operating charges		845,975	531,465
Rent receivable		(20,590)	(29,179)
Sub total		41,749,374	49,301,526
Stock write downs		-	57,000
Loss on disposal of fixed asset – prior to closure decision		11,645	-
Loan arrangement fee		105,000	-
Redundancy costs (note 6) – prior to closure decision		252,056	309,500
		42,118,075	49,668,026

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

4 Closure costs

Following the decision on 25 October 2008 to cease the design and manufacture of caravan holiday homes, and the manufacture of "Kingsform" furniture doors and panels, which the directors consider to represent a fundamental reorganisation, the following closure costs were incurred.

	£
Impairment of fixed assets	1,532,055
Impairment of raw material and work in progress	634,274
Additional bad debt provision	328,176
Impairment of finished goods stock	1,004,382
Write off prepayments no longer recoverable	119,625
Redundancy and pay in lieu of notice	3,107,805
Increase warranty provision	150,000
Post closure operating costs	842,576
	7,718,893

5 Interest payable and similar charges (net)

	2008 £	2007 £
Capital charge by Cosalt plc	606,413	503,550
Interest on finance leases and hire purchase agreements	18,470	21,473
Other interest payable	455,967	501,622
	1,080,850	1,026,645
Interest received	(142)	-
	1,080,708	1,026,645

6 Directors and employees

	2008 £	2007 £
Staff costs:		
Wages and salaries	10,735,434	10,814,478
Social security costs	1,013,002	910,655
Other pension costs	477,500	494,547
	12,225,936	12,219,680
Emoluments of the directors of the company were:		
Remuneration for management:	402,550	593,959

Total remuneration of the highest paid director was £190,250 (2007: £335,488) including £nil (2007: £18,803) of pension contributions.

	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying services was:	-	7
The average number of employees of the company during the year was:		
Management and administration	28	28
Production and sales staff	379	433
	407	461

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

7 Taxation

	2008 £	2007 £
The taxation charge based on the loss on ordinary activities is:		
UK corporation tax payable at 28.85% (2007: 30%)	-	(248,000)
Deferred taxation	(44,600)	(16,650)
	(44,600)	(264,650)
Adjustment in respect of prior years:		
Current taxation	248,000	-
Deferred taxation	-	59,663
	203,400	(204,987)

Factors affecting the current tax charge:

The tax assessed on the loss on ordinary activities for the year is higher (2007: higher) than the standard rate of corporation tax in the UK of 28.85% (2007: 30%)

The differences are reconciled below:

	2008 £	2007 £
Loss on ordinary activities before tax	(13,769,986)	(946,064)
Tax at current UK Corporation tax rate of 28.85% (2007: 30%)	(3,972,641)	(283,819)
Effects of:		
Group relief surrendered to other group companies for which no payment is receivable	2,058,354	-
Losses not utilised	1,323,800	-
Expenses not deductible for tax purposes	14,425	22,355
Timing differences between capital allowances and depreciation	576,062	13,117
Other short-term timing differences	-	(551)
Re-measurement of deferred tax balances	-	898
Current tax for year	-	(248,000)

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 28 October 2007	4,884,208	101,132	4,985,340
Additions	774,741	59,878	834,619
Disposal	-	(43,743)	(43,743)
At 26 October 2008	5,658,949	117,267	5,776,216
Depreciation			
At 28 October 2007	3,432,791	55,445	3,488,236
Charged to profit and loss account	448,508	7,088	455,596
Impairment	1,478,949	53,106	1,532,055
Re Disposal	-	(9,098)	(9,098)
At 26 October 2008	5,360,248	106,541	5,466,789
Net book values			
At 26 October 2008	298,701	10,726	309,427
At 28 October 2007	1,451,417	45,687	1,497,104

Assets costing £nil, (2007: £2,029,459) have been fully depreciated and are still in use.

The following tangible fixed assets held under finance lease and hire purchase agreements are included in plant.

	2008 £	2007 £
Cost	1,962,891	2,000,964
Depreciation	1,582,713	1,430,385
Net book values	380,178	570,579

9 Stocks

	2008 £	2007 £
Raw materials	230,471	1,309,311
Work in progress	122,676	158,933
Finished goods	3,376,409	5,678,239
	3,729,556	7,146,483

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

10 Debtors

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	5,898,725	11,340,962
Corporation tax	-	248,000
Taxation recoverable	92,717	335,357
Other debtors	458,904	162,724
Prepayments and accrued income	87,130	298,308
	6,537,476	12,385,251

11 Creditors

	2008 £	2007 £
Amounts falling due within one year:		
Trade creditors	4,389,417	7,389,111
Amount owed to ultimate parent company	-	10,432,076
Amounts owed to fellow subsidiary undertakings	-	15,007
Other taxation	64,184	117,948
Social security	79,496	139,362
Other creditors	-	5,946,387
Accruals and deferred income	481,819	596,739
Obligations under finance leases (note 15)	282,902	148,561
	5,297,818	24,785,191
Amounts falling due after more than one year:		
Obligations under finance leases (note 15)	-	305,334

Other debtors include £456,856 (2007: creditor £5,946,387) of advances under a debtor financing agreement.

12 Provisions for liabilities and charges

	Closure Costs £	Capital Bank £	Warranty provision £	Deferred taxation £	Total £
At 28 October 2007	-	95,000	368,000	44,600	507,600
Utilised	-	(138,000)	(581,000)	-	(719,000)
Charged to profit and loss account	3,950,391	76,000	618,000	(44,600)	4,599,791
At 26 October 2008	3,950,391	33,000	405,000	-	4,388,391

The capital bank provision of £33,000 (2007: £95,000) is to provide for the potential interest liability of a trade factoring arrangement.

The closure costs provision is to provide for operating costs incurred following the decision to discontinue to holiday homes and "Kingsform" businesses and the costs of redundancy and pay in lieu of notice.

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

12 Provisions for liabilities and charges (continued)

	2008 £	2007 £
Analysis of deferred taxation:		
Accelerated tax allowances	-	54,967
Other timing differences	-	(10,367)
	-	44,600

13 Called up share capital

	2008 £	2007 £
Authorised: 20,000,000 ordinary shares of £1 each	20,000,000	10,000
Issued and fully paid:		
19,715,995 ordinary shares of £1 each	19,715,995	300

14 Share premium and reserves

	2008 £	2007 £
(a) Reconciliation of movements in equity shareholders' funds		
Opening equity shareholders' deficit	(4,317,738)	(3,576,661)
Loss for the financial year	(13,973,386)	(741,077)
Equity shares issued	19,715,695	-
Closing equity shareholders' funds/(deficit)	1,424,571	(4,317,738)
(b) Profit and loss account		
Balance at 28 October 2007	(4,318,038)	
Loss for the financial year	(13,973,386)	
Dividends	-	
Balance at 26 October 2008	(18,291,424)	

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

15 Leasing obligations

	2008	2007
	£	£
(a) Future commitments due under finance leases and hire purchase agreements are:		
Within one year	282,902	150,401
Between two and five years	-	305,667
	-	456,068
Less: future finance charges	-	2,173
	282,902	453,895
Shown in creditors (note 11) as:		
Amounts falling due within one year	282,902	148,561
Amounts falling due after more than one year	-	305,334
	282,902	453,895
(b) Annual commitments due under non-cancellable operating leases are:		
Land and buildings leases which expire:		
Within one year	185,000	-
Between two and five years	-	241,240
In five years or more	-	160,776
	-	402,016
Plant leases which expire:		
Within one year	-	34,717
Between two and five years	-	92,527
	-	127,244

The majority of leases of land and buildings are subject to rent reviews

16 Capital commitments

	2008	2007
	£	£
Contracted for but not provided for in the financial statements	-	84,500
Authorised but not contracted for	-	25,500

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

17 Analysis of cash flows

	2008 £	2008 £	2007 £	2007 £
Returns on investment and servicing of finance				
Interest received	**142**		-	
Interest paid	**(1,062,380)**		(1,005,172)	
Interest element of finance lease rental payments	**(18,470)**		(21,473)	
		(1,080,708)		(1,026,645)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	**(834,619)**		(215,467)	
Sale of tangible fixed assets	**23,009**		-	
		(811,610)		(215,467)
Financing				
Issue of ordinary share capital	**19,715,695**		-	
Repayment of borrowings	**(5,946,387)**		-	
New borrowings	**-**		601,804	
Capital element of finance lease rental payments	**(170,993)**		(141,400)	
		(13,598,315)		460,404

18 Analysis of net debt

	At beginning of year £	Cash flow £	Other non cash changes £	At end of year £
Cash in hand, at bank	272,223	262,098	-	**534,321**
	272,223	262,098	-	**534,321**
Debt due after one year	(305,334)	-	305,334	**-**
Debt due within one year	(6,094,948)	6,117,380	(305,334)	**(282,902)**
	(6,400,282)	6,117,380	-	**(282,902)**
Total	(6,128,059)	6,379,478	-	**251,419**

MARTHON LIMITED

NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2008
(continued)

19 Pension commitments

Until 25 October 2008, the Company was a member of the Cosalt plc group pension scheme providing benefits based on final pensionable pay. On that date the Company ceased to be a member in that scheme.

20 Related party transactions

Cosalt plc – Amounts charged by Cosalt plc in the year include £383,150 for property rental, £856,387 of management charges and £606,413 of capital charges.

Endless LLP – Amounts charged by Endless LLP include £195,000 of management charges and £45,000 for property rental. No amounts were outstanding at 26 October 2008.

21 Subsequent events

Subsequent to the year end the directors took the decision to cease the design and manufacture of custom homes and chalets. The remaining trade and certain assets of this business were sold on 13 July 2009. Following this the company has substantially ceased to trade. As a result of this the directors have not prepared the financial statements on a going concern basis.

22 Ultimate controlling party

The directors consider that from 25 October 2008 the funds managed by Endless LLP were the company's ultimate controlling party by virtue of their shareholding.