J A Jones & Sons (Churchtown) Limited

Unaudited financial statements

For the year ended 30 September 2006

Company No 1697442

Company information

Company registration number	1697442
Registered office	99 Bankfield Lane Southport Merseyside PR9 7NT
Directors	N C Aubrey S A Jones C I Hesketh M G Vickers
Secretary	S Trebble
Bankers	National Westminster Bank plc PO Box 54 35 Fishergate Preston Lancs PR1 2BY
Solicitors	DWF Centurion House 129 Deansgate Manchester M3 3AA
Accountants	Grant Thornton UK LLP Chartered Accountants 1st Floor Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report together with the unaudited financial statements for the year ended 30 September 2006.

Principal activity

The company is principally engaged in the production and wholesale distribution of hardy nursery stock.

Business review

Based in the North West of England, J A Jones & Sons, as a well established wholesale nursery continues to supply a large range of trees and shrubs to the landscape amenity market. The company's product and expertise is highly valued and regarded by landscape architects and specifiers throughout the UK.

Over the last ten years, the directors have established a sound, professional and experienced sales, marketing, IT and finance team. Continued investment in the equipment and structure of the company has, in spite of strong competition, once again resulted in a profitable year.

The directors intend to continue to develop the company through growth and continued investment. They are confident that their continued commitment to this policy has allowed the company to continue to benefit from its respected position within the horticultural market place.

There was a profit for the year after preference dividend and taxation amounting to £34,111. (2005: £96,151).

The directors and management team use various performance indicators, principally gross margin and operating margin to measure the company's performance in addition to various ratios (including stock turn, creditor and debtor days) to gauge the company's working capital management.

Report of the directors

Directors

The present membership of the Board is set out below. All served on the Board throughout the year, unless stated.

		At 30 September 2006	At 30 September 2005
N C Aubrey	"A" preference shares	**68,750**	68,750
	"B" preference shares	-	-
	Ordinary shares	**167,909**	11,742
	Preferred ordinary shares	-	-
S A Jones	"A" preference shares	**18,750**	18,750
	"B" preference shares	**50,000**	50,000
	Ordinary shares	**167,909**	11,742
	Preferred ordinary shares	-	-
C I Hesketh	"A" preference shares	**112,500**	112,500
	"B" preference shares	-	-
	Ordinary shares	**214,182**	14,978
	Preferred ordinary shares	-	-
M G Vickers (appointed 17.11.05.)	"A" preference shares	-	-
	"B" preference shares	-	-
	Ordinary shares	-	-
	Preferred ordinary shares	-	-

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the directors

Statement of directors' responsibilities (continued)

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 the financial statements comply with the Companies Act 1985. 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.

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 20 to the accounts.

Capitalisation of reserves

On 29 September 2006 by special resolution, the company allotted and issued £511,538 of Ordinary shares, which was funded by the capitalisation of £468,564 from the share premium account, £41,412 from the profit and loss reserve and £1,562 from the capital redemption reserve.

BY ORDER OF THE BOARD

S Trebble
Secretary
20 DECEMBER 2006

Chartered accountants' report to the board of directors on the unaudited financial statements of J A Jones & Sons (Churchtown) Limited

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 September 2006 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
LIVERPOOL

21 December 2006

Principal accounting policies

Basis of preparation

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

The principal accounting policies of the company detailed below have remained unchanged from the previous year except as stated below.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS32)''.

FRS 'Financial Instruments: Disclosure and Presentation (IAS 32)'.

The adoption of FRS 25 has resulted in a change in accounting policy in respect of equity and non-equity share capital. Non-equity share capital will now be classified as financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the equity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

The financial effect of this change in accounting policy is set out in note 14.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Principal accounting policies

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land and land option by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold buildings	4% reducing balance
Greenhouses and equipment	15% reducing balance
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Land option	not depreciated

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Principal accounting policies

Contributions to pension schemes

The company operates a self administered money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

The company also operates a group personal pension plan, which is a defined contribution scheme, available to all employees and to which the company can, at its discretion, make voluntary contributions.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Profit and loss account

	Note	2006	2005 Restated
		£	£
Turnover	1	**4,112,240**	3,714,367
Cost of sales		**(2,957,631)**	(2,612,288)
Gross profit		**1,154,609**	1,102,079
Distribution costs		**(225,976)**	(214,363)
Administration expenses		**(753,755)**	(720,403)
		174,878	167,313
Other operating income	1	**2,860**	3,432
Operating profit	1	**177,738**	170,745
Exceptional item			
Profit on sale of fixed assets		**7,844**	77,646
Interest payable	2	**(127,077)**	(126,861)
Profit on ordinary activities before taxation	1	**58,505**	121,530
Tax on profit on ordinary activities	4	**(24,394)**	(25,379)
Profit retained and transferred to reserves	14	**34,111**	96,151

There were no recognised gains or losses other than the profit for the financial year.

The company's principal activities are classed as continuing.

Balance sheet

	Note	2006 £	2006 £	2005 £ Restated	2005 £ Restated
Fixed assets					
Tangible assets	6		**388,168**		337,570
Current assets					
Stocks	7	**1,749,705**		1,816,220	
Debtors	8	**625,794**		604,574	
Cash at bank and in hand		**4,444**		5,065	
		2,379,943		2,425,859	
Creditors: amounts falling due within one year	9	**(1,748,956)**		(1,712,210)	
Net current assets			**630,987**		713,649
Total assets less current liabilities			**1,019,155**		1,051,219
Creditors: amounts falling due after more than one year	10		**(389,143)**		(458,418)
Provisions for liabilities and charges	11		**(23,785)**		(20,685)
			606,227		572,116
Capital and reserves					
Called up share capital	12		**550,000**		38,462
Capital redemption reserve			-		1,562
Share premium account	13		-		468,564
Profit and loss account	13		**56,227**		63,528
Shareholders' funds	14		**606,227**		572,116

For the year ended 30 September 2006 the company was entitled to exemption under Section 249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

i ensuring the company keeps accounting records in accordance with Section 221, and

ii preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of the company Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 20 December 2006 and signed on its behalf by:

N C Aubrey.. **Director**

The accompanying accounting policies and notes form an integral part of these unaudited financial statements

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the company's principal activity which was carried out wholly in the United Kingdom.

The profit on ordinary activities before taxation is stated after:

	2006	2005
	£	£ Restated
Auditors' remuneration	-	7,725
Depreciation:		
Tangible fixed assets owned	**34,117**	40,854
Tangible fixed assets held under finance leases and hire purchase contracts	**27,339**	26,607
Operating lease rentals:		
Land and buildings	**69,203**	56,706
Plant and equipment	**660**	1,979
Other operating income includes:		
Rent receivable	**2,860**	3,432

2 Interest payable and similar charges

	2006	2005
	£	£ Restated
On bank loan and bank overdraft	**38,271**	38,543
Finance charges in respect of finance leases and recourse factoring	**68,806**	73,556
Other interest payable and similar charges	-	3,762
Preference dividends (note 5)	**20,000**	11,000
	127,077	126,861

Notes to the financial statements

3 Directors and employees

Staff costs during the year were as follows:

	2006	2005
	£	£
Wages and salaries	1,074,483	1,010,955
Social security costs and other pension costs	121,070	110,358
	1,195,553	1,121,313
Average number of employees	43	49

Staff costs include remuneration in respect of directors, as follows:

	2006	2005
	£	£
Emoluments, including taxable benefits	133,730	79,946
Pension contributions payable to money purchase pension schemes	4,882	21,109
	138,612	101,055

During the year two directors (2005: two directors) participated in a money purchase pension scheme.

Notes to the financial statements

4 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2006	2005
	£	£
Current taxation		
UK corporation tax payable @ 19% (2005: 19%)	**18,372**	21,650
Adjustments in respect of prior periods - Corporation tax	**2,922**	(706)
Total current tax	**21,294**	20,944
Deferred taxation (Note 11)	**3,100**	4,435
	24,394	25,379

(b) Factors affecting the tax charge in the year

The tax assessed for the year is greater than the standard rate of corporation tax in the UK of 19% (2005: 19%).

The differences are explained below:

	2006	2005
	£	£
Profit on ordinary activities before taxation	**58,505**	121,530
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005: 19%)	**11,116**	23,091
Effects of:		
Expenses not deductible for tax purposes	**7,481**	8,162
Capital allowances for the year in excess of depreciation	**(225)**	(10,233)
Adjustments in respect of prior periods	**2,922**	(706)
Current tax charge for the year	**21,294**	20,944

Notes to the financial statements

5 Dividends

	2006	2005
	£	£
Equity dividends		
Preferred ordinary shares and ordinary shares		
Proposed dividend of Nil p per share (2005: 26.3p)	-	-
Non-equity dividends		
Preference dividend of 8p per share (2005: 8p)	**20,000**	11,000
	20,000	11,000

The non-equity dividend is shown in interest payable (note 2)

Notes to the financial statements

6 Tangible fixed assets

	Land £	Freehold buildings including option £	Greenhouses and equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost						
At 1 October 2005	15,000	63,120	238,612	578,082	190,312	1,085,126
Additions	-	4,300	-	77,733	65,543	147,576
Disposals	-	-	-	(16,500)	(70,461)	(86,961)
At 30 September 2006	15,000	67,420	238,612	639,315	185,394	1,145,741
Depreciation						
At 1 October 2005	-	1,149	222,805	421,640	101,962	747,556
Provided in the year	-	1,102	2,370	34,996	22,988	61,456
Disposals	-	-	-	(11,993)	(39,446)	(51,439)
At 30 September 2006	-	2,251	225,175	444,643	85,504	757,573
Net book amount at 30 September 2006	**15,000**	**65,169**	**13,438**	**194,672**	**99,889**	**388,168**
Net book amount at 30 September 2005	15,000	61,971	15,807	156,442	88,350	337,570

Notes to the financial statements

6 Tangible fixed assets (continued)

The figures stated overleaf include assets held under finance leases as follows:

	Freehold buildings including option £	Plant and machinery £	Motor vehicles £
Net book amount at 30 September 2006	**26,468**	**118,194**	**66,664**
Net book amount at 30 September 2005	27,571	53,816	56,642
Depreciation charge	1,103	15,042	11,194

7 Stocks

	2006 £	2005 £
Trees and shrubs	**1,721,058**	1,780,676
Pots, containers and consumables	**28,647**	35,544
	1,749,705	1,816,220

8 Debtors

	2006 £	2005 £
Trade debtors	**610,044**	587,016
Other debtors	**15,750**	17,558
	625,794	604,574

Part of the trade debtors are subject to a factoring agreement with a debt factoring company. All debts subject to the factoring agreement are secured.

Notes to the financial statements

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loan, bank overdraft and other borrowing	**774,261**	760,291
Trade creditors	**700,922**	689,911
Social security and other taxes	**112,330**	123,291
Corporation tax	**18,154**	21,650
Other creditors	**-**	8,500
Accruals and deferred income	**15,975**	10,608
Obligations under finance leases	**47,314**	27,959
Directors current accounts	**70,000**	70,000
Preference dividend payable	**10,000**	-
	1,748,956	1,712,210

The directors current accounts by agreement with the company's Board are unsecured, non interest bearing and repayable at the discretion of the individual directors.

Notes to the financial statements

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Finance leases	**105,142**	78,088
Bank loan	**34,000**	130,330
Redeemable preference shares	**250,000**	250,000
	389,143	458,418

Obligations under finance leases are repayable as follows:

		2006
		£
Between one and two years	**41,787**	35,500
Between two and five years	**63,355**	42,588
	105,142	78,088

All external borrowings (excluding preference share redemption obligations and directors current accounts) are repayable as follows:

	2006	2005
	£	£
Within one year	**821,575**	788,250
Between one and two years	**75,787**	131,838
Between two and five years	**63,355**	76,580
	960,717	996,668

All bank and other borrowing is secured by a fixed and floating charge over the assets of the company.

The bank overdraft and loan are also partly secured by limited personal guarantees made by certain directors.

The bank loan is repayable by monthly instalments of £8,000.

Interest is charged on the bank loan at 2% per annum over the bank's base rate.

The obligations under finance leases are secured on the finance lease assets included under tangible assets.

Notes to the financial statements

11 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2006	2005
	£	£
At 1 October 2005	**20,685**	16,250
Profit and loss account movement arising during the year	**3,100**	4,435
At 30 September 2006	**23,785**	20,685

Deferred taxation provided for in the financial statements is set out below.

	Amount provided	
	2006	2005
	£	£
Accelerated capital allowances	**21,885**	22,585
Other timing differences	**1,900**	(1,900)
	23,785	20,685

Notes to the financial statements

12 Share capital

	2006	2005
	£	£
Authorised		
200,000 "A" 8% Redeemable Cumulative Preference shares of £1 each	**200,000**	200,000
50,000 "B" 8% Redeemable Cumulative Preference shares of £1 each	**50,000**	50,000
600,000 Ordinary shares of £1 each	**600,000**	600,000
Allotted, called up and fully paid		
200,000 "A" 8% Redeemable Cumulative Preference shares of £1 each	**200,000**	200,000
50,000 "B" 8% Redeemable Cumulative Preference shares of £1 each	**50,000**	50,000
550,000 (2005: 38,462) Ordinary shares of £1 each	**550,000**	38,462
	800,000	288,462

During the year the company allotted and issued £511,538 of Ordinary shares. The issue was funded by £468,564 from the share premium account; £41,412 from the profit and loss account, and £1,562 from the capital redemption reserve.

Notes to the financial statements

12 Share capital (continued)

Summary of rights attaching to each class of share:

Voting rights:

Equity holders	- One vote per share
Preference holders	- Where dividend not paid within 28 days or redemption not occurred or abrogation of class rights when one vote per share.

Dividend rights:

"A" and "B" Redeemable Cumulative Preference shares	- 8% fixed Cumulative Preferential dividend per annum.

Priority and amounts receivable on a winding up:

First	- "B" Preference shares - dividend arrears.
Second	- "B" Preference shares - issue price.
Third	- "A" Preference shares - dividend arrears.
Fourth	- "A" Preference shares - issue price.
Fifth	- Ordinary shares - issue price.
Sixth	- Ordinary shares - dividend arrears pari passu.
Seventh	- Ordinary shares - balance pari passu.

Redemption of Preference shares:

"A" Preference shares	- At par any time on or after 30 June 2005 by the company or on the request of the holders.
"B" Preference shares	- Five annual sums of £10,000 commencing 1 August 2007 by the company or on the request of the holders.

Notes to the financial statements

13 Share premium account and reserves

	Share premium account £	Profit and loss account £	Capital redemption reserve £
At 1 October 2005	468,564	63,528	1,562
Capitalisation	(468,564)	(41,412)	(1,562)
Profit for the year	-	34,111	-
At 30 September 2006	**-**	**56,227**	**-**

14 Reconciliation of movements in shareholders' funds

	2006 **£**	2005 £ Restated
Profit for the financial year	**34,111**	96,151
New non-equity share capital subscribed	**-**	150,000
Purchase of own equity shares	**-**	(12,823)
Premium on purchase of own equity shares	**-**	(292,177)
	34,111	(58,849)
Shareholders' funds at 1 October 2005	**572,116**	880,965
Prior year adjustment - preference shares	**-**	(250,000)
Shareholders' funds at 30 September 2006	**606,227**	572,116

Notes to the financial statements

15 Transactions involving directors and related parties

The company leases from the following directors and other related parties, the under mentioned land and property, used as growing sites at the annual rentals shown:

	£
N C Aubrey Land at 144 Southport Road, Tarleton	**9,720**
S A Jones Land at 99 Bankfield Lane, Southport	**4,860**
Churchtown Estates Limited, a company in which C I Hesketh is a principal shareholder and director	**16,676**

During the year the company had the following transactions with J A Jones & Sons (Churchtown) Limited Retirement Benefit Scheme:

	£
Rent payable in respect of land at Gravel Lane, Banks	**9,000**

At 30 September 2006 £15,750 was due from the company pension scheme and is included in other debtors.

N C Aubrey and S A Jones are trustees of the J A Jones & Sons (Churchtown) Limited Retirement Benefit Scheme.

During the year the company paid Meols Hall Events Limited, of which C I Hesketh is a director, an amount of £22,000 in respect of land management consultancy fees, and J Gildert, the wife of a deceased former shareholder, £4,300 in respect of a property option.

Notes to the financial statements

16 Leasing commitments

Operating lease payments amounting to £58,685 (2005: £52,560) are due within one year. The leases to which these amounts relate expire as follows:

	2006 Land and buildings £	2006 Other £	2005 Land and buildings £	2005 Other £
In one year or less	**24,255**	**-**	13,612	-
Between two and five years	**-**	**660**	-	1,979
After more than five years	**44,948**	**-**	43,094	-
	69,203	**660**	56,706	1,979

17 Capital commitments

The company had no capital commitments at 30 September 2006 or 30 September 2005.

18 Contingent liabilities

There were no contingent liabilities at 30 September 2006 or 30 September 2005.

19 *Pensions*

Defined contribution schemes

The company operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The company also operates a self administered scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension contribution for the year was £Nil (2005: £17,013).

Notes to the financial statements

20 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

a to finance its operations;

b to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

c for trading purposes.

In addition, various financial instruments (eg trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

During the year the company had no exposure to interest rate risk.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.