



Chartered Accountants  
*Local Matters National Strength*

Registration number 2505542

## Three Nations (Northern) Limited

Directors' Report and Abbreviated Accounts  
for the Year Ended 31 December 2009

Haines Watts (Lancashire) LLP  
Registered Auditors Chartered Accountants  
120-124 Towngate  
Leyland  
Lancashire  
PR25 2LQ

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## **THREE NATIONS (NORTHERN) LIMITED**

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**THREE NATIONS (NORTHERN) LIMITED**  
**COMPANY INFORMATION**

<b>Directors</b>	Mr P D Ellis Mr P Tither Mr R E Brown Mr J Milligan Mr J A Johnston Mr W Johnston Mr P B Ellis
<b>Secretary</b>	Mr P D Ellis
<b>Registered office</b>	120-124 Towngate Leyland Preston PR25 2LQ
<b>Solicitors</b>	G H Lee & Co The Croft Moss Lane Leyland Preston PR25 4SH
<b>Auditors</b>	Haines Watts (Lancashire) LLP Registered Auditors Chartered Accountants 120-124 Towngate Leyland Lancashire PR25 2LQ



## THREE NATIONS (NORTHERN) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

#### Directors' responsibilities

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

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with Companies Act 2006. 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.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

#### Principal activities

The principal activities of the company are that of the installation, servicing, manufacture and repair of beer, cellar and ancillary equipment.

#### Business review

##### *Development and performance of the business*

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007	1 October 2005 to 31 December 2006	Year ended 30 September 2005
Turnover	£5,322,662	£7,990,796	£5,761,570	£5,872,886	£4,373,779
Turnover growth	(33)%	39%	(2)%	34%	10%
Gross profit margin	43%	39%	47%	47%	49%
(Loss)/Profit before tax	(£395,037)	(£220,030)	£398,803	£165,249	£257,847



## **THREE NATIONS (NORTHERN) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

*continued*

#### ***Position of the business***

At the end of the year, the net assets totalled £284,422

#### ***Principal risks and uncertainties***

The principal risks and uncertainties to which the group is subject are -

##### **People**

The resignation of key individuals and the inability to recruit talented people could adversely affect the group's results. This risk is mitigated by succession planning, training of staff and by implementing appropriate pay structures.

##### **Macro economic environment**

The brewery industry is largely driven by economic cycles and the levels of business confidence. The company has mitigated this risk by involvement in sectors which are to some extent sheltered from the general economic climate such as the provision of multi dispense units.

##### **Competition**

The degree of competition varies by region and by sector. The company's risk is spread by the diversity of the sectors in which it operates.

##### **Future developments**

As for many businesses of our size, the environment in which the company operates continues to be challenging. The industry is subject to constraints on spending partly brought about by uncertainty in the British economy and partly by other factors. With these risks and uncertainties in mind, the directors are aware that any plans for future development of the company may be subject to unforeseen future events outside of their control. Nevertheless, the directors consider that the company is well placed to sustain the current level of activity in the foreseeable future.



## **THREE NATIONS (NORTHERN) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

*continued*

#### **Financial risk**

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

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

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

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

#### **Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who held office during the year were as follows:

- Mr P D Ellis
- Mr P Tither
- Mr R E Brown
- Mr J Milligan
- Mr J A Johnston
- Mr W Johnston
- Mr P B Ellis



**THREE NATIONS (NORTHERN) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

*continued*

Approved by the Board and signed on its behalf by

Mr J Milligan  
Director

Date 29/9/10



**INDEPENDENT AUDITORS' REPORT TO  
THREE NATIONS (NORTHERN) LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts of Three Nations (Northern) Limited, set out on pages 7 to 23, together with the financial statements of the company for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

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

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 7 to 23 are properly prepared in accordance with the regulations made under that section.

Paul Newsham ACA  
**Senior Statutory Auditor**

for and on behalf of  
Haines Watts (Lancashire) LLP, Statutory Auditor

Date 29/9/10

120-124 Towngate  
Leyland  
Lancashire  
PR25 2LQ





# THREE NATIONS (NORTHERN) LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
Turnover		<u>5,322,662</u>	<u>7,990,797</u>
<b>Gross profit</b>		2,300,346	3,139,266
Administrative expenses <i>including exceptional items of £0 (2008 £60,000)</i>		<u>(2,674,431)</u>	<u>(3,347,580)</u>
<b>Operating loss:</b>			
Excluding exceptional items		(374,085)	(148,314)
Exceptional revenue costs	3	-	(60,000)
<b>Operating loss</b>	2	(374,085)	(208,314)
Other interest receivable and similar income		-	3,076
Interest payable and similar charges	6	<u>(20,952)</u>	<u>(14,791)</u>
<b>Loss on ordinary activities before taxation</b>		(395,037)	(220,029)
Tax on loss on ordinary activities	7	<u>-</u>	<u>(3,296)</u>
<b>Loss for the financial year</b>	16	<u>(395,037)</u>	<u>(223,325)</u>

The company has no recognised gains or losses for the year other than the results above

The notes on pages 11 to 23 form an integral part of these financial statements



REGISTRATION NUMBER: 2505542

**THREE NATIONS (NORTHERN) LIMITED**

**ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2009**

		2009		2008	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		(1)		-
Tangible assets	9		773,919		593,754
			<u>773,918</u>		<u>593,754</u>
<b>Current assets</b>					
Stocks	10	409,739		453,711	
Debtors	11	587,151		957,823	
Cash at bank and in hand		<u>1,245</u>		<u>2,173</u>	
		998,135		1,413,707	
<b>Creditors. Amounts falling due within one year</b>	12	<u>(1,446,980)</u>		<u>(1,221,150)</u>	
<b>Net current (liabilities)/assets</b>			<u>(448,845)</u>		<u>192,557</u>
<b>Total assets less current liabilities</b>			325,073		786,311
<b>Creditors: Amounts falling due after more than one year</b>	13		<u>(40,630)</u>		<u>(106,832)</u>
<b>Net assets</b>			<u>284,443</u>		<u>679,479</u>
<b>Capital and reserves</b>					
Called up share capital	15		85,001		85,001
Share premium reserve	16		4,119,005		4,119,004
Profit and loss reserve	16		<u>(3,919,563)</u>		<u>(3,524,526)</u>
<b>Shareholders' funds</b>	17		<u>284,443</u>		<u>679,479</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies

The notes on pages 11 to 23 form an integral part of these financial statements



REGISTRATION NUMBER: 2505542

**THREE NATIONS (NORTHERN) LIMITED**

**ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2009**

*continued*

Approved by the Board on 29/9/10 and signed on its behalf by

Mr J Milligan  
Director

The notes on pages 11 to 23 form an integral part of these financial statements



# THREE NATIONS (NORTHERN) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	20	224,034	(226,968)
Returns on investment and servicing of finance	21	(20,952)	(11,715)
Taxation	21	-	(1,842)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(336,058)	(180,181)
Sale of tangible fixed assets		90,001	-
		<u>(246,057)</u>	<u>(180,181)</u>
<b>Cash outflow before management of liquid resources and financing</b>		(42,975)	(420,706)
<b>Financing</b>			
Capital element of hire purchase payments		(62,076)	(58,165)
		<u>(62,076)</u>	<u>(58,165)</u>
<b>Decrease in cash</b>		<u>(105,051)</u>	<u>(478,871)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2009	2008
	Note	£	£
Decrease in cash in the year	22	(105,051)	(478,871)
Cash outflow from decrease in debt and lease financing		62,076	58,165
Change in net funds resulting from cash flows		<u>(42,975)</u>	<u>(420,706)</u>
Net debt at the start of the year	22	<u>(549,075)</u>	<u>(128,369)</u>
<b>Net debt at the end of the year</b>	22	<u>(592,050)</u>	<u>(549,075)</u>

The notes on pages 11 to 23 form an integral part of these financial statements



## **THREE NATIONS (NORTHERN) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

##### **Going concern**

The results show the company realised a loss of £395,037 for the year ended 31 December 2009 and at that date had net assets of £284,422

The directors have gained contracts with new customers in 2010, which will ensure that the company turns a profit in the coming months and continues to show a solvent balance sheet. These new contracts will also ensure that the company meets its financial obligations in the foreseeable future.

The bank has committed to providing financial support to the company and the directors have also pledged their continued support, by way of injecting funds into the company.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility. The company will open renewal negotiations with the bank in due course and has, at this stage, not sought any written commitment that the facility will be renewed. However, the company has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

On this basis, the directors have continued to adopt a going concern basis of preparation in the financial statements.

The financial statements do not include any adjustments which would be necessary if the going concern basis of accounting was considered inappropriate.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Patent	20 years
--------	----------



## **THREE NATIONS (NORTHERN) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009**

*continued*

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures and fittings	10%, 20%, 25%, 33% and 50% on cost
Other tangibles	1% on cost
Freehold land and buildings	no depreciation charged

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account. The directors perform annual impairment reviews in accordance with the requirements of FRS 15 to ensure that the recoverable amount is not lower than the carrying value.

#### **Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### **Deferred taxation**

Deferred tax 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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### **Hire purchase and finance lease contracts**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

#### Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

## 2 Operating loss

Operating loss is stated after charging

	2009 £	2008 £
Auditors remuneration	11,500	11,000
Loss on sale of fixed assets	25,883	-
Depreciation of owned tangible fixed assets	32,481	29,541
Depreciation of leased tangible fixed assets	7,531	3,714

## 3 Exceptional items

	2009 £	2008 £
Exceptional administrative expenses	-	60,000

The exceptional item has arisen from redundancies made by the company during the year



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2009 No.	2008 No.
Area managers	10	10
Administration	32	41
Directors	7	6
Production	100	168
	<u>149</u>	<u>225</u>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	2,742,638	4,093,289
Social security costs	218,680	376,826
Other pension costs	53,378	74,115
	<u>3,014,696</u>	<u>4,544,230</u>





## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 5 Directors' remuneration

The directors' remuneration for the year are as follows

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	452,461	405,997
Directors' money purchase schemes	37,415	32,647
	<u>489,876</u>	<u>438,644</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2009 No.	2008 No.
Money purchase	<u>5</u>	<u>5</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £80,810 (2008 - £84,139), and company pension contributions of £13,524 (2008 - £nil) were made to a money purchase scheme on their behalf

#### 6 Interest payable and similar charges

	2009 £	2008 £
Interest on bank borrowings	15,381	5,269
Finance charges	5,571	9,522
	<u>20,952</u>	<u>14,791</u>



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 7 Taxation

##### Analysis of current period tax charge

	2009 £	2008 £
<b>Deferred tax</b>		
Deferred tax adjustment relating to previous years	-	3,296

##### Factors affecting current period tax credit

The tax assessed on the loss on ordinary activities for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK of 21.00% (2008 - 21.00%)

The differences are reconciled below

	2009 £	2008 £
Loss on ordinary activities before taxation	(395,037)	(220,029)
Standard rate corporation tax credit	(82,958)	(46,206)
Expenses not deductible for tax purposes	7,648	6,162
Accelerated capital allowances less depreciation	(17,320)	6,635
Loss carried forward	92,630	33,409
Total current tax for the year	-	-



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 8 Intangible fixed assets

	Patent £
<b>Cost</b>	
As at 1 January 2009 and 31 December 2009	<u>2,820</u>
<b>Amortisation</b>	
As at 1 January 2009 and 31 December 2009	<u>2,821</u>
<b>Net book value</b>	
As at 31 December 2009	<u>(1)</u>
As at 31 December 2008	<u>(1)</u>



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Other tangibles £	Total £
<b>Cost</b>				
As at 1 January 2009	115,593	489,083	436,739	1,041,415
Additions	2	13,109	322,949	336,060
Disposals	(115,593)	(3,321)	-	(118,914)
As at 31 December 2009	<u>2</u>	<u>498,871</u>	<u>759,688</u>	<u>1,258,561</u>
<b>Depreciation</b>				
As at 1 January 2009	-	420,612	27,051	447,663
Eliminated on disposals	-	(3,035)	-	(3,035)
Charge for the year	-	32,481	7,533	40,014
As at 31 December 2009	<u>-</u>	<u>450,058</u>	<u>34,584</u>	<u>484,642</u>
<b>Net book value</b>				
As at 31 December 2009	<u>2</u>	<u>48,813</u>	<u>725,104</u>	<u>773,919</u>
As at 31 December 2008	<u>115,593</u>	<u>68,471</u>	<u>409,688</u>	<u>593,752</u>

#### Hire purchase agreements

Included within the total net book value of tangible fixed assets is £725,109 (2008 - £409,692) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £7,532 (2008 - £3,714).

#### 10 Stocks and work in progress

	2009 £	2008 £
Stocks	-	(1)
Raw materials	293,672	308,045
Work in progress	61,035	64,027
Finished goods	55,032	81,640
	<u>409,739</u>	<u>453,711</u>



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 11 Debtors

	2009 £	2008 £
Trade debtors	441,247	865,190
Other debtors	72,547	3,776
Director current accounts	32,226	26,424
Prepayments and accrued income	41,131	62,433
	<u>587,151</u>	<u>957,823</u>

#### 12 Creditors: Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	486,464	382,341
Obligations under finance leases and hire purchase contracts	66,200	62,075
Trade creditors	317,734	378,136
Amounts owed to group undertakings	77,163	77,163
Social security and other taxes	448,136	247,351
Other creditors	31,025	7,849
Accruals and deferred income	20,258	66,235
	<u>1,446,980</u>	<u>1,221,150</u>

#### 13 Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Obligations under finance leases and hire purchase contracts	<u>40,630</u>	<u>106,832</u>

#### 14 Security of borrowings

The following secured debts are included within creditors	2009 £	2008 £
Bank overdraft	486,464	382,341
Obligations under finance leases and hire purchase contracts	106,831	168,907
	<u>593,295</u>	<u>551,248</u>



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 15 Share capital

	2009 £	2008 £
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
85,000 Ordinary shares of £1 each	<u>85,000</u>	<u>85,000</u>

#### 16 Reserves

	Share premium reserve £	Profit and loss reserve £	Total £
Balance at 1 January 2009	4,119,005	(3,524,526)	594,479
Transfer from profit and loss account for the year	-	(395,037)	(395,037)
Balance at 31 December 2009	<u>4,119,005</u>	<u>(3,919,563)</u>	<u>199,442</u>

#### 17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss attributable to members of the company	(395,037)	(223,326)
Opening shareholders' funds (originally £679,459 before deducting prior year adjustment of £0)	<u>679,459</u>	<u>902,785</u>
Closing shareholders' funds	<u>284,422</u>	<u>679,459</u>



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 18 Operating lease commitments

As at 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and Buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Within one year	-	-	-	28,906
Within two and five years	-	-	44,906	-
Over five years	79,899	-	-	-
	<u>79,899</u>	<u>-</u>	<u>44,906</u>	<u>28,906</u>

#### 19 Pension scheme

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £53,378 (2008 - £74,115).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.



## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

#### 20 Reconciliation of operating loss to operating cash flows

	2009 £	2008 £
Operating loss	(374,086)	(208,315)
Depreciation, amortisation and impairment charges	40,012	33,255
Loss on disposal of fixed assets	25,882	-
Decrease/(increase) in stocks	43,973	(453,712)
Decrease/(increase) in debtors	370,671	(26,012)
Increase in creditors	117,582	427,816
<b>Net cash inflow/(outflow) from operating activities</b>	<b>224,034</b>	<b>(226,968)</b>

#### 21 Analysis of cash flows

	2009 £	2008 £
<b>Returns on investment and servicing of finance</b>		
HP interest paid	(5,570)	(9,522)
Other interest paid	(15,382)	(5,269)
Interest received	-	3,076
	<b>(20,952)</b>	<b>(11,715)</b>
<b>Taxation</b>		
Taxation paid	-	(1,842)

#### 22 Analysis of net debt

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	2,173	(928)	1,245
Bank overdraft	(382,341)	(104,123)	(486,464)
<b>Cash and bank net funds</b>	<b>(380,168)</b>	<b>(105,051)</b>	<b>(485,219)</b>





## THREE NATIONS (NORTHERN) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

*continued*

Finance leases and hire purchase contracts	<u>(168,907)</u>	<u>62,076</u>	<u>(106,831)</u>
Change in debt	<u>(168,907)</u>	<u>62,076</u>	<u>(106,831)</u>
<b>Net debt</b>	<u><u>(549,075)</u></u>	<u><u>(42,975)</u></u>	<u><u>(592,050)</u></u>

#### 23 Related parties

##### Directors' loan accounts

The following balances owed by the directors were outstanding at the year end

	<b>Maximum Balance £</b>	<b>2009 £</b>	<b>2008 £</b>
R E Brown	6,606	6,606	6,606
P D Ellis	8,601	8,601	6,606
P Tither	7,600	7,489	6,606
J Milligan	7,468	7,373	6,606
J A Johnston	2,157	2,157	-
P B Ellis	2,000	-	-
	<u>34,432</u>	<u>32,226</u>	<u>26,424</u>

No interest is charged in respect of these balances

The directors have given personal guarantees to Handelsbanken, to a maximum of £252,000

During the year, the property at 18 Abbotts Close was sold to P B Ellis, a director, for £90,000

#### 24 Ultimate controlling party

The ultimate controlling party is Total Holdings Europe Limited, a company incorporated in England & Wales