

Clytha Holdings Limited

**Directors' report and consolidated
financial statements**

Registered Number 2543555

30 June 2011

SATURDAY



A0OVD3AQ

A25

24/12/2011

#335

COMPANIES HOUSE

Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Clytha Holdings Limited	5
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Reconciliation of net cash flow to movements in net debt	10
Notes	11

Company information

Directors:	SOL Jonsson SJ Wightman D Fletcher M Wadsworth
Company secretary:	J Hopkins (appointed 16 August 2011) T Rook (appointed 22 November 2010, resigned 16 August 2011) SJ Wightman (resigned 21 November 2010)
Registered office:	Eland Road Denaby Main Doncaster South Yorkshire DN12 4HA
Registered number:	2543555 (England and Wales)
Auditors:	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Bankers:	Lloyds Banking Group P O Box 85 14 Church Street Sheffield S1 1HP
Solicitors:	HLW Commercial House Commercial Street Sheffield S1 2AT

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

Principal activities

The company's principal activity is that of a holding company. Through its subsidiary undertakings, it carries on the business of specialist aluminium product design and development, aluminium and hardware stockholders and electrostatic powder coating.

The Directors are pleased to report that despite the market still being quite difficult they have been able to increase the group's turnover. They are also pleased to report that the group has delivered profits as forecast after last year's disappointments with "one off" bad debts and the initial losses at SGS.

The major challenge for the group this financial year has been the change of funders. Alternative funders were approached and after some thorough evaluation the group changed funders to Lloyds TSB. This new relationship has allowed the group to create the necessary funds for present levels of trading and future expansion.

Senior Architectural Systems Ltd have performed better this financial year thanks to improved cost controls and new products. The company enjoyed a growth of 11% on last year's sales. The ranges of Hybrid and Aluminium suites have been well received by architects and main contractors and this has encouraged several fabricators to open accounts with SAS to further use the new systems. There has also been some trading in the Republic of Ireland and the U.S.A. The Directors believe that there is some future potential in both these markets despite the present slow down in both markets.

Senior Glass Systems Ltd (SGS) has had another disappointing year with a loss before tax of £177k. However, the last quarter of the year saw a great turnaround with increased sales and in the year SGS saw sales more than double on last financial year. The Directors have seen this translate into monthly profits and they are confident that SGS will give a positive contribution to the group during the next financial year.

The market place remains tight but with the cost reductions put in place the Company's performance will remain stable and improve. The Directors see the greatest challenge to the group in decreasing markets and therefore more competition and tighter margins combined with potentially high levels of bad debts. To manage this situation stricter credit and cost controls have been implemented during the year.

Proposed dividend

The directors do not recommend the payment of a dividend (2010: £nil)

Directors

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

SOL Jonsson
SJ Wightman
D Fletcher
M Wadsworth

Disclosure of information to auditor

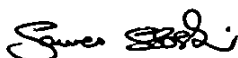
The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a member to make themselves aware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

Directors' report (*continued*)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



J Hopkins
Secretary

Eland Road
Denaby Main
Doncaster
South Yorkshire
DN12 4HA

21 / 12 / 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Clytha Holdings Limited

We have audited the group and parent company financial statements of Clytha Holdings Limited for the year ended 30 June 2011 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Clytha Holdings Limited
(continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



AJ Sills (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Leeds
LS1 4DW
Leeds

22 December 2011

Consolidated profit and loss account
for the year ended 30 June 2011

	<i>Note</i>	2011 £	Restated 2010 (see note 24) £
Turnover	<i>1</i>	24,318,858	19,876,936
Cost of sales		(15,364,231)	(11,897,755)
Gross profit		8,954,627	7,979,181
Administrative expenses		(7,365,888)	(8,554,713)
Operating profit before exceptional bad debt write off		1,588,739	20,468
Exceptional bad debt write off		-	(596,000)
Operating profit/(loss)		1,588,739	(575,532)
Gain on sale of fixed assets		24,294	4,078
Interest payable	<i>5</i>	(376,927)	(261,294)
Profit/(loss) on ordinary activities before taxation	<i>2-4</i>	1,236,106	(832,748)
Tax on profit/(loss) on ordinary activities	<i>6</i>	(155,060)	195,086
Profit/(loss) after tax		1,081,046	(637,662)

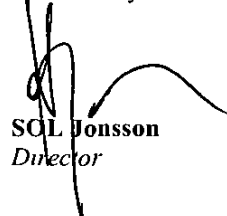
There are no recognised gains or losses other than those shown above

All profits are from continuing operations

Consolidated balance sheet
at 30 June 2011

	Note	2011	(see note 24)	Restated 2010
		£	£	£
Fixed assets				
Intangible assets	8	22,925		25,675
Tangible assets	9	2,504,732		2,819,997
		<u>2,527,657</u>		<u>2,845,672</u>
Current assets				
Stock	11	3,232,251	2,486,458	
Debtors	12	9,046,228	7,020,537	
Cash		200,128	564,205	
		<u>12,478,607</u>	<u>10,071,200</u>	
Creditors amounts falling due within one year	13	(12,025,659)	(11,199,656)	
Net current assets/(liabilities)		<u>452,948</u>		<u>(1,128,456)</u>
Total assets less current liabilities		<u>2,980,605</u>		<u>1,717,216</u>
Creditors: amounts falling due after more than one year	14	(639,341)		(416,169)
Provisions for liabilities and charges	15	(15,228)		(56,057)
Net assets		<u>2,326,036</u>		<u>1,244,990</u>
Capital and reserves				
Called up share capital	16	7,819		7,819
Capital redemption reserve	17	170,750		170,750
Profit and loss account	17	2,147,467		1,066,421
Shareholders' funds	18	<u>2,326,036</u>		<u>1,244,990</u>

These financial statements were approved by the board of directors on its behalf by


SCL Jonsson
Director

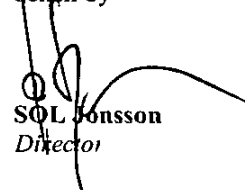
21/12

2011 and were signed on

Company balance sheet
at 30 June 2011

	<i>Note</i>	2011	Restated 2010 (see note 24)
		£	£
Fixed assets			
Tangible assets	9	136,560	185,383
Investments	10	91,750	91,750
		<u>228,310</u>	<u>277,133</u>
Current assets			
Debtors	12	2,791,226	1,571,119
Cash		11,514	-
		<u>2,802,740</u>	<u>1,571,119</u>
Creditors' amounts falling due within one year	13	<u>(807,699)</u>	<u>(555,582)</u>
Net current assets		<u>1,995,401</u>	<u>1,015,537</u>
Total assets less current liabilities		<u>2,223,351</u>	<u>1,292,670</u>
Creditors, amounts falling due after more than one year	14	<u>(406,750)</u>	<u>(241,750)</u>
Provisions for liabilities and charges	15	<u>17,961</u>	<u>7,269</u>
Net assets		<u>1,834,562</u>	<u>1,058,189</u>
Capital and reserves			
Called up share capital	16	7,819	7,819
Capital redemption reserve	17	170,750	170,750
Profit and loss account	17	1,655,993	879,620
Shareholders' funds	18	<u>1,834,562</u>	<u>1,058,189</u>

These financial statements were approved by the board of directors on 21/12 2011 and were signed on its behalf by


SOL Jonsson
Director

Consolidated cash flow statement
for the year ended 30 June 2011

	<i>Note</i>	2011 £	2010 £
Cash inflow from operating activities	20	277,985	93,173
Returns on investments and servicing of finance	21	(376,927)	(261,294)
Taxation		6,068	-
Capital expenditure	21	(258,895)	(477,577)
Cash inflow before financing		(351,769)	(645,698)
Equity dividends paid		-	-
Financing	21	(12,308)	1,209,903
(Decrease)/increase in cash in the period		(364,077)	564,205

Reconciliation of net cash flow to movements in net debt

		2011 £	2010 £
(Decrease)/increase in cash in the period	22	(364,077)	564,205
Cash inflow/outflow from decrease/(increase) in debt and hire purchase financing	22	12,308	(1,209,903)
Change in net debt resulting from cash flows		(351,769)	(645,698)
Movement in net debt in the period		(351,769)	(645,698)
Net debt at start of the period	22	(4,793,882)	(4,148,184)
Net debt at the end of the period	22	(5,145,651)	(4,793,882)

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Basis of consolidation

The consolidated financial statements incorporate the results of the parent company, Clytha Holdings Limited, and its subsidiary undertakings

The acquisition method has been adopted in accounting for subsidiary undertakings. Under this method the results of the subsidiaries are included in the consolidated profit and loss account from the date of acquisition. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over a period of twenty years.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Directors Report on pages 2 to 3

The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the group's cash flow statement and note 21 to the financial statements

The group meets its day-to-day working capital requirements through an invoice discounting facility secured against 80% of the Group's debtor book

The group'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 facilities and meet its covenants

The directors have reasonable expectations that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Purchased goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised and amortised over a period of ten years

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows

Improvements to leasehold property	- Over life of lease
Plant and machinery	- Over 15 years
Plant and Machinery – Paint Line	- Over 20 years
Fixtures and fittings	- Over 4 years
Motor vehicles	- Over 4 years
Computer equipment	- Over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value

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 otherwise required by FRS19

Leases and hire purchase contracts

Assets acquired under finance lease and hire purchase contracts are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The group participates in a group personal pension scheme. Contributions payable for the period are charged in the profit and loss account

Related parties

The company has taken advantage of the exemption in Financial Reporting Standard Number 8, Related Party Disclosures, in respect of transactions with group companies as consolidated financial statements are being prepared

Classification of financial instruments

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group, and
- b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Notes (continued)

2 Profit on ordinary activities before taxation

	2011 £	2010 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors' remuneration		
Group - audit of financial statements of subsidiaries pursuant to legislation	17,000	16,000
- other services relating to taxation	4,000	5,000
Company - audit of these financial statements	5,000	5,000
- other services	2,000	2,000
Depreciation - owned assets	476,867	516,621
- assets on hire purchase contracts	97,294	95,392
Operating leases - plant and machinery	295,739	194,153
- property	800,229	740,564
(Gain)/loss on sale of fixed assets	(24,294)	(4,078)
Amortisation of acquired goodwill	2,750	1,825
	<u> </u>	<u> </u>

3 Remuneration of directors

	2011 £	2010 £
Directors' emoluments	373,823	374,588
	<u> </u>	<u> </u>
Group contributions to money purchase pension schemes	11,454	10,987
	<u> </u>	<u> </u>

The emoluments of the highest paid director, excluding pension contributions were £164,442 (2010 £159,208) and company pension contributions of £ 5,358 (2010 £4,287) were made to a money purchase scheme on his behalf

	Number of directors 2011	2010
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	3	3
	<u> </u>	<u> </u>

Notes (continued)

4 Staff numbers and costs

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

	2011 Number	2010 Number
Administration	68	53
Warehouse and distribution	85	82
	<u>153</u>	<u>135</u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	3,431,503	3,031,558
Social security costs	300,214	290,553
Other pension costs	70,618	110,666
	<u>3,802,335</u>	<u>3,432,777</u>

5 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	<u>376,927</u>	<u>261,294</u>

Notes (continued)

6 Taxation

Analysis of charge in period

	2011 £	2010 £
<i>UK corporation tax</i>		
Current tax on income for the period	196,387	-
Adjustments in respect of prior periods	(498)	(23,840)
	<hr/>	<hr/>
Total current tax	195,889	(23,840)
<i>Deferred tax (see note 15)</i>		
Deferred tax for the period	(13,561)	(192,022)
Adjustment in respect of previous years	(12,020)	20,776
Impact of tax rate change	(15,248)	-
	<hr/>	<hr/>
Total deferred tax	(40,829)	(171,246)
	<hr/>	<hr/>
Tax on profit on ordinary activities	155,060	(195,086)
	<hr/>	<hr/>

The current tax charge for the period is lower (2010: lower) than the standard rate of corporation tax in the UK of 27.5%, (2010: 28%). The differences are explained below

	2011 £	2010 £
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	1,236,106	(772,748)
	<hr/>	<hr/>
Current tax at 27.5% (2010: 28%)	339,929	(216,369)
<i>Effects of</i>		
Expenses not deductible for tax purposes	35,932	51,799
Capital allowances for period in excess of depreciation	19,829	24,203
Non taxable income	(196,213)	(16,800)
Short term timing differences	-	-
UK tax at standard rate	-	(165)
Industrial building allowance	-	(538)
Small companies relief and tax credit re mistake claim	-	(2,364)
Previous year adjustments	(498)	(24,337)
Tax credit available	-	(7,088)
Tax losses carried forward	-	167,819
Other deductions	(3,050)	-
	<hr/>	<hr/>
Total current tax charge (see above)	195,889	(23,840)
	<hr/>	<hr/>

Notes (continued)

7 Dividends

The amounts waived are set out below

	2011 £	2010 £
7,500 (2010 7,500) A shares of £1 each	30,000	30,000
17,500 (2010 17,500) C Preference shares of £1 each Waived	3,500	3,500
	<u>33,500</u>	<u>33,500</u>

8 Intangible fixed assets

Group	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost			
At beginning of year	66,500	59,768	126,268
Addition	-	-	-
At end of year	<u>66,500</u>	<u>59,768</u>	<u>126,268</u>
Amortisation			
At beginning of year	40,825	59,768	100,593
Charge for year	2,750	-	2,750
At end of year	<u>43,575</u>	<u>59,768</u>	<u>103,343</u>
Net book value			
At end of year	<u>22,925</u>	<u>-</u>	<u>22,925</u>
At beginning of year	<u>25,625</u>	<u>-</u>	<u>25,625</u>
Company			Purchased Goodwill £
Cost			
At beginning and end of year			30,000
Addition			-
At end of year			<u>30,000</u>
Amortisation			
At beginning of year			30,000
Charge for the year			-
At end of year			<u>30,000</u>
Net book value			
At beginning and end of year			<u>-</u>

Notes (continued)

9 Tangible fixed assets

Group	Improvements to leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At beginning of year	579,114	3,252,692	903,339	817,605	881,128	6,433,878
Additions	-	38,523	2,790	202,896	39,182	283,391
Disposals	-	(1,399)	(19,340)	(83,169)	-	(103,908)
At end of year	579,114	3,289,816	886,789	937,332	920,310	6,613,361
Depreciation						
At beginning of year	380,751	1,343,889	716,857	476,835	695,549	3,613,881
Charge for year	23,596	184,058	103,990	177,850	84,667	574,161
On disposals	-	(61)	(403)	(78,949)	-	(79,413)
At end of year	404,347	1,527,886	820,444	575,736	780,216	4,108,629
At 30 June 2011	174,767	1,761,930	66,345	361,596	140,094	2,504,732
At 30 June 2010	198,363	1,908,803	186,482	340,770	185,579	2,819,997

Company	Improvements to leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At beginning of year	283,232	28,245	247,173	101,665	660,315
Additions	-	-	-	546	546
Disposals	-	-	-	-	-
At end of year	283,232	28,245	247,173	102,211	660,861
Depreciation					
At beginning of year	204,040	28,245	141,238	101,409	474,932
Charge for year	6,886	-	42,245	238	49,369
Disposals	-	-	-	-	-
At end of year	210,926	28,245	183,483	101,647	524,301
Net book value					
At 30 June 2011	72,306	-	63,690	564	136,560
At 30 June 2010	79,192	-	105,935	256	185,383

Included in the total net book value of fixed assets is £ 308,531 (2010 £522,250), in respect of assets held under finance leases and similar hire purchase contracts. Depreciation on assets at the year end held under finance leases was £ 97,294 (2010 £95,392).

Notes (continued)

10 Fixed asset investments

Company	Shares £
<i>Cost and net book value</i>	
At beginning and end of year	91,750

The companies in which the company's interest at the year end is more than 20% are as follows

Subsidiary holding	Country of incorporation	Principal activity	Class and % of shares held
Senior Architectural Systems Limited	England	Specialist aluminium stockholders	Ordinary 100%
Senior Glass Systems Limited	England	Glass manufacturers	Ordinary 100%
Senior Aluminium Systems (Scotland) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (SE) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (Midlands) Limited	England	Non-trading	Ordinary 100%
Senior Aluminium Systems (Design) Limited	England	Non-trading	Ordinary 100%
Senior Supplies Limited	England	Non-trading	Ordinary 100%
APC Coatings Limited	England	Non-trading	Ordinary and preference 100%
Architectural Power Coatings (Scotland) Limited	England	Non-trading	Ordinary 100%
Senior Coatings Limited	England	Non-trading	Ordinary 100%

11 Stock

	2011 £	Group 2010 £
Raw materials	469,609	157,561
Goods held for resale	2,762,642	2,328,897
	<u>3,232,251</u>	<u>2,486,458</u>

Notes (continued)

12 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	8,106,726	6,067,346	-	-
Other debtors	939,502	947,891	313,577	19,098
Amounts owed by group undertakings	-	-	2,477,649	1,546,071
VAT debtor	-	-	-	5,950
Corporation tax recoverable	-	5,300	-	-
	<u>9,046,228</u>	<u>7,020,537</u>	<u>2,791,226</u>	<u>1,571,119</u>

13 Creditors' amounts falling due within one year

	Group		Company	
	2011	Restated 2010	2011	Restated 2010
	£	£	£	£
Invoice discounting creditor	4,309,445	4,456,566	-	-
Bank loans and overdrafts	105,999	198,333	-	362,558
Other loans	153,520	115,639	87,500	87,500
Obligations under finance leases and hire purchase contracts	119,974	153,880	17,920	28,468
Trade creditors	5,547,305	4,489,697	11,920	3,585
Other creditors	1,085,321	1,385,670	49,049	55,971
Amounts owed to group undertakings	-	-	188,403	-
Other taxes and social security	490,706	382,371	414,656	-
Corporation tax	195,889	-	20,751	-
Shares classified as liabilities	17,500	17,500	17,500	17,500
	<u>12,025,659</u>	<u>11,199,656</u>	<u>807,699</u>	<u>555,582</u>

Notes (continued)

14 Creditors falling due after more than one year

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank loans	86,667	110,000	-	-
Other loans	208,961	271,878	131,250	218,650
Obligations under finance leases and hire purchase contracts	73,713	34,291	5,320	23,100
Shareholders' loans	270,000	-	270,000	-
	<u>639,341</u>	<u>416,169</u>	<u>406,570</u>	<u>241,750</u>

Analysis of debt

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Debts can be analysed as falling due				
In one year or less, or on demand	4,706,438	4,941,918	122,920	519,030
Between one and two years	270,050	223,263	92,820	87,504
Between two and five years	99,291	192,906	43,750	131,242
Greater than five years	270,000	-	270,000	-
	<u>5,345,779</u>	<u>5,358,087</u>	<u>529,490</u>	<u>737,776</u>

The maturity of obligations under finance lease and hire purchase contracts is as follows

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Within one year	119,974	153,880	17,920	28,468
In the second to fifth years	73,713	34,291	5,320	23,100
	<u>193,687</u>	<u>188,171</u>	<u>23,240</u>	<u>51,568</u>

Included within creditors are bank loans for £192,666 (2010 £308,333), with interest payable at 2.75% (2010 2.75%) above the bank base rate, secured by debentures across all group companies. The bank overdraft is repayable on demand and interest is payable at 2.5% (2010 2.5%) above the bank base rate.

The bank loans are secured against various assets of the company and are repayable over 3 years. Interest is payable at 3% per annum. Other loans relate to a loan from South Yorkshire Investment Fund and is repayable over 3 years. Interest is payable at 12% per annum, and a loan from Finance Yorkshire which is repayable over 3 years at 12% per annum.

Shareholders' loans have no fixed repayment date and are not interest bearing.

Notes (continued)

15 Provisions for liabilities and charges

Group	Deferred taxation liability £
At beginning of period	56,057
Credit for the period	(40,829)
	<hr/>
At end of period	15,228
	<hr/>

	2011 £	2010 £
The amount provides for deferred taxation are set out below		
Difference between accumulated depreciation and capital allowance	206,040	226,844
Other timing differences	(2,656)	(2,968)
Tax losses	(188,156)	(167,819)
	<hr/>	<hr/>
	15,228	56,057
	<hr/>	<hr/>

Company	Deferred taxation asset £
At beginning of period	(7,269)
Credit for the period	(10,692)
	<hr/>
At end of period	(17,961)
	<hr/>

	2011 £	2010 £
The amount provides for deferred taxation are set out below		
Difference between accumulated depreciation and capital allowance	(17,767)	(6,958)
Other timing differences	(194)	(311)
	<hr/>	<hr/>
	(17,961)	(7,269)
	<hr/>	<hr/>

Notes (continued)

16 Called up share capital

Allotted, called up and issued

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	2011 £	2010 £
7,500 (2010 7 500)	A shares	£1	7,500	7,500
17,500 (2010 17,500)	C preference	£1	17,500	17,500
319 (2010 319)	E shares	£1	319	319
			25,319	25,319
			2011 £	2010 £
Shares classified as equity			7,819	7,819
Shares classified as debt			17,500	17,500
			25,319	25,319

The classes of shares have the following rights

Notes *(continued)*

16 **Called up share capital** *(continued)*

Rights of A shares

Dividends

Cumulative net cash dividend of £20 per share per annum after the payment of dividends on B, C and D preference shares

Dividends

The balance of such profits of the company available for dividend which are resolved to be distributed amongst the holders of the E shares

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid after the payment of arrears on the C preference shares dividends but in priority to the capital of any shares

On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the C preference shares, the remaining assets of the company will be distributed to the A shareholders up to a maximum of £3,500,000

Voting

The shares carry no voting rights

Rights of C preference shares

Dividends

Cumulative Preferential Dividends of 20% per annum on capital

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid in priority to the capital and other dividend arrears of the company

On winding up, after the payment of dividend arrears on A shares and C shares, the capital paid up will be repaid in priority to the A shares

Voting

The shares carry no voting rights.

Notes (continued)

16 Called up share capital (continued)

Rights of E Shares

The balance of such profits of the company available for dividend which are resolved to be distributed amongst the holders of the E shares

Winding up

On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the A shares and C preference shares and the remaining distribution to the A shareholders as set out above, the balance of the assets remaining will be distributed to the holders of the E shares

Voting

The shares carry voting rights of one vote per share

17 Reserves

	Capital redemption reserve		Profit and loss reserve	
	Group	Company	Group	Company
	£	£	£	£
At beginning of period (restated – see note 24)	170,750	170,750	1,066,421	879,620
Retained profit for the period	-	-	1,081,046	776,373
At end of period	170,750	170,750	2,147,467	1,655,993

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Profit/(loss) for the financial period	1,081,046	(637,662)	776,373	15,814
Opening shareholders' funds (restated – see note 24)	1,244,990	1,882,652	1,058,189	1,042,375
Closing shareholders' funds	2,326,036	1,244,990	1,834,562	1,058,189

19 Pension scheme

The group participates in a group personal pension scheme. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £70,618 (2010 £110,666). There were no outstanding or prepaid contributions at the beginning or end of the financial period.

Notes (continued)

20 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit/(loss)	1,588,739	(575,532)
Depreciation and related charges	576,911	613,838
Gain on disposal of fixed assets	24,294	4,078
(Increase) in stocks	(745,793)	(142,758)
(Increase) in debtors	(2,031,759)	(1,457,299)
Increase in creditors	865,593	1,650,846
	<u>277,985</u>	<u>93,173</u>
Net cash inflow from operating activities	<u><u>277,985</u></u>	<u><u>93,173</u></u>

21 Analysis of cash flows

	2011 £	£	2010 £	£
Returns on investment and servicing of finance				
Interest paid and similar charges	376,927		261,294	
	<u>376,927</u>		<u>261,294</u>	
		<u><u>376,927</u></u>		<u><u>261,294</u></u>
Capital expenditure				
Purchase of tangible fixed assets	(283,391)		(505,350)	
Disposal of tangible fixed assets	24,496		55,273	
Purchased goodwill	-		(27,500)	
	<u>(258,895)</u>		<u>(477,577)</u>	
		<u><u>(258,895)</u></u>		<u><u>(477,577)</u></u>
Financing				
(Repayment of)/addition to invoice discounting facility	(147,121)		1,162,399	
(Repayment of) bank loans	(115,667)		(353,522)	
(Repayment of)/addition to other loans	(25,036)		387,517	
Addition to hire purchase loans	5,516		13,509	
Directors loan received	270,000		-	
	<u>(12,308)</u>		<u>1,209,903</u>	
		<u><u>(12,308)</u></u>		<u><u>1,209,903</u></u>

Notes (continued)

22 Analysis of net debt

	2010 £	Cash flow £	2011 £
Cash in hand and at bank	564,205	(364,077)	200,128
	<u>564,205</u>	<u>(364,077)</u>	<u>200,128</u>
Invoice Discounting	(4,456,566)	147,121	(4,309,445)
Hire purchase	(188,171)	(5,516)	(193,687)
Bank loans	(308,333)	115,667	(192,666)
Other loans	(387,517)	25,036	(362,481)
Shares classified as liabilities	(17,500)	-	(17,500)
Shareholders' loans	-	(270,000)	(270,000)
	<u>(5,358,087)</u>	<u>12,308</u>	<u>(5,345,779)</u>
Total	<u>(4,793,882)</u>	<u>(351,769)</u>	<u>(5,145,651)</u>

23 Commitments

(a) Annual commitments under non cancellable operating leases

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Property				
Ending in less than one year	7,360	29,000	-	-
Ending in two to five years	69,500	43,500	-	-
Ending after five years	762,506	622,506	390,506	390,506
	<u>839,366</u>	<u>695,006</u>	<u>390,506</u>	<u>390,506</u>
Plant and machinery				
Ending in less than one year	389,689	51,676	-	2,698
Ending in two to five years	396,844	153,374	-	-
Ending after five years	16,315	-	-	-
	<u>802,848</u>	<u>205,050</u>	<u>-</u>	<u>2,698</u>
	<u>1,642,214</u>	<u>900,056</u>	<u>390,506</u>	<u>393,204</u>

(b) Capital commitments at the end of the financial period for which no provision has been made are £nil (2010 £nil)

24 Prior year adjustment

During the year the Directors' have adopted a change in accounting policy in relation to the recognition of cash payments relating to payments received periodically from the developer of their warehouse and production facilities in Denaby Main. In previous years, when the cash receipts had not been received in full the benefit for these cash payments was being spread evenly over the life of the lease.

During 2011 all outstanding cash receipts were received, with no risk of repayment and no outstanding obligations existing. As such the Directors' are of the opinion that cash receipts method of recognition is now more appropriate. This has resulted in a prior year adjustment of £175,000 to the 30 June 2010 Balance Sheet, a £60,000 reduction to the 30 June 2010 Profit and Loss account, and a current year credit to the Profit and Loss Account of £700,000 which has been recognised within administrative expenses.