Clytha Holdings Limited

Directors' report and consolidated financial statements

Registered Number 2543555

30 June 2012

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Company information

Directors:	SOL Jonsson SJ Wightman D Fletcher M Wadsworth K Jonsson (appointed 28/03/2012)
Company secretary:	J Hopkins
Registered office	Eland Road Denaby Main Doncaster South Yorkshire DN12 4HA
Registered number	2543555 (England and Wales)
Auditor:	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 2012

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 a profit before tax of £1,001,271 *(2011 £1,236,106)* on turnover which has increased from £24,318,858 to £26,609,486 The previous year profit figure included a £700k rent rebate and so the actual trading performance was much improved

Senior Glass Systems recorded a profit for the first time and further improvement is expected in the coming year

Being in the construction sector then the Group is dependent on the macro economic climate and the market remains tight It is expected that the group will introduce new products in the coming year and with it's other advantages, such as it's own paintline facility and it's own glass supply, then it is confident it can maintain it's market share

Proposed dividend

A dividend of £167,040 was paid in the year *(2011 £nil)*

Directors

The directors who held office during the period were as follows

SOL Jonsson
SJ Wightman
D Fletcher
M Wadsworth
K Jonsson

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

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

28 NOVEMBER 2012

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 2012 set out on pages 6 to 25 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 3, 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 2012 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

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

2012

Consolidated profit and loss account
for the year ended 30 June 2012

	Note	2012 £	2011 £
Turnover	*1*	**26,609,486**	24,318,858
Cost of sales		**(16,337,438)**	(15,364,231)
Gross profit		**10,272,048**	8,954,627
Administrative expenses		**(9,005,268)**	(7,365,888)
Operating profit		**1,266,780**	1,588,739
Gain on sale of fixed assets		**24,490**	24,294
Interest payable and similar charges	*5*	**(289,999)**	(376,927)
Profit on ordinary activities before taxation	*2-4*	**1,001,271**	1,236,106
Tax on profit on ordinary activities	*6*	**(285,917)**	(155,060)
Profit after tax		**715,354**	1,081,046

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

All profits are from continuing operations

The notes on pages 10 to 25 form part of these financial statements

Consolidated balance sheet
at 30 June 2012

	Note	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	8		20,175		22,925
Tangible assets	9		2,554,689		2,504,732
			2,574,864		2,527,657
Current assets					
Stock	11	3,713,185		3,232,251	
Debtors	12	9,664,995		9,046,228	
Cash		773,392		200,128	
		14,151,572		12,478,607	
Creditors amounts falling due within one year	13	(13,228,187)		(12,025,659)	
Net current assets			923,385		452,948
Total assets less current liabilities			3,498,249		2,980,605
Creditors amounts falling due after more than one year	14		(569,590)		(639,341)
Provisions for liabilities and charges	15		(54,149)		(15,228)
Net assets			2,874,510		2,326,036
Capital and reserves					
Called up share capital	16		7,979		7,819
Capital redemption reserve	17		170,750		170,750
Profit and loss account	17		2,695,781		2,147,467
Shareholders' funds	18		2,874,510		2,326,036

These financial statements were approved by the board of directors on 28 NOVEMBER 2012 and were signed on its behalf by

SOL Jonsson
Director

Company balance sheet
at 30 June 2012

	Note	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	9		**188,408**		136,560
Investments	10		**91,750**		91,750
			280,158		228,310
Current assets					
Debtors	12	**2,540,146**		2,809,187	
Cash		**26,109**		11,514	
		2,566,255		2,820,701	
Creditors amounts falling due within one year	13	**(753,296)**		(807,699)	
Net current assets			**1,812,959**		2,013,002
Total assets less current liabilities			**2,093,117**		2,241,312
Creditors: amounts falling due after more than one year	14		**(421,950)**		(406,750)
Net assets			**1,671,167**		1,834,562
Capital and reserves					
Called up share capital	16		**7,979**		7,819
Capital redemption reserve	17		**170,750**		170,750
Profit and loss account	17		**1,492,438**		1,655,993
Shareholders' funds	18		**1,671,167**		1,834,562

These financial statements were approved by the board of directors on 28 NOVEMBER 2012 and were signed on its behalf by

SOL Jonsson
Director

Consolidated cash flow statement
for the year ended 30 June 2012

	Note	2012 £	2011 £
Cash inflow from operating activities	*20*	**679,055**	253 691
Returns on investments and servicing of finance	*21*	**(289,999)**	(376,927)
Taxation		**15,844**	6 068
Capital expenditure	*21*	**(531,440)**	(234,601)
Equity dividends paid		**(167,040)**	-
Cash outflow before financing		**(293,580)**	(351 769)
Financing	*21*	**867,004**	(12 308)
Increase/(decrease) in cash in the period		**573,424**	(364,077)

Reconciliation of net cash flow to movements in net debt

		2012 £	2011 £
Increase/(decrease) in cash in the period	22	**573,424**	(364 077)
Cash (inflow)/outflow from (increase)/decrease in debt and hire purchase financing	22	**(867,004)**	12,308
Change in net debt resulting from cash flows		**(293,580)**	(351 769)
Movement in net debt in the period		**(293,580)**	(351,769)
Net debt at start of the period	22	**(5,145,651)**	(4,793 882)
Net debt at the end of the period	22	**(5,439,231)**	(5,145,651)

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 overdraft facility of £75,000, and 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

Profit on ordinary activities before taxation is stated after charging/(crediting)		2012 £	2011 £
Auditor's remuneration			
Company	- audit of these financial statements	**6,000**	5,000
	- other services	**3,000**	2,000
Group	- audit of financial statements of subsidiaries pursuant to legislation	**19,000**	17,000
	- other services relating to taxation	**9,000**	4,000
Depreciation	- owned assets	**388,355**	476,867
	- assets on hire purchase contracts	**117,618**	97,294
Operating leases	- plant and machinery	**907,598**	781,726
	- property	**853,308**	800,229
Gain on sale of fixed assets		**(24,490)**	(24,294)
Amortisation of acquired goodwill		**2,750**	2,750

3 Remuneration of directors

	2012 £	2011 £
Directors' emoluments	**372,529**	373,823
Group contributions to money purchase pension schemes	**11,454**	11,454

The emoluments of the highest paid director, excluding pension contributions were £165,559 *(2011 £164,442)* and company pension contributions of £5,358 *(2011 £5,358)* were made to a money purchase scheme on his behalf

	Number of directors 2012	2011
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	**3**	3

During the year the company received an additional £100,000 (2011 £270,000) in loans from its Directors The total amounts owed to Directors as at the year-end are as follows

	2012 £	2011 £
Directors' loans payable	**370,000**	270,000

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

	2012 Number	2011 Number
Administration	69	68
Warehouse and distribution	89	85
	158	153

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	3,584,580	3,431,503
Social security costs	296,176	300,214
Other pension costs	115,688	70,618
	3,996,444	3,802,335

5 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	289,999	376,927

Notes *(continued)*

6 Taxation

Analysis of charge in period

	2012	2011
	£	£
UK corporation tax		
Current tax on income for the period	**270,828**	196,387
Adjustments in respect of prior periods	**(23,832)**	(498)
Total current tax	**246,996**	195,889
Deferred tax (see note 15)		
Deferred tax for the period	**27,841**	(13,561)
Adjustment in respect of previous years	**14,782**	(12 020)
Impact of tax rate change	**(3,702)**	(15 248)
Total deferred tax	**38,921**	(40 829)
Tax on profit on ordinary activities	**285,917**	155 060

The current tax charge for the period is lower *(2011 lower)* than the standard rate of corporation tax in the UK of 25 0%, *(2011 28%)* The differences are explained below

	2012	2011
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**1,001,271**	1,236,106
Current tax at 25% *(2011 28%)*	**250,318**	339 929
Effects of		
Expenses not deductible for tax purposes	**23,280**	35,932
Capital allowances for period in excess of depreciation	**14,714**	19,829
Non taxable income	**-**	(196,213)
Previous year adjustments	**(23,882)**	(498)
Other deductions	**-**	(3 050)
Chargeable gains	**530**	-
Utilisation of tax losses and other deductions	**(17,964)**	-
Total current tax charge (see above)	**246,996**	195,889

Notes *(continued)*

7 Dividends

The amounts paid are set out below	2012	2011
	£	£
7,500 *(2011 7,500)* A shares of £1 each	**150,000**	-
17,500 *(2011 17,500)* C Preference shares of £1 each	-	-
479 (2011 319) E shares of £1 each	**17,040**	-
	167,040	-

In 2011 there were dividends waived of £30,000 for the A shares and £3,500 for the C Preference Shares

8 Intangible fixed assets

Group	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost			
At beginning of year	66,500	59,768	126,268
Additions	-	-	-
At end of year	66,500	59,768	126,268
Amortisation			
At beginning of year	43,575	59,768	103,343
Charge for year	2,750	-	2,750
At end of year	46,325	59,768	106,093
Net book value			
At end of year	**20,175**	-	**20,175**
At beginning of year	22,925	-	22,925

Company	Purchased Goodwill £
Cost	
At beginning and end of year	30,000
Additions	-
At end of year	30,000
Amortisation	
At beginning of year	30,000
Charge for the year	-
At end of year	30,000
Net book value	
At beginning and end of year	-

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	3,289,816	886,789	937,332	920,310	6,613,361
Additions	30,466	94,109	4,325	373,668	72,329	574,897
Disposals	-	(5,586)	-	(256,354)	-	(261,940)
At end of year	609,580	3,378,339	891,114	1,054,646	992,639	6,926,318
Depreciation						
At beginning of year	404,347	1,527,886	820,444	575,736	780,216	4,108,629
Charge for year	26,643	192,163	52,424	160,524	74,219	505,973
On disposals	-	(621)	-	(242,352)	-	(242,973)
At end of year	430,990	1,719,428	872,868	493,908	854,435	4,371,629
At 30 June 2012	**178,590**	**1,658,912**	**18,246**	**560,738**	**138,204**	**2,554,689**
At 30 June 2011	174,767	1,761,930	66,345	361,596	140,094	2,504,732

Company	Improvements to leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At beginning of year	283,232	28,245	247,173	102,211	660,861
Additions	-	-	96,468	590	97,058
Disposals	-	-	(51,287)	-	(51,287)
At end of year	283,232	28,245	292,354	102,801	706,632
Depreciation					
At beginning of year	210,926	28,245	183,483	101,647	524,301
Charge for year	6,886	-	36,714	355	43,956
Disposals	-	-	(50,033)	-	(50,033)
At end of year	217,813	28,245	170,164	102,002	518,224
Net book value					
At 30 June 2012	**65,419**	-	**122,190**	**799**	**188,408**
At 30 June 2011	72,306	-	63,690	564	136,560

Included in the total net book value of fixed assets is £ 548,359 *(2011 £308,531)*, 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 £ 117,618 *(2011 £97,294)*

Notes *(continued)*

10 Fixed asset investments

Company	**Shares**
	£
Cost and net book value	
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

	Group	
	2012	2011
	£	£
Raw materials	**499,646**	424,648
Work in progress	**38,327**	34,168
Goods held for resale	**3,175,212**	2,557,807
	3,713,185	3,232,251

Notes *(continued)*

12 Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Trade debtors	**8,533,654**	8,106,726	**-**	-
Other debtors	**1,131,341**	939,502	**309,347**	313,577
Amounts owed by group undertakings	**-**	-	**2,217,203**	2,477,649
Deferred tax asset (note 15)	**-**	-	**13,596**	17,961
	9,664,995	9,046,228	**2,540,146**	2,809,187

13 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Invoice discounting facility	**5,217,201**	4,309,445	**-**	-
Bank loans and overdrafts	**70,000**	105,999	**-**	-
Other loans	**137,126**	153,520	**87,500**	87,500
Obligations under finance leases and hire purchase contracts	**201,206**	119,974	**18,580**	17,920
Trade creditors	**5,344,526**	5,547,305	**18,793**	11,920
Other creditors	**1,354,911**	1,085,321	**46,837**	49,049
Amounts owed to group undertakings	**-**	-	**188,404**	188,403
Other taxes and social security	**426,988**	490,706	**347,493**	414,656
Corporation tax	**458,729**	195,889	**28,189**	20,751
Shares classified as liabilities	**17,500**	17,500	**17,500**	17,500
	13,228,187	12,025,659	**753,296**	807,669

The Invoice discounting facility commenced in July 2011 and is for an initial period of 2 years with a rate of interest at 2 25% above Lloyds TSB plc base rate It is then cancellable by either party giving 3 months notice It is secured against the Trade Debtor balances of the Group

Included within creditors are bank loans for £ 70,000 *(2011 £105,999)*, with interest payable at 2 75 % *(2011 2 75%)* above the bank base rate, secured by debentures across all group companies
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 ie repayable over 3 years at 12%per annum

Notes *(continued)*

14 Creditors: falling due after more than one year

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Bank loans	**-**	86,667	**-**	-
Other loans	**90,612**	208,961	**43,750**	131,250
Obligations under finance leases and hire purchase contracts	**108,978**	73,713	**8,200**	5,320
Shareholders' loans	**370,000**	270,000	**370,000**	270,000
	569,590	639,341	**421,950**	406,570

Analysis of debt

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Debts can be analysed as falling due				
In one year or less, or on demand	**5,625,533**	4,706,438	**106,080**	122,920
Between one and two years	**199,590**	270,050	**51,950**	92,820
Between two and five years	**-**	99,291	**-**	43,750
Greater than five years	**370,000**	270,000	**370,000**	270,000
	6,195,123	5,345,779	**528,030**	529,490

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

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Within one year	**201,206**	119,974	**18,580**	17,920
In the second to fifth years	**108,978**	73,713	**8,200**	5,320
	310,184	193,687	**26,780**	23,240

Notes *(continued)*

15 Provisions for liabilities and charges

Group

	Deferred taxation
	£
At beginning of period	15,228
Charged to the profit and loss account in the period	38,921
At end of period	**54,149**

The amount provides for deferred taxation are set out below	2012 £	2011 £
Difference between accumulated depreciation and capital allowance	**206,738**	206,040
Other timing differences	**(465)**	(2,656)
Tax losses	**(152,124)**	(188,156)
	54,149	15,228

Company

	Deferred taxation
	£
At beginning of period	17,961
Charge for the period	(4,365)
At end of period	**13,596**

The amount provided for deferred taxation are set out below	2012 £	2011 £
Difference between accumulated depreciation and capital allowance	**(13,229)**	(17,767)
Other timing differences	**(367)**	(194)
	(13,596)	(17,961)

Notes *(continued)*

16 Called up share capital

Allotted, called up and issued

Number	*Class*	*Nominal value*	2012 £	2011 £
7,500 *(2011 7,500)*	A shares	£1	**7,500**	7,500
17,500 *(2011 17,500)*	C preference	£1	**17,500**	17,500
479 *(2011 319)*	E shares	£1	**479**	319
			25,479	25,319

	2012 £	2011 £
Shares classified as equity	**7,979**	7,819
Shares classified as debt	**17,500**	17,500
	25,479	25,319

160 E shares were issued at par on 22/04/2012

The classes of shares have the following rights

Rights of A shares

Dividends

Cumulative net cash dividend of £20 per share per annum after the payment of dividends on C 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

Notes *(continued)*

16 Called up share capital *(continued)*

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

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	170,750	170,750	2,147,467	1,655,993
Dividend paid	-	-	(167,040)	(167,040)
Retained profit for the period	-	-	715,354	3,485
At end of period	**170,750**	**170,750**	**2,695,781**	**1,492,438**

Notes *(continued)*

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Opening shareholders' funds	**2,326,036**	1,244,990	**1,834,562**	1,058,189
Profit for the financial period	**715,354**	1,081,046	**3,485**	776,373
Share issue	**160**	-	**160**	-
Dividend paid	**(167,040)**	-	**(167,040)**	-
Closing shareholders' funds	**2,874,510**	2,326,036	**1,671,167**	1,834,562

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 £115,688 *(2011 £70,618)* There were no outstanding or prepaid contributions at the beginning or end of the financial period

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

	2012	2011
	£	£
Operating profit	**1,266,780**	1,588,739
Depreciation and related charges	**508,720**	576,911
Increase in stocks	**(480,934)**	(745,793)
Increase in debtors	**(618,767)**	(2,031,759)
Increase in creditors	**3,256**	865,593
Net cash inflow from operating activities	**679,055**	253,691

Notes *(continued)*

21 Analysis of cash flows

	2012 £	£	2011 £	£
Returns on investment and servicing of finance				
Interest paid and similar charges	**289,999**		376,927	
		289,999		376,927
Capital expenditure				
Purchase of tangible fixed assets	**(574,897)**		(283,391)	
Disposal of tangible fixed assets	**43,457**		48,790	
		(531,440)		(234,601)
Financing				
Addition to/(repayment of) invoice discounting facility	**907,756**		(147,121)	
Repayment of bank loans	**(122,666)**		(115,667)	
Repayment of other loans	**(134,743)**		(25,036)	
Addition to hire purchase loans	**116,497**		5,516	
Addition to Directors' loans	**100,000**		270,000	
New shares issued	**160**		-	
		867,004		(12,308)

22 Analysis of net debt

	2011 £	Cash flow £	2012 £
Cash in hand and at bank	200,128	573,264	**773,392**
	200,128	573,264	**773,392**
Invoice Discounting	(4,309,445)	(907,756)	**(5,217,201)**
Hire purchase	(193,687)	(116,497)	**(310,184)**
Bank loans	(192,666)	122,666	**(70,000)**
Other loans	(362,481)	134,743	**(227,738)**
Shares classified as liabilities	(17,500)	-	**(17,500)**
Directors' loans	(270 000)	(100,000)	**(370,000)**
	(5,345,779)	(866,844)	**(6,212,623)**
Total	(5,145,651)	(293,580)	**(5,439,231)**

Notes *(continued)*

23 Commitments

(a) Annual commitments under non cancellable operating leases

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Property				
Ending in less than one year	**7,360**	7,360	**-**	-
Ending in two to five years	**69,500**	69,500	**-**	-
Ending after five years	**762,506**	762,506	**390,506**	390,506
	839,366	839,366	**390,506**	390,506
Plant and machinery				
Ending in less than one year	**463,054**	389,689	**-**	-
Ending in two to five years	**209,453**	396,844	**-**	-
Ending after five years	**20,330**	16,315	**-**	-
	692,837	802,848	**-**	-
	1,532,203	1,642,214	**390,506**	390,506

(b) Capital commitments at the end of the financial period for which no provision has been made are £nil *(2011 £nil)*