

Registration number 03010238

# Sun Mark Limited

Director's Report and Financial Statements  
for the Year Ended 31 August 2010

Paul & Co  
Chartered Accountants and Registered Auditors  
11-12 Freetrade House  
Lowther Road  
Stanmore  
Middx  
HA7 1EP

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## **Sun Mark Limited**

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**Sun Mark Limited**  
**Company Information**

<b>Director</b>	Dr R Ranger
<b>Secretary</b>	Mrs Renu Ranger
<b>Registered office</b>	Sun House 428 Long Drive Greenford Middlesex United Kingdom UB6 8UH
<b>Bank</b>	Barclays Bank plc Wembley & Park Royal Br Acorn House 36/38 Park Royal Road Park Royal London NW10 7JA
<b>Auditors</b>	Paul & Co Chartered Accountants and Registered Auditors 11-12 Freetrade House Lowther Road Stanmore Middx HA7 1EP

## Sun Mark Limited

### Director's Report for the Year Ended 31 August 2010

The director presents his report and the audited financial statements for the year ended 31 August 2010

#### Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of.

#### Principal activity

The principal activity of the company is distribution and export of food and consumer products both overseas and in the UK.

#### Business review

##### *Fair review of the business*

I am pleased to report that the company has continued its impressive performance in the year ended 31st August 2010. The consistent growth and success of the company has been achieved over the years and is the result of continuous product development and the progressive market penetration achieved worldwide. An analysis of company's performance over recent years is given below.

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

	2010	2009	2008	2007	2006
Turnover	£82,501,314	£59,624,029	£41,021,524	£31,959,400	£25,602,474
Turnover growth	38%	45%	28%	25%	36%
Gross profit margin	10%	8%	8%	8%	6%
Profit before tax	£5,372,575	£2,730,704	£1,057,183	£973,214	£145,298

**Sun Mark Limited**  
**Director's Report for the Year Ended 31 August 2010**

*continued*

The reasons behind this success is due to the following three factors

- 1 Focus on providing our customers with a range of products
- 2 The strength and expertise of a well motivated management team which takes pride in the success of their company and believes in the director's vision
- 3 The support of our suppliers with whom we work as partners to achieve good quality and value for money products

***Position of the business***

At the end of the year, the net assets totalled £9,519,167 (2009 £5,703,759)

**Financial risk**

***Financial risk management objectives and policies***

The principal financial risks to which the Company is exposed are those of liquidity, interest rate, foreign currency and credit. Each of these are managed in accordance with Board-approved policies. These policies are set out below.

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

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. 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.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The Company does not use derivative financial instruments for speculative purposes.

**Results and dividend**

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

The director does not recommend the payment of a dividend.

**Sun Mark Limited**  
**Director's Report for the Year Ended 31 August 2010**

*continued*

**Charitable donations**

During the year the company made charitable donations of £26,883

**Director**

The director who held office during the year was as follows

- Dr R Ranger

**Auditors**

The auditors, Paul & Co, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006

Approved by the Board on 6 December 2010 and signed on its behalf by



Mrs Renu Ranger  
Company Secretary

## **Independent Auditors' Report to the Members of Sun Mark Limited**

We have audited the financial statements of Sun Mark Limited for the year ended 31 August 2010, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our 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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 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 website at [www.frc.org.uk/apb/scope/uknp](http://www.frc.org.uk/apb/scope/uknp).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

**Independent Auditors' Report to the Members of  
Sun Mark Limited**

*continued*  


V Paul, FCA  
Senior Statutory Auditor

for and on behalf of  
Paul & Co, Statutory Auditor

6 December 2010

11-12 Freetrade House  
Lowther Road  
Stanmore  
Middx  
HA7 1EP



**Sun Mark Limited**  
**Profit and Loss Account for the Year Ended 31 August 2010**

	Note	2010 £	2009 £
Turnover	2	82,501,314	59,624,029
Cost of sales		(74,580,755)	(54,851,682)
<b>Gross profit</b>		<u>7,920,559</u>	<u>4,772,347</u>
Distribution costs		(229,543)	(145,899)
Administrative expenses		(2,327,021)	(1,991,136)
Other operating income	3	67,913	175,296
<b>Operating profit</b>	4	<u>5,431,908</u>	<u>2,810,608</u>
Other interest receivable and similar income		575	13,038
Interest payable and similar charges	7	(59,908)	(92,942)
<b>Profit on ordinary activities before taxation</b>		<u>5,372,575</u>	<u>2,730,704</u>
Tax on profit on ordinary activities	8	(1,557,167)	(788,276)
<b>Profit for the financial year</b>	18	<u>3,815,408</u>	<u>1,942,428</u>
<b>Profit and loss reserve brought forward</b>		4,732,259	2,874,831
Other profit and loss reserve movements	18	-	(85,000)
<b>Profit and loss reserve carried forward</b>		<u><u>8,547,667</u></u>	<u><u>4,732,259</u></u>

Turnover and operating profit derive wholly from continuing operations

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

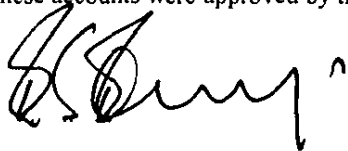
The notes on pages 10 to 21 form an integral part of these financial statements

**Sun Mark Limited (Registration number: 03010238)**

**Balance Sheet as at 31 August 2010**

		2010		2009	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		5,847,414		5,502,020
Investments	11		<u>1,043,747</u>		<u>10,000</u>
			6,891,161		5,512,020
<b>Current assets</b>					
Stocks	12	4,106,789		3,917,374	
Debtors	13	12,481,989		6,030,809	
Cash at bank and in hand		<u>1,196,578</u>		<u>855,792</u>	
		17,785,356		10,803,975	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(12,449,300)</u>		<u>(7,790,427)</u>	
<b>Net current assets</b>			<u>5,336,056</u>		<u>3,013,548</u>
<b>Total assets less current liabilities</b>			12,227,217		8,525,568
<b>Creditors: Amounts falling due after more than one year</b>	15		(2,682,883)		(2,817,024)
<b>Provisions for liabilities</b>	16		<u>(25,167)</u>		<u>(4,785)</u>
<b>Net assets</b>			<u>9,519,167</u>		<u>5,703,759</u>
<b>Capital and reserves</b>					
Called up share capital	17		170,000		170,000
Revaluation reserve	18		801,500		801,500
Profit and loss reserve	18		<u>8,547,667</u>		<u>4,732,259</u>
<b>Shareholders' funds</b>	19		<u>9,519,167</u>		<u>5,703,759</u>

These accounts were approved by the Director on 6 December 2010



Dr R Ranger  
Director

The notes on pages 10 to 21 form an integral part of these financial statements

# Sun Mark Limited

## Cash Flow Statement for the Year Ended 31 August 2010

		2010	2009
	Note	£	£
Net cash flow from operating activities	20	3,322,847	950,916
Returns on investment and servicing of finance	21	(59,333)	(79,904)
Taxation	21	(1,255,699)	(318,294)
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets		(1,033,747)	-
Purchase of tangible fixed assets		(500,695)	(732,700)
Sale of tangible fixed assets		5,500	4,326
		<u>(1,528,942)</u>	<u>(728,374)</u>
Equity dividends paid		-	(136,000)
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		478,873	(311,656)
<b>Financing</b>			
Increase in loans and borrowings		-	362,550
Repayment of loans and borrowings		(138,088)	(126,010)
		<u>(138,088)</u>	<u>236,540</u>
<b>Increase/(decrease) in cash</b>		<u>340,785</u>	<u>(75,116)</u>

## Reconciliation of net cash flow to movement in net debt

		2010	2009
	Note	£	£
Increase/(decrease) in cash in the year	22	340,785	(75,116)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		138,088	(236,540)
Change in net funds resulting from cash flows		<u>478,873</u>	<u>(311,656)</u>
Translation difference		1	-
Movement in net funds/(debt) in the year		<u>478,874</u>	<u>(311,656)</u>
Net debt at the start of the year	22	<u>(2,102,149)</u>	<u>(1,790,493)</u>
Net debt at the end of the year	22	<u>(1,623,275)</u>	<u>(2,102,149)</u>

The notes on pages 10 to 21 form an integral part of these financial statements

## **Sun Mark Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2010**

#### **1 Accounting policies**

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards

##### **Turnover**

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

##### **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

Land and buildings	2% straight line
Plant and machinery	25% written down value
Fixtures and fittings	25% written down value
Motor vehicles	25% written down value
Office equipment	25% written down value

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value

##### **Stock**

Stock is 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

##### **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

##### **Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

##### **Operating leases**

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

## Sun Mark Limited

### Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Group accounts

The company is exempt from publishing group accounts as all its subsidiaries are non trading and dormant.

## 2 Turnover

An analysis of turnover by geographical market is given below

	2010 £	2009 £
Sales - UK	9,029,947	7,937,130
Sales - Rest of world	<u>73,464,255</u>	<u>51,686,899</u>
	82,494,202	59,624,029
Other sales income	<u>7,112</u>	-
Turnover	<u><u>82,501,314</u></u>	<u><u>59,624,029</u></u>

An analysis of turnover by segment is given below

	2010 £	2009 £
Sales	82,553,698	59,645,303
Sales commissions	<u>(59,496)</u>	<u>(21,274)</u>
	82,494,202	59,624,029
Other sales income	<u>7,112</u>	-
Turnover	<u><u>82,501,314</u></u>	<u><u>59,624,029</u></u>

## 3 Other operating income

	2010 £	2009 £
Rent receivable	67,838	175,296
Other income	<u>75</u>	-
	<u><u>67,913</u></u>	<u><u>175,296</u></u>

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

### 4 Operating profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Hire of other assets - operating leases	3,188	8,400
<b>Auditors' remuneration</b>		
The audit of the company's annual accounts	8,000	8,000
Tax services	1,400	1,400
	<u>9,400</u>	<u>9,400</u>
Foreign currency gains	(55,816)	(185,162)
Profit on disposal of tangible fixed assets	(1,671)	(2,146)
Depreciation of owned assets	<u>151,472</u>	<u>126,331</u>

### 5 Particulars of employees

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

	2010 No.	2009 No.
Distribution	12	10
Administration	24	20
Management	5	5
	<u>41</u>	<u>35</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	870,978	729,873
Social security costs	83,721	69,584
	<u>954,699</u>	<u>799,457</u>

**Sun Mark Limited**

**Notes to the Financial Statements for the Year Ended 31 August 2010**

*continued*

**6 Director's remuneration**

The director's remuneration for the year are as follows

	2010 £	2009 £
Director's remuneration (including benefits in kind)	<u>37,500</u>	<u>25,000</u>

**7 Interest payable and similar charges**

	2010 £	2009 £
Interest on bank borrowings	<u>59,908</u>	<u>92,942</u>

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

### 8 Taxation

#### Analysis of current period tax charge

	2010 £	2009 £
<b>Current tax</b>		
Corporation tax charge	<u>1,536,785</u>	<u>788,276</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>20,382</u>	<u>-</u>
<b>Total tax on profit on ordinary activities</b>	<u>1,557,167</u>	<u>788,276</u>

#### Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28.00% (2009 - 28.00%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>5,372,575</u>	<u>2,730,704</u>
Standard rate corporation tax charge	1,504,321	764,597
Expenses not deductible for tax purposes (including goods)	16,083	8,632
Accelerated capital allowances	<u>16,381</u>	<u>15,047</u>
<b>Total current tax for the year</b>	<u>1,536,785</u>	<u>788,276</u>

### 9 Dividends

	2010 £	2009 £
Paid	<u>-</u>	<u>85,000</u>



**Sun Mark Limited**

**Notes to the Financial Statements for the Year Ended 31 August 2010**

**10 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost or Valuation</b>						
As at 1 September 2009	5,552,791	185,187	94,387	33,015	113,181	5,978,561
Additions	367,337	14,250	31,429	45,935	41,744	500,695
Disposals	-	-	-	(28,690)	-	(28,690)
As at 31 August 2010	5,920,128	199,437	125,816	50,260	154,925	6,450,566
<b>Depreciation</b>						
As at 1 September 2009	196,435	106,485	69,735	25,944	77,942	476,541
Eliminated on disposals	-	-	-	(24,861)	-	(24,861)
Charge for the year	82,673	23,238	14,020	12,295	19,246	151,472
As at 31 August 2010	279,108	129,723	83,755	13,378	97,188	603,152
<b>Net book value</b>						
As at 31 August 2010	5,641,020	69,714	42,061	36,882	57,737	5,847,414
As at 31 August 2009	5,356,356	78,702	24,652	7,071	35,239	5,502,020
<b>Revaluation of fixed assets</b>						

The freehold land and buildings were revalued for the first time during the year ended 31 August 2008 at open market value basis by the director. The aggregate depreciation on freehold buildings under historical cost basis would have been £303,501 (2009 - £269,501)

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

### 11 Investments held as fixed assets

	Shares in group undertakings £
<b>Cost</b>	
As at 1 September 2009	10,000
Additions	1,033,747
As at 31 August 2010	<u>1,043,747</u>
<b>Net book value</b>	
As at 31 August 2010	<u>1,043,747</u>
As at 31 August 2009	<u>10,000</u>

The company holds more than 20% of the share capital of the following companies

	Country of incorporation	Principal activity	Class	%
<b>Subsidiary undertakings</b>				
Friendship Films Ltd	UK	Production and distribution of films - Dormant	Ordinary	100
<b>Associated holdings</b>				
Sun Oil Nigeria	Nigeria	Dormant	Ordinary	50
		<b>Capital &amp; reserves £</b>	<b>Profit/(loss) for the period £</b>	
<b>Subsidiary undertakings</b>				
Friendship Films Ltd		10,000		-
<b>Associated holdings</b>				
Sun Oil Nigeria		49,562		-

### 12 Stocks and work in progress

	2010 £	2009 £
Stocks	<u>4,106,789</u>	<u>3,917,374</u>

## Sun Mark Limited

### Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

#### 13 Debtors

	2010	2009
	£	£
Trade debtors	10,946,166	5,550,474
Other debtors	1,519,507	463,099
Prepayments and accrued income	16,316	17,236
	<u>12,481,989</u>	<u>6,030,809</u>

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

	2010	2009
	£	£
Bank loans and overdrafts	136,970	140,917
Trade creditors	9,281,090	5,912,052
Corporation tax	1,083,076	801,990
Social security and other taxes	25,619	20,974
Other creditors	135,500	261,875
Accruals and deferred income	1,787,045	652,619
	<u>12,449,300</u>	<u>7,790,427</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2010	2009
	£	£
Bank loans	<u>136,970</u>	<u>140,917</u>

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

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

	2010 £	2009 £
Bank loans and overdrafts	<u>2,682,883</u>	<u>2,817,024</u>
Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company		

	2010 £	2009 £
Bank loans	<u>2,682,883</u>	<u>2,817,024</u>

Included in the creditors are the following amounts due after more than five years

	2010 £	2009 £
After more than five years by instalments	<u>2,135,002</u>	<u>2,253,356</u>

### 16 Provisions for liabilities

	Deferred tax provision £
As at 1 September 2009	4,785
Deferred tax provision charged to the profit and loss account	<u>20,382</u>
As at 31 August 2010	<u>25,167</u>

#### Deferred tax

Deferred tax is provided at 28.00% (2009 - 28.00%)

	2010 £	2009 £
Due to Timing differences	<u>25,167</u>	<u>4,785</u>

### 17 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
Equity		
170,000 Ordinary shares of £1 each	<u>170,000</u>	<u>170,000</u>

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

### 18 Reserves

	Revaluation reserve £	Profit and loss reserve £	Total £
Balance at 1 September 2009	801,500	4,732,259	5,533,759
Transfer from profit and loss account for the year	-	3,815,408	3,815,408
Balance at 31 August 2010	<u>801,500</u>	<u>8,547,667</u>	<u>9,349,167</u>

### 19 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit attributable to members of the company	3,815,408	1,942,428
Dividends	-	(85,000)
	<u>3,815,408</u>	<u>1,857,428</u>
Opening shareholders' funds	<u>5,703,759</u>	<u>3,846,331</u>
Closing shareholders' funds	<u>9,519,167</u>	<u>5,703,759</u>

# Sun Mark Limited

## Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

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

	2010	2009
	£	£
Operating profit	5,431,908	2,810,608
Depreciation, amortisation and impairment charges	151,471	126,330
Profit on disposal of fixed assets	(1,671)	(2,146)
Increase in stocks	(189,415)	(697,109)
Increase in debtors	(6,451,180)	(1,602,245)
Increase in creditors	4,381,734	315,478
<b>Net cash inflow from operating activities</b>	<b>3,322,847</b>	<b>950,916</b>

### 21 Analysis of cash flows

	2010	2009
	£	£
<b>Returns on investment and servicing of finance</b>		
Other interest paid	(59,908)	(92,942)
Interest received	575	13,038
	<b>(59,333)</b>	<b>(79,904)</b>
<b>Taxation</b>		
Taxation paid	<b>(1,255,699)</b>	<b>(318,294)</b>

### 22 Analysis of net debt

	At start of period £	Cash flow £	Acquisition (excluding cash and overdrafts) £	Other non-cash changes £	At end of period £
Cash at bank and in hand	855,792	340,786	-	-	1,196,578
Debt due within one year	(140,917)	-	138,088	(134,141)	(136,970)
Debt due after one year	(2,817,024)	-	-	134,141	(2,682,883)
Change in debt	(2,957,941)	-	138,088	-	(2,819,853)

## Sun Mark Limited

### Notes to the Financial Statements for the Year Ended 31 August 2010

*continued*

Net debt	<u>(2,102,149)</u>	<u>340,786</u>	<u>138,088</u>	<u>-</u>	<u>(1,623,275)</u>
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#### 23 Related parties

##### Controlling entity

The company was under the control of Dr R S Ranger throughout the current and previous years. Dr Ranger is the Managing Director and majority shareholder.

##### Related party transactions

The Company traded with its related company Sea Air & Land Forwarding Limited in providing goods and services worth £5,146,280 (2009 £4,290,598) during the year. The company paid storage charges worth £360,000 (2009 £360,000) to Sea Air & Land Forwarding Ltd during the year and charged nil (2009 £90,000) towards usage of unit 5 and 6 to Sea Air and Land Forwarding Limited. During the year the company owed Sea Air and Land Forwarding Ltd £125,000 (2009 £250,000).

The company advanced a loan to a subsidiary undertaking of £163,957 (2009 £163,957). The loan is repayable on demand and is interest free.

During the year company has advanced a loan of £620,817 to a key employee of the company who is also a relative of the director. The loan is repayable on demand and is interest free.