

Co's House

Company Registration No 3196642

# East Midlands Instrument Company Limited

## STATUTORY FINANCIAL STATEMENTS

for the year ended

31 May 2011

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Company Registration No 3196642

**East Midlands Instrument  
Company Limited**

**FULL DETAILED FINANCIAL STATEMENTS**

for the year ended

31 May 2011

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# East Midlands Instrument Company Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

K Bingham  
S Watson  
R Hind

### SECRETARY

K Bingham

### REGISTERED OFFICE

Laughton Lane  
Morton  
Gainsborough  
Lincolnshire  
DN21 3ET

### AUDITORS

Baker Tilly UK Audit LLP  
2 Whitehall Quay  
Leeds  
LS1 4HG

### BANKERS

Yorkshire Bank  
19 St Sepulchre Gate  
Doncaster  
DN1 1SJ

# East Midlands Instrument Company Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of East Midlands Instrument Company Limited for the year ended 31 May 2011

### PRINCIPAL ACTIVITIES

The company's principal activities are the manufacture and installation of electrical and instrument control systems and assemblies, within the UK, typically for the power generation, water reclamation and supply, rail transport and petrochemical industries. Installation, fusion splicing and testing of fibre optic cabling. General fabrication and sheet metal work (including CNC punching and machining) of steel (including stainless steel) and aluminium. Associated welding controls, for high integrity applications or when requested by the customer. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

### REVIEW OF THE BUSINESS

The Company has continued to trade successfully in a difficult market place. The turnover and profits are reduced however due to effective re-structuring, sustained efforts to respond to customer demands and implementation of a pro-active sales strategy we are now well placed for growth. We have already secured a significant order book which includes new customers and look forward to increased turnover and profitability over the next year.

### RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

### KEY PERFORMANCE INDICATORS

Key performance indicators used by the management of the company concentrate on the sales invoiced, cost base and cash flow generation of the business.

East Midlands Instrument Co. Ltd operates on a divisional and departmental basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### FINANCIAL INSTRUMENTS

The nature of the Company's business is such that most sales are either completed in a short period of time or are of a bespoke nature where manufacture and/or installation takes place over a period of time. Where this is the case stage payments appropriate to the period of manufacture/installation are arranged on a contract by contract basis. As a general policy independent credit checks are regularly carried out on customers. Occasionally individual contracts can be of such a size that the timing of stage payments can cause significant variations in the level of funds.

The Company is financed by a mixture of loans, overdraft and invoice discounting.

# East Midlands Instrument Company Limited

## DIRECTORS' REPORT

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### RESULTS AND DIVIDENDS

The (loss)/profit after taxation for the year was (£16,108) (2010 £117,645)

Dividends paid on ordinary shares during the year were £132 000 (2010 £71,500)

### DIRECTORS

The following directors held office during the year

K Bingham  
S Watson  
R Hind

### AUDITORS

Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



K Bingham  
Secretary

31/1/2012

# East Midlands Instrument Company Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 the directors have 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 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST MIDLANDS INSTRUMENT COMPANY LIMITED

We have audited the financial statements on pages 6 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 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 more fully explained in the Directors' Responsibilities Statement 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 website at [www.frc.org.uk/apb/scope/private.ctm](http://www.frc.org.uk/apb/scope/private.ctm)

### 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 May 2011 and of its loss 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 Directors' 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

*Baker Tilly UK Audit LLP*

Shaun Mullins

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

LS1 4HG

16 January 2012

# East Midlands Instrument Company Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2011

	<i>Notes</i>	2011 £	2010 £
TURNOVER	1	7,034,294	11,176,667
Cost of sales		(5,142,952)	(8,784,075)
Gross profit		1,891,342	2,392,592
Distribution costs		(207,561)	(223,972)
Administrative expenses		(1,680,720)	(2,001,022)
OPERATING PROFIT	2	3,061	167,598
Interest payable	3	(17,753)	(13,532)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,692)	154,066
Taxation	5	(1,416)	(36,421)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	(16,108)	117,645

The operating profit for the year arises from the company's continuing operations

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**East Midlands Instrument Company Limited**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 May 2011

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	2011 £	2010 £
(Loss)/profit for the financial year	(16,108)	117,645
Unrealised loss on revaluation of property	(101,527)	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>(117,635)</u>	<u>117,645</u>

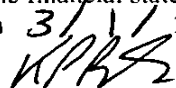
**East Midlands Instrument Company Limited**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
for the year ended 31 May 2011

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(14,692)	154,066
Difference between an historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	2,458	2,458
Historical cost (loss)/profit on ordinary activities before taxation	(12,234)	156,524
Historical cost (loss)/profit for the year retained after taxation	(13,650)	120,103

**East Midlands Instrument Company Limited** (Company no 3196642)  
**BALANCE SHEET**  
**31 May 2011**

	<i>Notes</i>	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	7	709,651	829,966
Investments	8	800,000	800,000
		<u>1,509,651</u>	<u>1,629,966</u>
<b>CURRENT ASSETS</b>			
Stocks	9	1,143,483	1,369,337
Debtors	10	1,816,524	1,371,632
Cash at bank and in hand		302	209
		<u>2,960,309</u>	<u>2,741,178</u>
<b>CREDITORS</b> Amounts falling due within one year	11	(2,060,318)	(1,629,520)
<b>NET CURRENT ASSETS</b>		<u>899,991</u>	<u>1,111,658</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,409,642</u>	<u>2,741,624</u>
<b>CREDITORS</b> Amounts falling due after more than one year	12	(1,002,282)	(1,085,735)
		<u>1,407,360</u>	<u>1,655,889</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	13	(42,227)	(41,121)
		<u>1,365,133</u>	<u>1,614,768</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	14	150,000	150,000
Revaluation reserve	15	238,080	342,065
Profit and loss account	16	977,053	1,122,703
<b>SHAREHOLDERS FUNDS</b>	17	<u>1,365,133</u>	<u>1,614,768</u>

The financial statements on pages 6 to 21 were approved by the board of directors and authorised for issue on 31/1/2012 and are signed on its behalf by

  
K Bingham Director

# East Midlands Instrument Company Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties in accordance with applicable accounting standards

### GOING CONCERN

Having considered the company's working capital requirements the directors have prepared cash flow forecasts. On the basis of those forecasts and considering agreed banking facilities, the directors consider that the company will be able to meet its liabilities as they fall due. The directors believe that it is therefore reasonable to prepare financial statements on a going concern basis.

### CONSOLIDATION

The company has taken advantage of the exemption under the Companies Act 2006 not to prepare group accounts on the basis that group financial statements are prepared by the company's ultimate parent company, East Midlands Holdings Limited, a company incorporated in Great Britain. The financial statements present information about the individual company undertaking and not about the group.

### TANGIBLE FIXED ASSETS

Fixed assets include properties valued by Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. Other fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Freehold property	2%
Plant and machinery	15%
Fixtures, fittings and equipment	15%
Motor vehicles	25%

### INVESTMENTS

Fixed asset investments are stated at their purchase cost less any provision for diminution in value.

### STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors, to the extent that payments on account exceed relevant turnover and long term contract balances, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

# East Midlands Instrument Company Limited

## ACCOUNTING POLICIES

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### TURNOVER

Turnover represents the right for consideration of goods and services provided during the accounting period.

### CASHFLOW STATEMENT

The company has taken advantage of the provisions of Financial Reporting Statement 1 and has not prepared a cashflow statement, as the parent company produces a consolidated cashflow statement.

### PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### GOVERNMENT GRANTS

Government grants on capital expenditure are released to revenue by equal annual amounts over the expected useful life of the assets to which they relate.

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

### 1 TURNOVER

The company's turnover and loss before taxation were all derived from its principal activity wholly undertaken in the UK

### 2 (LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2011 £	2010 £
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Operating profit is stated after charging/(crediting)

Government grant releases	(1,720)	(1,720)
Depreciation – owned assets	51,897	71,778
– assets held under HP	4,377	3,499
Auditors' remuneration		
- as auditors	12,200	12,222
- taxation	1,975	1,975
- other services	-	6,800
Operating lease rentals		
- plant and machinery	107,081	132,184
- land and buildings	20,000	20,000
- other	8,986	5,984

### 3 INTEREST PAYABLE

	2011 £	2010 £
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Interest payable on bank borrowing	14,959	11,951
Finance charges	2,794	1,581
	<u>17,753</u>	<u>13,532</u>

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

4	EMPLOYEES	2011 No	2010 No
	The average monthly number of persons (including directors) employed by the company during the year was		
	Production staff	99	146
	Administrative staff	37	40
		<u>136</u>	<u>186</u>
		2011 £	2010 £
	Staff costs for above persons		
	Wages and salaries	3,588,891	5,087,988
	Social security costs	355,315	516,159
	Pension costs	60,418	65,389
		<u>4,004,624</u>	<u>5,669,536</u>
	DIRECTORS' EMOLUMENTS	2011 £	2010 £
	The directors' aggregate emoluments in respect of qualifying services were		
	Emoluments receivable	177,288	278,723
	Value of company pension contributions to money purchase schemes	31,800	31,800
		<u>209,088</u>	<u>310,523</u>
	HIGHEST PAID DIRECTOR	2011 £	2010 £
	Emoluments	81,378	107,354
	Value of company contributions to money purchase schemes	10,600	10,600
		<u>91,978</u>	<u>117,954</u>
	The number of directors who are accruing benefits under company pension schemes were as follows		
		2011 No	2010 No
	Money purchase schemes	3	3

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

5	TAXATION	2011 £	2010 £
	Corporation tax		
	Current tax	310	47,242
	Deferred taxation		
	Current year	1,106	(10,821)
		<u>1,416</u>	<u>36,421</u>
	Tax on profit on ordinary activities		
	Factors affecting the tax charge for the period		
	The tax charge assessed for the period is lower than the standard rate of corporation tax in the UK (28%) The differences are explained below		
		2011 £	2010 £
	(Loss)/profit on ordinary activities before tax	(14,692)	154,066
	(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	(4,113)	43,138
	Effects of		
	Expenses not deductible for tax purposes	8,675	10,720
	Capital allowances (in excess)/less than of depreciation	(4,312)	10,085
	Other timing differences	60	12
	Over provision in prior year	-	(724)
	Small companies marginal relief	-	(15,989)
		<u>310</u>	<u>47,242</u>
	Current tax charge for the period		
6	DIVIDENDS	2011 £	2010 £
	The following dividends have been paid in respect of the year		
	Dividend paid on ordinary shares 88p (2010 47p)	132,000	71,500

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

### 7 TANGIBLE FIXED ASSETS

	<i>Freehold Land and buildings £</i>	<i>Plant and machinery £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost or valuation					
At 1 June 2010	776,651	298,537	139,490	23,400	1,238,078
Additions	-	1,800	35,686	-	37,486
Revaluation	(151,651)	-	-	-	(151,651)
At 31 May 2011	625,000	300,337	175,176	23,400	1,123,913
Depreciation					
At 1 June 2010	33,311	246,994	104,409	23,398	408,112
Charge for the year	16,813	25,281	14,180	-	56,274
Revaluation	(50,124)	-	-	-	(50,124)
At 31 May 2011	-	272,275	118,589	23,398	414,262
Net book value					
At 31 May 2011	625,000	28,062	56,587	2	709,651
At 31 May 2010	743,340	51,543	35,081	2	829,966

**East Midlands Instrument Company Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 May 2011

**7 TANGIBLE FIXED ASSETS - *continued***

Cost or valuation at 31 May 2011 is represented by

	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost	-	300,337	175,176	23,400	498,913
Valuation	625,000	-	-	-	625,000
	<u>625,000</u>	<u>300,337</u>	<u>175,176</u>	<u>23,400</u>	<u>1,123,913</u>

**Revaluation**

Land and buildings were valued as at 23 August 2011 by PPH Commercial, Chartered Surveyors, on an open market basis at £625,000

**Hire purchase agreements**

Included within the net book value of £709,651 is £59,422 (2010 £29,755) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £4,377 (2010 £3,499)

On an historical cost basis land and buildings would be included at

	2011 £	2010 £
Cost	<u>558,758</u>	<u>558,758</u>
Aggregate Depreciation	<u>155,796</u>	<u>141,441</u>

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

8	FIXED ASSET INVESTMENTS	£
	Cost	
	At 1 June 2010 and 31 May 2011	800,000
		<u>          </u>
	Net book value	
	At 31 May 2011	800,000
		<u>          </u>
	At 31 May 2010	800,000
		<u>          </u>

Investments shown above relate to 100% of the issued share capital of East Midlands Instrument Company (1996) Limited the company's only subsidiary which is dormant and has net assets of £800,000

9	STOCKS	2011	2010
		£	£
	Raw materials	6,672	9,094
	Work in progress	1,136,811	1,360,243
		<u>          </u>	<u>          </u>
		1,143,483	1,369,337
		<u>          </u>	<u>          </u>

10	DEBTORS	2011	2010
		£	£
	Trade debtors	1,223,598	1,338,591
	Amounts recoverable on contracts	562,270	-
	Prepayments and accrued income	30,656	33,041
		<u>          </u>	<u>          </u>
		1,816,524	1,371,632
		<u>          </u>	<u>          </u>

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

11	CREDITORS Amounts falling due within one year	2011 £	2010 £
	Bank loan and overdraft	1,115,638	532,858
	Amounts owed to group undertakings	45,752	45,752
	Trade creditors	480,767	501,709
	Hire purchase agreements	13,034	9,485
	Corporation tax	310	47,242
	Other taxation and social security costs	332,236	335,434
	Other creditors	1,720	1,720
	Accruals and deferred income	70,861	155,320
		<u>2,060,318</u>	<u>1,629,520</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loan and overdraft	1,115,638	532,858
Hire purchase agreements	13,034	9,485
	<u>1,128,672</u>	<u>542,343</u>

12	CREDITORS Amounts falling due in more than one year	2011 £	2010 £
	Bank loan and overdraft	152,307	251,230
	Amounts owed to group undertakings	800,000	800,000
	Hire purchase agreements	18,525	1,335
	Other creditors	31,450	33,170
		<u>1,002,282</u>	<u>1,085,735</u>

	2011 £	2010 £
Analysis of debt maturity		

Amounts repayable by instalments falling due

In more than one but not more than two years	62,281	101,998
In more than two but not more than five years	112,317	155,343
In more than five years	827,684	828,394
	<u>1,002,282</u>	<u>1,085,735</u>

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

### 12 CREDITORS Amounts falling due in more than one year (*continued*)

Obligations under finance leases and hire purchase contracts

2011	2010
£	£

Amounts payable

Within two to five years

18,525	1,335
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The following liabilities disclosed under creditors falling due after more than one year are secured by the company

2011	2010
£	£

Bank loan and overdraft

Hire purchase agreement

152,307	251,230
18,525	1,335

170,832	252,265
---------	---------

In 2004 the company took out a term loan of £420,000 to be repaid over 10 years the interest rate accruing on this loan is 1.765% above base rate

A second loan was taken out in 2004 to fund the share buy back for £330,000 This is to be repaid over 7 years and is accruing interest at a rate of 2.25% above base rate

The bank has a fixed charge over the assets of the company as security on the loans

### 13 DEFERED TAXATION

2011	2010
£	£

The movement in the deferred taxation provision during the year was

Provision brought forward

Increase/(reduction) in provision

41,121	51,942
1,106	(10,821)

Provision carried forward

42,227	41,121
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The provision for deferred taxation consists of the tax effect of timing differences in respect of

2011	2010
£	£

Accelerated capital allowances

42,227	41,121
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# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

14	SHARE CAPITAL	2011 £	2010 £
	Authorised 150,000 ordinary shares of £1 each	150 000	150,000
	Allotted, issued and fully paid 150,000 ordinary shares of £1 each	150,000	150,000
15	REVALUATION RESERVE	2011 £	2010 £
	1 June 2010	342,065	344,523
	Transfer to profit and loss account (note 16)	(2,458)	(2,458)
	Revaluation in year	(101,527)	-
	31 May 2011	238,080	342,065
16	PROFIT AND LOSS ACCOUNT	2011 £	2010 £
	1 June 2010	1,122,703	1,074,100
	(Loss)/ Profit for the year	(16,108)	117,645
	Dividends paid	(132,000)	(71,500)
	Revaluation transfer to profit and loss account (note 15)	2,458	2,458
	31 May 2011	977,053	1,122,703
17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2011 £	2010 £
	(Loss)/profit for the financial year	(16,108)	117,645
	Dividends paid	(132,000)	(71,500)
	Revaluation of property in year	(101,527)	-
		(249,635)	46,145
	Opening shareholders' equity funds	1,614,768	1,568,623
	Closing shareholders' equity funds	1,365,133	1,614,768

# East Midlands Instrument Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2011

### 18 COMMITMENTS UNDER OPERATING LEASES

At 31 May 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Plant and machinery		
expiring within one year	20,704	20,286
expiring between one and two years	28,924	34,074
expiring between two and five years	38,517	44,669
Land and buildings		
expiring within one year	-	-
expiring between two and five years	20,000	20,000
Other		
expiring between two and five years	860	-
expiring in over five years	8,126	-
	<u>117,131</u>	<u>119,029</u>

### 19 CAPITAL COMMITMENTS

There were no capital commitments at the year end

### 20 CONTINGENT LIABILITIES

The company has given a cross guarantee in favour of Yorkshire Bank in respect of all monies owing by East Midlands Instrument Company (1996) Limited and East Midlands Holdings Limited

### 21 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of East Midlands Holdings Limited, a company registered in England. By the virtue of their shareholdings in the parent company the directors are considered to be the ultimate controlling parties

**East Midlands Instrument Company Limited**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
for the year ended 31 May 2011

	2011 £	2010 £
TURNOVER	7,034,294	11,176,667
COST OF SALES		
Purchases	1,658,339	3,480,836
Direct wages and salaries	2,860,873	4,314,608
Subcontract labour	284,926	569,835
Site expenses	241,672	278,885
Hire of plant and machinery	97,142	139,911
	<u>(5,142,952)</u>	<u>(8,784,075)</u>
GROSS PROFIT	1,891,342	2,392,592
OVERHEADS		
Motor expenses	207,561	223,972
Administrative expenses	1,680,720	2,001,022
	<u>(1,888,281)</u>	<u>(2,224,994)</u>
OPERATING PROFIT	3,061	167,598
Interest payable	<u>(17,753)</u>	<u>(13,532)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u><u>(14,692)</u></u>	<u><u>154,066</u></u>

This page does not form part of the statutory financial statements

**East Midlands Instrument Company Limited**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
for the year ended 31 May 2011

	2011 £	2010 £
<b>ADMINISTRATIVE EXPENSES</b>		
<b>PERSONNEL COSTS</b>		
Directors salaries	177,288	278,723
Directors pensions	31,800	31,800
Wages and salaries	906,045	1,010,816
Staff pension contributions	28,618	33,589
	<u>1,143,751</u>	<u>1,354,928</u>
<b>ESTABLISHMENT EXPENSES</b>		
Rent and rates	46,924	49,332
Light, heat and water	45,846	49,305
Insurance	153,002	163,749
Repairs and maintenance	30,972	54,029
	<u>276,744</u>	<u>316,415</u>
<b>GENERAL EXPENSES</b>		
Telephone	24,931	25,773
Hire of equipment	19,167	16,256
Printing, stationery and postage	24,324	41,598
Sundry expenses	76,392	113,219
Legal and professional fees	23,540	29,017
Auditors remuneration	12,139	12,222
Government grant released	(1,720)	(1,720)
Depreciation of freehold property	16,813	16,812
Depreciation of plant and machinery	25,281	34,163
Depreciation of fixtures and fittings	14,180	20,200
Depreciation of motor vehicles	-	4,102
	<u>235,047</u>	<u>311,642</u>
<b>FINANCIAL COSTS</b>		
Bank charges	25,178	18,037
	<u>1,680,720</u>	<u>2,001,022</u>
<b>INTEREST PAYABLE</b>		
Bank interest payable	14,959	11,951
HP/finance lease charges	2,794	1,581
Interest on other loans	-	-
	<u>17,753</u>	<u>13,532</u>

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