

**Registration number 3807491**

**Classic Security (UK) Limited**  
**Directors' report and financial statements**  
**for the period ended 31 December 2010**



## **Classic Security (UK) Limited**

### **Company information**

|                   |  |
|-------------------|--|
| Directors         | C Thompson<br>J Mackenzie Lee  |
| Secretary         | P Townsley   |
| Company number    | 3807491  |
| Registered office | Classic House<br>Unit 16 Alfold Business Centre<br>Loxwood Road Cranleigh<br>Surrey, GU6 6HP         |
| Auditors          | Leslie Michael Lipowicz & Co<br>Accounts House<br>16 Dalling Road<br>Hammersmith<br>London<br>W6 OJB |
| Business address  | Classic House<br>Unit 16 Alfold Business Centre<br>Loxwood Road Cranleigh<br>Surrey, GU6 6HP         |

## **Classic Security (UK) Limited**

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**Classic Security (UK) Limited**  
**Directors' report**  
**for the period ended 31 December 2010**

The directors present their report and financial statements for the period ended 31 December 2010

**Principal activity and review of the business**

The principal of the company throughout the period continued to be those of the provision of security, cleaning and estate maintenance services

The directors are pleased to report that despite continuing difficult economic times Classic remains well placed to respond to what continues to be a changing and competitive market and manages both direct and administrative costs effectively

The company is committed to a comprehensive and developing policy of assuring the quality of its service to all clients as well as the adoption of environmentally responsible policies and practices combined with regular reviews of both its performance and the inherent scope for further improvements

Classic has achieved the following

Quality Assurance      ISO 9001 2008 (Re-accreditation January 2009)  
National Highways Sector Scheme    NHSS18 (The fourth company in the country to have been awarded this accreditation)  
Environmental            ISO14001 2004  
Approved Contractor Scheme    Recently achieving a score within the top 25% of contractors in the United Kingdom

The company hopes to perform well and increase its current levels of trade despite difficult economic times

**Principal Risks and Uncertainties**

The principal risk faced by the company is the increasingly competitive market brought about by the current economic climate and general down turn of the UK economy

**Key Performance Indicators**

The company's management monitor both operational and financial KPIs on a regular basis

## **Classic Security (UK) Limited**

### **Directors' report for the period ended 31 December 2010**

continued

Financial (by both division and overall performance)

Actual performance against budget  
Historical trends  
Contract volumes and value  
Contract margins  
Gross and net profit percentages  
Absorption of overhead per man hour worked  
Debtor turnover  
Cash flow forecasts

Operational (by division)

Levels of customer satisfaction  
Levels of consumer satisfaction  
Level of complaints per six month period  
Level of non conformance per six month period

#### **Future Developments**

The directors are confident that even in these difficult economic conditions the company's long standing and well established reputation in the industry will support its trading activities. The principals continue to maintain a high profile within the business and work closely with the marketing team to develop new business.

#### **Employees**

The company recognises the importance of maintaining the wellbeing of its staff in the work place and as such human resources are actively out on the ground receiving feedback surveys. Communication with management is also encouraged. A regular newsletter keeps staff informed of company activities.

#### **Disabled Employees**

The company recognises its obligation towards employment of disabled persons and gives full and fair consideration to suitable applicants.

#### **Results and dividends**

The results for the period are set out on page 7

## **Classic Security (UK) Limited**

### **Directors' report for the period ended 31 December 2010**

continued

#### **Directors**

The directors who served during the period are as stated below

C Thompson  
J Mackenzie Lee

#### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Directors' report**  
**for the period ended 31 December 2010**

## Auditors

In accordance with Section 487(2) of the Companies Act 2006, a resolution proposing that Leslie Michael Lipowicz & Co be reappointed as auditors of the company will be put to the Annual General Meeting

This report was approved by the Board on 18 March 2010 and signed on its behalf by

~~R. Towseley~~  
Secretary

**Independent auditor's report to the members of  
Classic Security (UK) Limited**

We have audited the financial statements of Classic Security (UK) Limited for the period ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. 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 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 Directors' Responsibilities Statement set out on page 1 - 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on the 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 December 2010 and of its profit for the period 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**

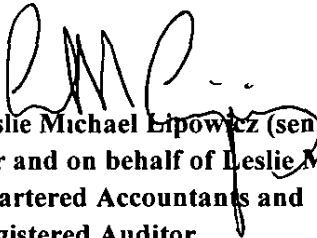
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.



**Independent auditor's report to the members of  
Classic Security (UK) Limited**

continued



**Leslie Michael Lipowicz (senior statutory auditor)  
For and on behalf of Leslie Michael Lipowicz & Co.  
Chartered Accountants and  
Registered Auditor  
11 April 2011**

**Accounts House  
16 Dalling Road  
Hammersmith  
London  
W6 OJB**

**Classic Security (UK) Limited**

**Profit and loss account  
for the period ended 31 December 2010**

|  |              | <b>Continuing operations</b>         |                                      |
|--|--------------|--------------------------------------|--------------------------------------|
|  |              | <b>Period<br/>ended<br/>31/12/10</b> | <b>Period<br/>ended<br/>31/07/09</b> |
|  | <b>Notes</b> | <b>£</b>                             | <b>£</b>                             |
| <b>Turnover</b>  | <b>2</b>     | 7,072,776                            | 6,321,900                            |
| Cost of sales  |              | (5,704,775)                          | (4,990,886)                          |
| <b>Gross profit</b>                                      |              | 1,368,001                            | 1,331,014                            |
| Distribution costs                                       |              | (200,642)                            | (161,578)                            |
| Administrative expenses                                  |              | (940,276)                            | (818,566)                            |
| <b>Operating profit</b>                                  | <b>3</b>     | 227,083                              | 350,870                              |
| Provision for write off of loan                          |              | -                                    | (44,440)                             |
| <b>Profit on ordinary<br/>activities before interest</b> |              | 227,083                              | 306,430                              |
| Other interest receivable and<br>similar income          | <b>4</b>     | 2                                    | 218                                  |
| Interest payable and similar charges                     | <b>5</b>     | (20,076)                             | (16,091)                             |
| <b>Profit on ordinary<br/>activities before taxation</b> |              | 207,009                              | 290,557                              |
| Tax on profit on ordinary activities                     | <b>8</b>     | (33,493)                             | (63,502)                             |
| <b>Profit for the period</b>                             |              | 173,516                              | 227,055                              |

There are no recognised gains or losses other than the profit or loss for the above two financial periods

**The notes on pages 10 to 17 form an integral part of these financial statements.**

**Classic Security (UK) Limited**

**Balance sheet  
as at 31 December 2010**

|  |              | <b>31/12/10</b>    |                  | <b>31/07/09</b>    |                  |
|--|--------------|--------------------|------------------|--------------------|------------------|
|  | <b>Notes</b> | <b>£</b>           | <b>£</b>         | <b>£</b>           | <b>£</b>         |
| <b>Fixed assets</b>  |              |                    |                  |                    |                  |
| Tangible assets  | <b>9</b>     |                    | 594,741          |                    | 531,044          |
| <b>Current assets</b>  |              |                    |                  |                    |                  |
| Stocks   | <b>10</b>    | 10,000             |                  | -                  |                  |
| Debtors  | <b>11</b>    | 1,028,316          |                  | 1,046,114          |                  |
| Investments  | <b>12</b>    | 17,921             |                  | 17,921             |                  |
| Cash at bank and in hand                                       |              | 5,507              |                  | 4,848              |                  |
|  |              | <u>1,061,744</u>   |                  | <u>1,068,883</u>   |                  |
| <b>Creditors: amounts falling due within one year</b>          | <b>13</b>    | <u>(1,334,823)</u> |                  | <u>(1,329,742)</u> |                  |
| <b>Net current liabilities</b>                                 |              |                    | <u>(273,079)</u> |                    | <u>(260,859)</u> |
| <b>Total assets less current liabilities</b>                   |              |                    | 321,662          |                    | 270,185          |
| <b>Creditors: amounts falling due after more than one year</b> | <b>14</b>    |                    | (138,220)        |                    | (75,504)         |
| <b>Provisions for liabilities</b>                              | <b>15</b>    |                    | <u>(30,284)</u>  |                    | <u>(25,039)</u>  |
| <b>Net assets</b>  |              |                    | <u>153,158</u>   |                    | <u>169,642</u>   |
| <b>Capital and reserves</b>                                    |              |                    |                  |                    |                  |
| Called up share capital  | <b>16</b>    |                    | 20               |                    | 20               |
| Profit and loss account  |              |                    | <u>153,138</u>   |                    | <u>169,622</u>   |
| <b>Shareholders' funds</b>                                     | <b>17</b>    |                    | <u>153,158</u>   |                    | <u>169,642</u>   |

The financial statements were approved by the Board on 11 April 2011 and signed on its behalf by



**C Thompson**  
**Director**

**Registration number 3807491**

**The notes on pages 10 to 17 form an integral part of these financial statements.**

**Classic Security (UK) Limited**

**Cash flow statement  
for the period ended 31 December 2010**

|  | Notes | Period<br>ended<br>31/12/10<br>£ | Period<br>ended<br>31/07/09<br>£ |
|--|-------|----------------------------------|----------------------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                                  |                                  |
| Operating profit   |       | 227,083                          | 350,870                          |
| Depreciation   |       | 146,878                          | 109,755                          |
| (Increase) in stocks   |       | (10,000)                         | 10,000                           |
| Decrease in debtors  |       | 17,798                           | 168,861                          |
| Increase in creditors  |       | (6,987)                          | (285,943)                        |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>374,772</u>                   | <u>353,543</u>                   |
| <b>Cash flow statement</b>   |       |                                  |                                  |
| Net cash inflow from operating activities  |       | 374,772                          | 353,543                          |
| Returns on investments and servicing of finance  | 18    | (31,897)                         | (15,873)                         |
| Capital expenditure  | 18    | (190,504)                        | (81,423)                         |
| Acquisitions and disposals   | 18    | -                                | (44,440)                         |
|  |       | <u>152,371</u>                   | <u>211,807</u>                   |
| Equity dividends paid  |       | (190,000)                        | (165,000)                        |
|  |       | <u>(37,629)</u>                  | <u>46,807</u>                    |
| Financing  | 18    | (11,823)                         | -                                |
| <b>Increase in cash in the period</b>  |       | <u>(49,452)</u>                  | <u>46,807</u>                    |
| <b>Reconciliation of net cash flow to movement in net debt (Note 19)</b>               |       |                                  |                                  |
| <b>Increase in cash in the period</b>  |       | (49,452)                         | 46,807                           |
| Cash inflow from increase in debts and lease financing                                 |       | 11,823                           | -                                |
|  |       | <u>(37,629)</u>                  | <u>46,807</u>                    |
| Change in net debt resulting from cash flows   |       | (37,629)                         | 46,807                           |
| New finance leases and hire purchase contracts   |       | 25,115                           | 38,392                           |
|  |       | <u>(12,514)</u>                  | <u>85,199</u>                    |
| <b>Movement in net debt in the period</b>  |       | (12,514)                         | 85,199                           |
| <b>Net debt at 1 August 2009</b>   |       | (214,162)                        | (299,361)                        |
| <b>Net debt at 31 December 2010</b>  |       | <u>(226,676)</u>                 | <u>(214,162)</u>                 |

## **Classic Security (UK) Limited**

### **Notes to the financial statements for the period ended 31 December 2010**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

|                                     |   |                          |
|-------------------------------------|---|--------------------------|
| Land and buildings                  | - | Straight line over years |
| Plant and machinery                 | - | 15 % Reducing balance    |
| Fixtures, fittings<br>and equipment | - | 15% Reducing balance     |
| Motor vehicles                      | - | 15% Reducing balance     |

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

##### **1.5. Investments**

Current asset investments are at the lower of cost and net realisable value

##### **1.6. Stock**

Stock is valued at the lower of cost and net realisable value

##### **1.7. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the period

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

##### **1.8. Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the period ended 31 December 2010**

continued

**2. Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK

|  | <b>Period<br/>ended<br/>31/12/10<br/>£</b> | <b>Period<br/>ended<br/>31/07/09<br/>£</b> |
|--|--|--|
| <b>3. Operating profit</b>                                 |  |  |
| Operating profit is stated after charging                  |  |  |
| Depreciation and other amounts written off tangible assets | 135,333                                    | 104,982                                    |
| Loss on disposal of tangible fixed assets                  | 11,545                                     | 4,773                                      |
| Auditors' remuneration                                     | 13,500                                     | 23,250                                     |
|  | <u>          </u>                          | <u>          </u>                          |

|  | <b>Period<br/>ended<br/>31/12/10<br/>£</b> | <b>Period<br/>ended<br/>31/07/09<br/>£</b> |
|--|--|--|
| <b>4. Interest receivable and similar income</b> |  |  |
| Bank interest                                    | 2  | 218  |
|  | <u>          </u>                          | <u>          </u>                          |

|  | <b>Period<br/>ended<br/>31/12/10<br/>£</b> | <b>Period<br/>ended<br/>31/07/09<br/>£</b> |
|--|--|--|
| <b>5. Interest payable and similar charges</b> |  |  |
| Interest payable on loans under 1 year         | 5,528                                      | 3,864                                      |
| Hire purchase interest                         | 14,548                                     | 12,227                                     |
|  | <u>20,076</u>                              | <u>16,091</u>                              |

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the period ended 31 December 2010**

continued

**6. Employees**

|  | <b>Period<br/>ended<br/>31/12/10</b> | <b>Period<br/>ended<br/>31/07/09</b> |
|--|--------------------------------------|--------------------------------------|
| <b>Number of employees</b>   |                                      |                                      |
| The average monthly numbers of employees<br>(including the directors) during the period were | 290                                  | 289                                  |
|  | <u>          </u>                    | <u>          </u>                    |
| <b>Employment costs</b>  | <b>31/12/10</b>                      | <b>31/07/09</b>                      |
|  | <b>£</b>                             | <b>£</b>                             |
| Wages and salaries   | 5,114,587                            | 4,577,669                            |
| Social security costs  | 453,511                              | 410,861                              |
| Pension costs-other operating charge   | 10,689                               | 21,696                               |
|  | <u>5,578,787</u>                     | <u>5,010,226</u>                     |
|  | <u>          </u>                    | <u>          </u>                    |
|  | <b>Period<br/>ended<br/>31/12/10</b> | <b>Period<br/>ended<br/>31/07/09</b> |
| <b>6.1. Directors' remuneration</b>  | <b>£</b>                             | <b>£</b>                             |
| Remuneration and other emoluments  | <u>33,807</u>                        | <u>23,864</u>                        |
|  | <u>          </u>                    | <u>          </u>                    |

**7. Pension costs**

The company operates a defined contribution pension scheme in respect of the directors and staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £10,689 (2009 - £21,696).

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the period ended 31 December 2010**

continued

**8. Tax on profit on ordinary activities**

| <b>Analysis of charge in period</b>          | <b>Period ended<br/>31/12/10<br/>£</b> | <b>Period ended<br/>31/07/09<br/>£</b> |
|--|--|--|
| <b>Current tax</b>                           |  |  |
| UK corporation tax                           | 28,248                                 | 60,821                                 |
| Total current tax charge                     | <u>28,248</u>                          | <u>60,821</u>                          |
| <b>Deferred tax</b>                          |  |  |
| Timing differences, origination and reversal | 5,245                                  | 2,681                                  |
| Total deferred tax                           | <u>5,245</u>                           | <u>2,681</u>                           |
| Tax on profit on ordinary activities         | <u>33,493</u>                          | <u>63,502</u>                          |

| <b>9. Tangible fixed assets</b> | <b>Land and<br/>buildings<br/>freehold<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures,<br/>fittings and<br/>equipment<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------------|--|--------------------------------------|---|---------------------------------|--------------------|
| <b>Cost</b>                     |  |                                      |   |                                 |                    |
| At 1 August 2009                | 59,354   | 402,702                              | 89,478  | 406,768                         | 958,302            |
| Additions                       | 41,456   | 178,677                              | 9,786   | 91,394                          | 321,313            |
| Disposals                       | -  | (82,500)                             | -   | (116,701)                       | (199,201)          |
| At 31 December 2010             | <u>100,810</u>                                   | <u>498,879</u>                       | <u>99,264</u>   | <u>381,461</u>                  | <u>1,080,414</u>   |
| <b>Depreciation</b>             |  |                                      |   |                                 |                    |
| At 1 August 2009                | -  | 201,821                              | 62,931  | 162,506                         | 427,258            |
| On disposals                    | -  | (31,732)                             | -   | -                               | (31,732)           |
| Charge for the period           | -  | 61,721                               | 7,873   | 20,553                          | 90,147             |
| At 31 December 2010             | <u>-</u>   | <u>231,810</u>                       | <u>70,804</u>   | <u>183,059</u>                  | <u>485,673</u>     |
| <b>Net book values</b>          |  |                                      |   |                                 |                    |
| At 31 December 2010             | <u>100,810</u>                                   | <u>267,069</u>                       | <u>28,460</u>   | <u>198,402</u>                  | <u>594,741</u>     |
| At 31 July 2009                 | <u>59,354</u>                                    | <u>200,881</u>                       | <u>26,547</u>   | <u>244,262</u>                  | <u>531,044</u>     |



**Classic Security (UK) Limited**

**Notes to the financial statements  
for the period ended 31 December 2010**

continued

Included above are assets held under finance leases or hire purchase contracts as follows

| Asset description                    | 31/12/10       |               | 31/07/09         |                  |
|--------------------------------------|----------------|---------------|------------------|------------------|
|                                      | Net            | Depreciation  | Net              | Depreciation     |
|                                      | book value     | charge        | book value       | charge           |
|                                      | £              | £             | £                | £                |
| Plant and machinery                  | 159,267        | 28,106        | 69,340           | 4,683            |
| Motor vehicles                       | 181,718        | 32,068        | 126,396          | 31,600           |
|                                      | <u>340,985</u> | <u>60,174</u> | <u>195,736</u>   | <u>36,283</u>    |
| <b>10. Stocks</b>                    |                |               | <b>31/12/10</b>  | <b>31/07/09</b>  |
|                                      |                |               | £                | £                |
| Finished goods and goods for resale  |                |               | <u>10,000</u>    | <u>-</u>         |
| <b>11. Debtors</b>                   |                |               | <b>31/12/10</b>  | <b>31/07/09</b>  |
|                                      |                |               | £                | £                |
| Trade debtors                        |                |               | 929,607          | 921,335          |
| Other debtors                        |                |               | 24,527           | 65,380           |
| Prepayments and accrued income       |                |               | 74,182           | 59,399           |
|                                      |                |               | <u>1,028,316</u> | <u>1,046,114</u> |
| <b>12. Current asset investments</b> |                |               | <b>31/12/10</b>  | <b>31/07/09</b>  |
|                                      |                |               | £                | £                |
| Other unlisted investments           |                |               | <u>17,921</u>    | <u>17,921</u>    |

The investment relates to the cost of 2 horses for the purpose of promoting the company

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the period ended 31 December 2010**

continued

|  |                                    |                       |
|--|------------------------------------|-----------------------|
| <b>13. Creditors: amounts falling due within one year</b>          | <b>31/12/10<br/>£</b>              | <b>31/07/09<br/>£</b> |
| Bank overdraft   | 64,908                             | 77,513                |
| Payments received on account                                       | -                                  | 32,060                |
| Net obligations under finance leases and hire purchase contracts   | 46,976                             | 83,914                |
| Trade creditors  | 576,737                            | 589,854               |
| Corporation tax  | 37,427                             | 60,821                |
| Other taxes and social security costs                              | 336,874                            | 219,665               |
| Directors' accounts  | 8,761                              | 321                   |
| Other creditors  | 207,688                            | 244,328               |
| Accruals and deferred income                                       | 54,272                             | 19,737                |
| Pension contributions  | 1,180                              | 1,529                 |
|  | <u>1,334,823</u>                   | <u>1,329,742</u>      |
| <b>14. Creditors: amounts falling due after more than one year</b> | <b>31/12/10<br/>£</b>              | <b>31/07/09<br/>£</b> |
| Net obligations under finance leases and hire purchase contracts   | <u>138,220</u>                     | <u>75,504</u>         |
| <b>15. Provisions for liabilities</b>                              | <b>Deferred<br/>taxation<br/>£</b> | <b>Total<br/>£</b>    |
| At 1 August 2009   | 25,039                             | 25,039                |
| Movements in the year  | 5,245                              | 5,245                 |
| At 31 December 2010  | <u>30,284</u>                      | <u>30,284</u>         |

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continued

| <b>16. Share capital</b>                                      | <b>31/12/10</b> | <b>31/07/09</b> |
|---|-----------------|-----------------|
|   | <b>£</b>        | <b>£</b>        |
| <b>Authorised</b>   |                 |                 |
| 250 Ordinary A shares of 1 each                               | 250             | 250             |
| 250 Ordinary B shares of 1 each                               | 250             | 250             |
| 250 Ordinary C shares of 1 each                               | 250             | 250             |
| 250 Ordinary D shares of 1 each                               | 250             | 250             |
|   | <u>1,000</u>    | <u>1,000</u>    |
| <b>Allotted, called up and fully paid</b>                     |                 |                 |
| 17 Ordinary A shares of 1 each                                | 17              | 17              |
| 1 Ordinary B shares of 1 each                                 | 1               | 1               |
| 1 Ordinary C shares of 1 each                                 | 1               | 1               |
| 1 Ordinary D shares of 1 each                                 | 1               | 1               |
|   | <u>20</u>       | <u>20</u>       |
| <b>Equity Shares</b>  |                 |                 |
| 17 Ordinary A shares of 1 each                                | 17              | 17              |
| 1 Ordinary B shares of 1 each                                 | 1               | 1               |
| 1 Ordinary C shares of 1 each                                 | 1               | 1               |
| 1 Ordinary D shares of 1 each                                 | 1               | 1               |
|   | <u>20</u>       | <u>20</u>       |
| <b>17. Reconciliation of movements in shareholders' funds</b> | <b>31/12/10</b> | <b>31/07/09</b> |
|   | <b>£</b>        | <b>£</b>        |
| Profit for the period   | 173,516         | 227,055         |
| Dividends   | (190,000)       | (165,000)       |
|   | <u>(16,484)</u> | <u>62,055</u>   |
| Opening shareholders' funds                                   | 169,642         | 107,587         |
| Closing shareholders' funds                                   | <u>153,158</u>  | <u>169,642</u>  |

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Notes to the financial statements  
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18. Gross cash flows

|   | 31/12/10<br>£    | 31/07/09<br>£   |
|---|------------------|-----------------|
| <b>Returns on investments and servicing of finance</b>        |                  |                 |
| Interest received   | 2                | 218             |
| Interest paid   | (20,076)         | (16,091)        |
| Interest element of finance lease rental payments             | (11,823)         | -               |
|   | <u>(31,897)</u>  | <u>(15,873)</u> |
| <b>Capital expenditure</b>                                    |                  |                 |
| Payments to acquire tangible assets                           | (346,428)        | (84,526)        |
| Receipts from sales of tangible assets                        | 155,924          | 3,103           |
|   | <u>(190,504)</u> | <u>(81,423)</u> |
| <b>Acquisitions and disposals</b>                             |                  |                 |
| Loan written off  | -                | (44,440)        |
| Capital element of finance leases and hire purchase contracts | <u>(11,823)</u>  | <u>-</u>        |

19. Analysis of changes in net funds

|  | Opening<br>balance<br>£ | Cash<br>flows<br>£ | Other<br>changes<br>£ | Closing<br>balance<br>£ |
|--|-------------------------|--------------------|-----------------------|-------------------------|
| Cash at bank and in hand                   | 4,848                   | 659                |                       | 5,507                   |
| Overdrafts                                 | (77,513)                | 12,605             |                       | (64,908)                |
|  | <u>(72,665)</u>         | <u>13,264</u>      |                       | <u>(59,401)</u>         |
| Liquid resources                           | 17,921                  | -                  |                       | 17,921                  |
| Finance leases and hire purchase contracts | (159,418)               | -                  | (25,778)              | (185,196)               |
| <b>Net funds</b>                           | <u>(214,162)</u>        | <u>13,264</u>      | <u>(25,778)</u>       | <u>(226,676)</u>        |