

Registered number: 05199923

Generation Holdings Limited
Directors' report and financial statements
for the year ended 31 March 2011

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Generation Holdings Limited

Directors' report and financial statements for the year ended 31 March 2011

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Generation Holdings Limited

Officers and professional advisers

Directors

M Clifford (Managing Director)
B Meadmore (resigned 31 July 2010)
A Wilkinson

Non-Executive

J Clifford
I R Stewart

Company secretary

A Wilkinson

Registered Office

Trinity Street
Off Tat Bank Road
Oldbury
West Midlands
B69 4LA

Bankers

HSBC Bank plc
49 Corn Street
Bristol
BS99 7PP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS1 5QD

Generation Holdings Limited

Directors' report for the year ended 31 March 2011

The directors present their report and audited consolidated financial statements of Generation Holdings Limited for the year ended 31 March 2011

Principal activities

The Company and the Group's principal activities are the hire and sale of non-mechanical plant to the construction industry

Results and dividends

The Group's profit for the financial year is £2,041,000 (2010 £563,000). At the year end the directors had not proposed the payment of a dividend and the profit will be transferred to reserves

Generation Holdings Limited repurchased 56,550 ordinary shares from a director in the financial year. Generation UK Limited, a wholly owned subsidiary, approved a dividend to the Company of £1.3 million to ensure adequate distributable reserves in Generation Holdings Limited to make this purchase

Business review and outlook

Although trading conditions remained difficult for the year ended 31 March 2011 there are however indications that the market is starting to recover. Demand has increased during the year in construction and related industries resulting in the need for increased investment by the Group in hire equipment. Many smaller companies and subcontractors are however still struggling through lack of liquidity giving rise to an increased exposure of slow payers and bad debts.

The Group has been successful in generating a substantial EBITDA (profit before interest, depreciation and tax) of £4.5 million (2010 £3.2 million), and an operating profit of £2.5 million (2010 £1.0 million). Importantly as a result of management's continued focus on reducing costs and removing surplus capacity, net debt was increased from £6.1 million to £7.3 million having invested an extra net £2.5 million in hire stock.

The directors believe that the actions taken over the year will enable the Group to operate effectively and be well placed to capitalise on the upturn in the market. The Group has looked at its future projected cash flows, and the directors are satisfied the Group has sufficient available facilities to meet the Group's operational needs for the foreseeable future.

Principal risks and uncertainties

Principal risks and uncertainties are considered to be the continued economic conditions impacting upon the UK and global markets, competitor actions and the threat of bad debts. However, Generation manage these risks by operating a wide-spread branch network throughout the country servicing a highly diverse customer base which itself services many diverse sectors.

Financial risk management

Exposure to credit, interest and liquidity risk arise in the normal course of the Group's business. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department.

Credit risk

Management has a credit policy in place which requires appropriate checks on customers before sales are made. At the balance sheet date there is no significant concentration of credit risk with exposure spread over a large number of customers.

Interest rate risk

The Group is only directly exposed to interest rate risk on its overdraft.

Liquidity risk

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient funds for operations and planned expansion. The future cash requirements are actively monitored ensuring a pro-active approach and helping to ensure the Group's compliance with any bank covenants.

Generation Holdings Limited

Directors' report for the year ended 31 March 2011 (continued)

Key performance indicators (KPIs)

Given the straight forward nature of the business, the directors are of the opinion that the use of non-financial KPIs is not necessary to obtain an understanding of the Group's performance. Management monitor the following financial KPIs at a branch and Group level

- Turnover
- Gross and net profit percentages

The year on year KPIs are shown within the financial statements (see page 6). Management also monitor the utilisation of hire stock and believe that the current year level, given the market conditions has been satisfactory.

Directors

The directors who were in office during the financial year and up to the date of signing the financial statements are listed on page 1.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the year financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

Each director confirms that on the date that this report was approved

- so far as they are aware, there is no relevant audit information of which the auditors are unaware,
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Employees

The Group offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their attitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the Group.

During the year the Group has maintained and developed arrangements aimed at systematically providing employees with information on matters of concern to them as employees, consulting them or their representatives on a regular basis, so that their views may be taken into account in making decisions which are likely to affect their interests. We encourage employee involvement and believe that achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing Company plays a major role in maintaining the success of the Company. When permitting the Company pays a proportion of its profits to employees under various profit growth and management incentive schemes.

Generation Holdings Limited

Directors' report for the year ended 31 March 2011 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 prepared the group and parent company 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board:



A Wilkinson
Company secretary
19 August 2011

Generation Holdings Limited

Independent auditors' report to the members of Generation Holdings Limited

We have audited the Group and parent Company financial statements (the "financial statements") of Generation Holdings Limited for the year ended 31 March 2011 which comprise the Group profit and loss account, the Group and parent company balance sheets, the Group cash flow statement, the statement of accounting policies 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Group's and parent 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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2011 and of the Group's profit and cash flows 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Colin Bates (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
24 August 2011

Generation Holdings Limited

Consolidated profit and loss account for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Turnover	1	36,739	29,549
Cost of sales		(25,498)	(20,606)
Gross profit		11,241	8,943
Administrative expenses		(8,706)	(7,910)
Operating profit	2	2,535	1,033
Operating profit is analysed as follows			
Earnings before interest, tax and depreciation		4,537	3,226
Depreciation		(2,002)	(2,193)
Operating profit		2,535	1,033
Interest receivable and similar income	4(a)	22	37
Interest payable and similar charges	4(b)	(312)	(286)
Profit on ordinary activities before taxation		2,245	784
Tax on profit on ordinary activities	5	(204)	(221)
Profit for the financial year	16	2,041	563

All of the Group's activities are classified as continuing

There are no recognised gains and losses for the current and preceding year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

Generation Holdings Limited

Group and Company balance sheets as at 31 March 2011

	Note	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Fixed assets					
Tangible assets	7	20,983	-	17,380	-
Investments	8	-	3,113	-	3,113
		20,983	3,113	17,380	3,113
Current assets					
Stocks	9	4,061	-	4,034	-
Debtors	10	9,504	1,300	10,458	15
Cash at bank and in hand		8	3	8	3
		13,573	1,303	14,500	18
Creditors' amounts falling due within one year	11	(14,872)	(3,731)	(13,610)	(3,400)
Net current (liabilities) / assets		(1,299)	(2,428)	890	(3,382)
Total assets less current liabilities		19,684	685	18,270	(269)
Creditors: amounts falling due after one year	12	(213)	(150)	(271)	-
Provisions for liabilities	14	(3,028)	-	(3,147)	-
Net assets / (liabilities)		16,443	535	14,852	(269)
Capital and reserves					
Called up share capital	15	36	36	42	42
Share premium account	16	409	409	409	409
Capital redemption reserve	16	8	8	2	2
Profit and loss account	16	15,990	82	14,399	(722)
Total shareholders' funds / (deficit)	17	16,443	535	14,852	(269)

The accounts on pages 6 to 25 were approved by the Board of directors on 19 August 2011 and signed on its behalf by



M Clifford
Director

Registered number 05199923

Generation Holdings Limited

Group cash flow statement for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	18	4,274	3,657
Returns on investments and servicing of finance			
Interest paid		(287)	(261)
Interest received		22	31
Net interest element of finance leases		-	6
Net cash outflow from returns on investments and servicing of finance		(265)	(224)
Taxation			
UK corporation tax paid		-	-
Capital expenditure			
Payments to acquire tangible fixed assets		(8,576)	(4,939)
Receipts from disposal of tangible fixed assets		3,843	3,824
Net cash outflow from capital expenditure		(4,733)	(1,115)
Net cash (outflow)/inflow before financing		(724)	2,318
Financing			
Capital element of finance lease payments		(291)	(384)
Principal repayments of bank loans		(517)	(743)
Other loan repayments		(150)	(250)
Net cash outflow from financing		(958)	(1,377)
(Decrease)/increase in net cash in the year	20	(1,682)	941

Generation Holdings Limited

Statement of accounting policies

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the more important policies, which have been applied consistently, is set out below.

Basis of consolidation

The Group financial statements consolidate the financial statements of Generation Holdings Limited and its wholly owned subsidiary undertaking, Generation (UK) Limited, drawn up for the period to 31 March each financial year.

Subsidiaries acquired have been dealt with in the consolidated accounts using acquisition accounting. The results of businesses acquired are included from the effective date of acquisition and businesses sold are included up to the date of disposal.

The financial statements include the company and all its subsidiary undertakings. Intra group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of subsidiaries are consistent with policies adopted by the group. As permitted by section 408 of the Companies Act 2006, the company's profit and loss account has not been included in these financial statements.

Upon the acquisition of a subsidiary, the fair values that reflect the condition at the date of acquisition are attributed to the identifiable assets and liabilities acquired. Adjustments are made to bring the accounting policies of subsidiaries acquired into alignment with those of the Group. Where the fair value of the consideration paid exceeds the fair value of the acquired assets and liabilities, the difference is treated as goodwill and is capitalised and amortised on a straight line basis over its useful economic life.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, value added tax and other sales related taxes. Turnover comprises sales and hire revenues and are recognised as follows:

- Turnover relating to the sale of stock is recognised at despatch which is considered to be when substantially all the risks and rewards are transferred to the customer.
- The timing and accounting for the recognition of hire stock turnover depends on whether the hire is considered to be an operating lease or a finance lease. This is considered in more detail within the "leasing and hire purchase commitments" accounting policy.

Turnover includes the sale of items from the fixed asset hire fleet, and charges levied on customers for damaged or lost hire equipment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	Term of lease
Plant and equipment	3 to 15 years
Motor vehicles	4 years

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment in value.

Generation Holdings Limited

Statement of accounting policies (continued)

Leasing and hire purchase commitments

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable such as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term or the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate if shorter.

Leasing agreements, which transfer to the Group substantially all the benefits and risks of ownership of an asset are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Assets held for rental to customers under operating leases are included in fixed assets at cost and depreciated over the assets useful lives. Income from operating leases is included within turnover. Assets leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of ownership to the lessee. When assets are subject to finance leases, the present value of the lease payments is recognised as receivable within debtors as "Investment in finance leases". Finance lease income is recognised over the term of the lease using the net investment method (before tax) reflecting a constant rate of return.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Cost is determined on an average cost basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Pension costs

The Group provides pension arrangements to the majority of full-time employees through a defined contribution scheme. Assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction or at the prevailing contract rate to the extent that forward cover has been obtained.

Generation Holdings Limited

Debt issue costs

The direct costs incurred on raising new debt are deferred on the balance sheet and set against the principal outstanding under the related debt instrument. These deferred costs are amortised over the expected life of the debt, with the charge being included as part of the interest payable in the profit and loss account.

Share based payments

In accordance with FRS 20 'Share based payments' the fair value of equity settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of the shares or options that will eventually vest. In the case of options granted, fair value is measured by a Black-Scholes pricing model, and currently the annual charge is nominal.

Generation Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

1 Turnover

All turnover arose within the United Kingdom, from the Group's principal activity and is derived from substantially the same class of business

2 Operating profit

Operating profit is stated after charging/ (crediting)·	2011 £'000	2010 £'000
Depreciation and other amounts written off tangible fixed assets		
- owned assets	1,780	1,855
- under finance leases	222	337
Operating lease charges		
- land and buildings	799	816
- other	127	127
Auditors' remuneration – audit services (Company £3,000 (2010 £3,000))	24	26
– taxation services (Company £1,000 (2010 £1,000))	3	4
Loss/(profit) on disposal of tangible fixed assets	5	(45)

Generation Holdings Limited

3 Staff costs

	2011 £'000	2010 £'000
Wages and salaries	5,793	5,452
Social security costs	544	535
Pension costs	202	226
	6,539	6,213

The average monthly number of persons (including directors) employed by the Group during the financial year was

	2011 Number	2010 Number
Administration and management	114	114
Yard labour	99	97
	213	211

The Group has issued share options for shares in Generation Holdings Limited to selected employees. The options will vest over the period to each employee's retirement subject to performance related conditions. All options are classified as equity settled and will be cancelled if the employee leaves the employment of the Company before their statutory retirement date. Further details are set out in note 15.

Directors' emoluments

The emoluments of the directors of the Company during the financial year were

	2011 £'000	2010 £'000
Fees and other emoluments (including benefits in-kind)	351	455
Pension contributions	31	40
The emoluments of the highest paid director during the financial year were	152	163
Pension contributions for the highest paid director	14	15
	Number	Number
The number of directors who were members of a defined benefit pension scheme	2	3

The above amounts include emoluments received by the directors in respect of their qualifying services as directors of the subsidiary Company, Generation (UK) Limited, for the year ended 31 March 2011.

Generation Holdings Limited

4 Interest receivable and interest payable

a) Interest receivable and similar income

	2011 £'000	2010 £'000
Bank interest on deposits	22	31
Finance leases	-	6
	22	37

b) Interest payable and similar charges

	2011 £'000	2010 £'000
Bank overdraft	239	180
Other loans repayable within five years	6	28
Amortisation of debt issue costs	25	25
Finance leases	42	53
	312	286

Generation Holdings Limited

5 Tax charge on profit on ordinary activities

(a) Analysis of charge in the period

	2011 £'000	2010 £'000
Current taxation		
United Kingdom corporation tax at 28% (2010 28%)	323	(125)
Adjustment in respect of prior years	-	82
Total current tax (note 5(b))	323	(43)
Deferred taxation		
Origination and reversal of timing differences	106	264
Changes in tax rates or laws	(225)	-
Tax on profit on ordinary activities	204	221

(b) Factors affecting tax charge in the period

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are as follows

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	2,245	784
Tax at 28% (2010 28%) thereon	629	220
Expenses not deductible for tax purposes	(12)	66
Capital allowances in excess of depreciation	(294)	(411)
Adjustment in respect of prior years	-	82
Total current tax charge (note 5(a))	323	(43)

Factors affecting current and future tax charge

There has been a reduction in the rate of corporation tax from 28% to 26% effective from 1 April 2011 Further reductions to the UK corporation tax rate have been announced and are expected to be enacted separately each year which are expected to reduce the rate by 1% per annum to 24% by 1 April 2013

6 Parent company profit and loss account

Generation Holdings Limited has not presented its own profit and loss account as permitted by the Companies Act 2006 section 408 The loss for the financial year dealt with in the financial statements of Generation Holdings Limited is £46,000 (2010 loss £143,000)

Generation Holdings Limited

7 Tangible fixed assets

a) Group

	Leasehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 April 2010	1,377	22,129	1,400	24,906
Additions	71	8,500	5	8,576
Disposals	(7)	(4,045)	(36)	(4,088)
At 31 March 2011	1,441	26,584	1,369	29,394
Accumulated depreciation				
At 1 April 2010	561	6,017	948	7,526
Charge for the year	102	1,639	261	2,002
Disposals	-	(1,104)	(13)	(1,117)
At 31 March 2011	663	6,552	1,196	8,411
Net book value				
At 31 March 2011	778	20,032	173	20,983
At 31 March 2010	816	16,112	452	17,380

Included in plant and equipment is £20,150 000 (2010 £15,088,000) net book value in respect of hire stock

The net book value of assets held under finance lease is £151,000 (2010 £361,782)

Capital commitments

At 31 March 2011 the Group had no contracted capital expenditure (2010 £nil)

b) Company

The Company has no tangible fixed assets and had no capital commitments as at 31 March 2011

Generation Holdings Limited

8 Fixed asset investments

Investments comprise shareholdings in the Company's subsidiary undertaking

Company	Shares £'000	Total £'000
At 1 April 2010 and 31 March 2011	3,113	3,113

The directors believe that the carrying value of the investments is supported by their underlying net assets

The Company holds a 100% interest in its subsidiary undertaking Generation (UK) Limited, a company incorporated in England and Wales. The principal activity of Generation (UK) Limited is the hire and sale of non-mechanical plant.

9 Stocks

	Group 2011 £'000	Group 2010 £'000
Goods for resale	4,061	4,034

The Company does not hold any stocks

The value of stock is not considered to be materially different from its replacement cost

10 Debtors

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Trade debtors	8,484	-	9,116	-
Investment in finance leases	320	-	542	-
Corporation tax recoverable	-	-	33	-
Deferred tax asset (note 14)	-	-	-	15
Amounts owed by group undertakings	-	1,300	-	-
Prepayments	700	-	767	-
	9,504	1,300	10,458	15

Included within investment in finance leases is £216,000 (2010: £521,000) due in greater than one year

Rentals receivable under finance leases amounted to £123,000 (2010: £37,000)

The cost of assets acquired during the financial year for onward finance leasing was £nil

Generation Holdings Limited

11 Creditors: amounts falling due within one year

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Bank overdraft (see note 13)	6,706	(4)	5,024	-
Bank and other loans (see note 13)	150	150	492	492
Obligations under finance leases (see note 13)	193	-	276	-
Trade creditors	6,001	15	5,024	15
Corporation tax payable	323	-	-	-
Amounts owed to group undertakings	-	3,570	-	2,893
Other taxation and social security	819	-	1,168	-
Accruals and deferred income	680	-	1,626	-
	14,872	3,731	13,610	3,400

12 Creditors: amounts falling due after more than one year

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Obligations under finance leases (see note 13)	63	-	271	-
Bank and other loans	150	150	-	-
	213	150	271	-

Generation Holdings Limited

13 Group borrowings

	2011 £'000	2010 £'000
Bank overdraft	6,706	5,024
Bank loan	-	492
Other loans	300	-
Obligations under finance leases	256	547
	7,262	6,063

The Bank loan and other loans are held in the Company. All other borrowings are held in the trading subsidiary.

The bank overdraft bears interest at 1.65% above the bank base rate and is secured by a fixed charge over eligible trade debtors.

Bank loans bear interest at 2.25% and 1.5% above the bank base rate and are secured by a debenture over the assets of the Group. The bank loan was repaid during the year and the mortgage debenture released. Interest was accrued at 1% above the bank base rate and the loan was secured by a mortgage debenture over the assets of the Group.

The other loans relate to two outstanding instalments in respect of the repurchase of company shares in the year. £150,000 is repayable in the year to 31 March 2012 with the final £150,000 repayable in the year to 31 March 2013.

Issue costs of £165,000 associated with obtaining the bank loans are being amortised over the period of the bank loan. The bank loans are stated net of deferred issue costs as at 31 March 2011 of £25,000 (2010: £25,000). The borrowings are repayable as follows:

	2011 £,000	2010 £'000
Amounts falling due:		
In one year or less, or on demand	7,054	5,817
Between one and two years	220	188
Between two and five years	13	83
In more than five years	-	-
	7,287	6,088
Less deferred issue costs	(25)	(25)
	7,262	6,063

Generation Holdings Limited

13 Group borrowings (continued)

Finance leases

Future minimum payments under finance leases are as follows

	2011 £'000	2010 £'000
Within one year	201	337
In more than one year, but not more than five years	98	353
Total gross payments	299	690
Less finance charges included above	(43)	(143)
Total finance lease liability	256	547

14 Provisions for liabilities

a) Analysis of movement in deferred tax provision

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Deferred taxation				
As at 1 April	3,147	(15)	2,883	-
Movement in financial year	(119)	15	264	(15)
As at 31 March	3,028	-	3,147	(15)

b) Analysis of deferred tax provision

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Excess of capital allowances over depreciation	3,028	-	3,162	-
Other short term timing differences	-	-	(15)	(15)
	3,028	-	3,147	(15)

The Company has a deferred tax asset of £14,000 which is unrecognised

Generation Holdings Limited

15 Called up share capital

	Company 2011 £'000	Company 2010 £'000
Allotted, and fully-paid		
361,920 (2010 418,470) £0 10 Ordinary shares	36	42

As permitted under section 690 of the Companies Act, and the Articles of Association, the company has undertaken a share buy-back of 56,550 ordinary shares of £0 10 from a director for a consideration of £450,000

At 31 March 2007 options over 16,530 shares had been granted to an employee. Movements in the number of share options outstanding and their related average exercise prices are as follows

	2011		2010	
	Average exercise price in £ per share	Number of options	Average exercise price in £ per share	Number of options
At 1 April	3.44	16,530	3.44	16,530
Granted	-	-	-	-
At 31 March	3.44	16,530	3.44	16,530

Out of the 16,530 outstanding options (2010 16,530), 7,250 options (2010 7,250) were exercisable at 31 March 2011. No options were exercised in 2010 or 2009. The fair value of all options was estimated using the Black Scholes valuation model at the time of granting and currently the annual charge is nominal.

Generation Holdings Limited

16 Reserves

Group	Profit and loss account £'000	Share premium account £'000	Capital redemption reserve £'000
As at 1 April 2010	14,399	409	2
Profit for the financial year	2,041	-	-
Purchase of shares	(450)	-	6
As at 31 March 2011	15,990	409	8

Company	Profit and loss account £'000	Share premium account £'000	Capital redemption reserve £'000
As at 1 April 2010	(722)	409	2
Loss for the financial year	(46)	-	-
Dividend receivable	1,300	-	-
Purchase of shares	(450)	-	6
As at 31 March 2011	82	409	8

17 Reconciliation of movements in shareholders' funds/(deficit)

	Group £'000	Company £'000
As at 1 April 2010	14,852	(269)
Profit/(loss) for the financial year	2,041	(46)
Dividend receivable	-	1,300
Purchase of shares	(450)	(450)
As at 31 March 2011	16,443	535

Generation Holdings Limited

18 Net cash flow from operating activities

	Group 2011 £'000	Group 2010 £'000
Operating profit	2,535	1,033
Depreciation charges	2,002	2,192
Profit on disposal of tangible fixed assets	5	(45)
Profit on disposal of hire stock	(854)	(804)
(Increase)/decrease in stocks	(27)	1,994
Decrease/(increase) in debtors	921	(2,475)
Decrease)/increase in creditors	(308)	1,762
Net cash inflow from operating activities	4,274	3,657

19 Analysis of net debt

	At 1 April 2010 £000	Cash flow £000	Other non cash changes £000	At 31 March 2011 £000
Cash at bank and in hand	8	-	-	8
Overdrafts	(5,024)	(1,682)	-	(6,706)
	(5,016)	(1,682)	-	(6,698)
Borrowings due within one year	(492)	667	(325)	(150)
Borrowings due after one year	-	-	(150)	(150)
Finance leases due within one year	(276)	291	(208)	(193)
Finance leases due after one year	(271)	-	208	(63)
	(6,055)	(724)	(475)	(7,254)

Generation Holdings Limited

20 Reconciliation from cash flow to movement in net debt

	Group 2011 £'000	Group 2010 £'000
Net debt at beginning of the financial year	(6,055)	(8,348)
Increase in net cash in the year	(1,682)	941
Decrease in borrowings	667	993
Other non-cash movements	(475)	(25)
Decrease/(increase) in finance lease obligations	291	384
Net debt at end of financial year	(7,254)	(6,055)

21 Financial commitments

At 31 March the Group had annual commitments under non-cancellable operating leases expiring as follows

	2011 Land and buildings £'000	2011 Plant £'000	2010 Land and buildings £'000	2010 Plant £'000
Operating leases which expire				
- within one year	256	59	229	97
- between two and five years	449	221	424	202
- after five years	276	50	328	-
	981	330	981	299

Generation Holdings Limited

22 Pension arrangements

The Company acquired the entire share capital of Generation (UK) Limited on 30 September 2004 as part of a management buyout. Prior to this change of ownership, Generation (UK) Limited participated in the defined benefit group pension scheme of the previous shareholder, MITIE Group Plc. Certain employees remain as deferred members of the scheme. The ongoing funding obligations for this scheme rest with MITIE Group Plc.

The Group operates a defined contribution scheme open to all employees. Contributions are charged to the profit and loss account. The Group makes contributions to the scheme of between 2% and 10% of salary.

The pension costs for the period are set out in note 3. The amount owing at the year end in respect of such contributions amounted to £nil (2010: £nil).

23 Contingent liabilities

The Company has given a guarantee of £300,000 (2010: £300,000) in favour of HM Revenue and Customs.

There is an unlimited cross guarantee in respect of Group bank borrowings. At 31 March 2011 the subsidiary Company, Generation (UK) Limited, has net bank borrowings of £6,704,000 (2010: £5,019,000).

24 Related party transactions

The Company has taken advantage of the exemption available in FRS 8 'Related party disclosures' not to disclose transactions with other group companies where 100% of voting rights are held within the group.

25 Ultimate parent undertaking and controlling party

In the opinion of the directors there is no ultimate controlling party as no individual shareholder holds 50% or more of the share capital.

