Volvox Group Limited

Directors' report and financial statements

For the year ended 30 September 2011

Registered number 5394180

Contents

Company number 5394180

Company information

Directors

J M Hall
I A Pollitt

Registered Office

Volvox House
Gelderd Road
Leeds
LS12 6NA

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the directors

The directors present their report and the audited accounts for the year ended 30 September 2011

Principal activity

The principal activity of the Group during the year was in distribution, comprising the supply of products to the automotive aftermarket, transport and industrial consumables markets

Business review

Trading summary

Despite the continued difficult worldwide economic conditions all the Group's trading subsidiaries grew their turnover in the year The group wide strategy of new product development , new market penetration whilst continuing to focus on its core markets, and high levels of customer service and support underpinned that growth In addition most divisions implemented selling price rises in response to increasing material costs

As in prior years the Group continued to make strategic investments in resources to enable it to meet the challenges of the current market as well as provide it with a platform for growth

Ring Automotive Limited

Turnover for the year rose by 7 65% Export sales contributed to over half of the rise in sales and bears testament to the company's strategy in recent years of investing in sales and marketing support in that area and the introduction of products and packaging suitable for those markets Growth also came from continued product development and introduction in the domestic market and selling price rises implemented in last quarter of the financial year to partially offset increased material costs

Van-Line Limited

Turnover for the year rose by 13 1% During the year the company continued to focus on its position as a prime distributor to the traditional van market sector whilst at the same time increasing its penetration into other markets, including factor based and bodyshop customers In addition in October 2010 the company acquired the trade and certain assets of a former competitor, Martin Smith Limited (which traded as "Maxico") from the administrators

BMAC Limited

Market conditions in both the bus and rail sectors remained challenging throughout most of the financial year However towards the latter part of the year there were signs of improvement, particularly in the UK bus build sector Enquiries for rail projects also noticeably improved This improvement in the market saw sales for the year rise by 19 6%

Arctic Products Limited

Despite the continued economic situation affecting the house building and maintenance sector, to which the company's activities are closely linked, the company pushed forward with a number of initiatives including the introduction of new products and increased market penetration These factors, coupled with sales price rises implemented to partially offset increased material costs, resulted in an increase in sales of 10 1%

Group

Overall group gross profit percentage fell by 0 6% in the year This coupled with continued investment in resources to support the long term objectives of the group resulted in slight drop in operating profit

Interest costs fell reflecting the reduced levels of borrowings

Full details of the results are shown on page 6 of the financial statements

Risks

a) A significant portion of the Group's purchases are denominated in currencies other than sterling and primarily in US dollars As a protection against short term volatility the Group had at 30 September 2011 hedged a portion of its exposure to the US Dollar for a period of four months from that date Further details of the forward contracts are given in note 23 to the financial statements

As a consequence of its export activity the Group invoices a proportion of its sales in Euros The Group monitors the effect of movements in the exchange rate and would take action if necessary to maintain an acceptable gross margin In addition, whilst Europe remains a key part of its growth strategy it is also looking to further expand into other overseas markets

Report of the directors *(continued)*

Risks (continued)

b) In common with many other companies, the Group is exposed in its procurement of product to economic and market factors beyond its immediate control The Group manages that risk through the level of stockholding, the placement of forward orders and where possible multiple sources of supply

Outlook

Prospects for both the domestic and worldwide economies remain uncertain in the short-term The Group believes that by continuing with its core strategies and given its spread of customers, products and markets, it is well positioned to meet current challenges and is well positioned to benefit from any future upturn in demand

Post balance sheet event

On 4 November 2011 Venus Bidco Limited acquired the whole of the issued ordinary share capital of the Company Venus Bidco Limited is a wholly-owned subsidiary of Venus Topco Limited and consequently Venus Topco Limited became the Group's ultimate parent company from that date The acquisition was funded by Elysian Capital I LP and the Group's management, supported by the provision of senior debt and revolving credit facilities from Lloyds TSB Bank PLC

Dividends

The Company did not declare any dividends in the year (2010 interim dividends on the 'A', 'B' and 'C' ordinary shares of £2 18, £1 24 and £1 24 per share respectively)

Directors

The directors who served during the year were

J M Hall
A F Welham
K Pacey
C Wilkinson

Subsequent to the year end the following changes occurred

I A Pollitt (appointed 4 November 2011)
A F Welham (resigned 4 November 2011)
K Pacey (resigned 4 November 2011)
C Wilkinson (resigned 4 November 2011)

Employees

The Group recognises the need for good communication and is committed to involving all employees in its development Employees are kept informed of, consulted and encouraged to express their views on matters which are likely to affect their interest in and contribution to their company, its profitability and performance

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons Where an employee becomes disabled whilst employed, arrangements are made wherever practicable to continue their employment or provide training for any other suitable position Disabled persons are eligible to participate in all career development opportunities available to staff All employees are given opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers

Charitable donations and political donations

Charitable donations made during the year amounted to £8,000 (2010 £7,000) There were no political donations

Supplier payment policy

The Company does not follow an external code or standard on payment practice but it is the Group's policy to pay its suppliers in accordance with the agreed terms, provided that the supplier also complies with all relevant terms and conditions

At 30 September 2011 the Company had no trade creditors

Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the Group and Parent Company financial statements in accordance with 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 Parent Company and of their profit or loss 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business

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

Related party disclosures

With the exception of directors' interests in the issued share capital of the Company, there were no material related party transactions

Disclosure of information to the auditor

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to section 487 of the Companies Act 2006 (the "Act"), the auditor will be deemed to be re-appointed annually by the Company and KPMG LLP will therefore continue in office until further notice

By order of the Board

J M Hall
Director

26 January 2012

KPMG

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Volvox Group Limited

We have audited the financial statements of Volvox Group Limited for the year ended 30 September 2011 set out on pages 6 to 22 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 on the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and Parent Company's affairs at 30 September 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 financial statements are not in agreement with the accounting records and return, 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

R I Moffatt (Senior Statutory Auditor)
for and behalf of KPMG LLP, Statutory Auditor
1 The Embankment
Neville Street
Leeds
LS1 4DW
26 January 2012

Consolidated profit and loss account
for the year ended 30 September 2011

	Note	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Turnover - continuing operations	2	**43,686**	39,907
Cost of sales		**(28,580)**	(25,840)
Gross profit		**15,106**	14,067
Operating costs	3	**(12,033)**	(10,916)
Operating profit - continuing operations	4	**3,073**	3,151
Interest receivable	7	**3**	52
Interest payable and similar charges	7	**(96)**	(205)
Profit on ordinary activities before taxation		**2,980**	2,998
Tax on profit on ordinary activities	8	**(860)**	(903)
Profit for the financial year		**2,120**	2,095

The notes to the financial statements on pages 10 to 22 form an integral part of these accounts

Balance sheets
at 30 September 2011

	Note	Group 30 September 2011 £'000	Group 30 September 2010 £'000	Company 30 September 2011 £'000	Company 30 September 2010 £'000
Fixed assets					
Intangible assets	10	**1,964**	2,086	-	-
Tangible assets	11	**727**	646	-	-
Investments	12	-	-	**3,555**	3,555
		2,691	2,732	**3,555**	3,555
Current assets					
Stocks	13	**9,918**	8,905	-	-
Debtors	14	**8,096**	7,051	**1,401**	871
Cash at bank and in hand		**15**	109	-	52
		18,029	16,065	**1,401**	923
Creditors: amounts falling due within one year	15	**(9,603)**	(9,820)	**(1,131)**	(786)
Net current assets		**8,426**	6,245	**270**	137
Total assets less current liabilities		**11,117**	8,977	**3,825**	3,692
Creditors: amounts falling due after more than one year	16	**(20)**	-	-	-
Net assets		**11,097**	8,977	**3,825**	3,692
Capital and reserves					
Called-up share capital - equity shares	18	**460**	460	**460**	460
Profit and loss account	19	**7,542**	5,422	**270**	137
Capital redemption reserve	19	**3,095**	3,095	**3,095**	3,095
Total shareholders' funds		**11,097**	8,977	**3,825**	3,692

The notes to the financial statements on pages 10 to 22 form an integral part of these accounts

The accounts were approved by the Board of Directors on 26 January 2012 and signed on its behalf by

J M Hall
Director

I A Pollitt
Director

Other primary statements

Statement of total recognised gains and losses

Other than the profit for the financial year there are no other recognised gains and losses

Reconciliation of movements in consolidated shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	2,120	2,095
Ordinary dividends on equity shares	-	(750)
Net increase in shareholders' funds	2,120	1,345
Opening shareholders' funds	8,977	7,632
Closing shareholders' funds	11,097	8,977

The whole of the closing shareholders' funds is attributable to equity share interests

Consolidated cash flow statement

for the year ended 30 September 2011

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Cash flow from operating activities (note 20)	1,980	3,470
Returns on investments and servicing of finance (note 21)	(93)	(153)
Taxation	(916)	(783)
Capital expenditure and financial investment (note 21)	(365)	(226)
Equity dividends paid	(150)	(600)
Cash inflow before financing	456	1,708
Financing (note 21)	(688)	(934)
(Decrease) / increase in cash in the year	(232)	774

Reconciliation of net cash flow to movement in net debt

	2011 £'000	2010 £'000
(Decrease) / increase in cash in the year	(232)	774
Cash outflow from decrease in debt financing	688	934
Change in net debt resulting from cash flows	456	1,708
Amortisation of finance costs in year	-	(35)
Movement in net debt in the year	456	1,673
Net debt at start of year (note 22)	(1,011)	(2,684)
Net debt at end of year (note 22)	(555)	(1,011)

The notes to the financial statements on pages 10 to 22 form an integral part of these accounts

Notes to the financial statements

1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the financial statements, except for the adoption of new financial reporting standards introduced during the year The effect of these are disclosed where relevant

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities , the principal risks set out on pages 2 and 3 and the acquisition of the Group by Venus Bidco Limited The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current committed facilities Therefore the directors believe it is appropriate to prepare the accounts on a going concern basis

Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and each of its subsidiary undertakings for the year ended 30 September The results of subsidiary undertakings acquired or disposed of during the year, and requiring to be acquisition accounted, are included in the consolidated profit and loss account from or up to the effective date of acquisition or disposal

Preference shares

In accordance with FRS25 preference shares that are redeemable at contractually established dates are treated as debt Preference shares that have no specific redemption date are treated as part of shareholders' funds

Dividends Payable

In accordance with FRS21 - *Events after the balance sheet date* dividends payable on ordinary share capital are recognised in the financial statements as follows

- interim dividends - when declared by the directors of the Company
- final dividends - when approved by shareholder resolution

Leased assets

Assets held under leasing arrangements that give rights approximating to ownership are capitalised as finance leases The amount capitalised is the present value of the minimum payments payable during the term of each lease The corresponding leasing commitments are included in creditors The interest element of the rental obligations is charged to the profit and loss account using the annuity method

Rentals in respect of all other leases are charged to the profit and loss account on a straight line basis over the lease term

Depreciation

Depreciation on other assets is calculated to write off the cost on a straight line basis over their estimated useful lives, at the following rates

Plant and equipment	- 3 - 15 years
Motor vehicles	- 4 - 5 years
Leasehold improvements	- over remaining period of the lease

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets

Stocks

Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value after making due allowance for any obsolete or slow moving items In the case of finished goods, cost comprises direct materials, direct labour and an appropriate proportion of production overheads

Deferred taxation

In accordance with FRS 19 "Deferred Tax", deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of income and expenditure in taxation computations in years different from those in which they are included in the financial statements Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Notes to the financial statements

1 Accounting policies *(continued)*

Turnover

Turnover comprises the invoiced value of goods and services supplied by the Group, net of VAT and intra-group transactions

Goodwill and Brands

In accordance with FRS 10 "Goodwill and Intangible Assets", goodwill, being the excess of the fair value of the purchase consideration over the fair value of the net assets at the time of the purchase of the business, is capitalised and amortised over a maximum estimated useful life of 20 years on a straight line basis The directors consider annually whether a provision against the value of goodwill on an individual investment basis is required

Acquired brands which are controlled through custody or legal rights and could be sold separately from the rest of the business are capitalised and written off over 10 years on a straight line basis

Capital instrument finance costs

The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount

Post-retirement benefits

The Company and the Group operate defined contribution pension schemes The assets of the schemes are held separately from those of the Company and Group in independently administered funds The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period

Foreign currency translation

Transactions denominated in a foreign currency are translated into sterling at either the rate of exchange ruling on the date of the transaction or at the exchange rate of a forward foreign currency contract taken out to cover that transaction Monetary assets and liabilities that are denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date, unless they are covered by a related forward foreign currency contract, in which case the exchange rate applicable to the contract is used Gains or losses on translation are included in the profit and loss account

2 Segmental analysis - continuing operations

An analysis of turnover (which all originated within the United Kingdom) by geographical market is given below

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
United Kingdom	**35,316**	32,827
Europe	**6,718**	5,713
Far and Middle East	**163**	156
America	**302**	346
Rest of World	**1,187**	865
	43,686	39,907

In the opinion of the directors there was only one segment of trade at 30 September 2011 and all the net assets were utilised in that trade

Notes to the financial statements

3 Operating costs

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Distribution & warehousing costs	4,207	3,803
Selling & marketing costs	4,614	3,994
Administrative costs	3,067	2,975
Amortisation of intangible assets	145	144
	12,033	10,916

4 Operating profit

Operating profit is stated after charging / (crediting)

		Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Auditor's remuneration		35	34
Other fees payable to KPMG LLP & its associates	- tax services	6	6
Hire of plant, equipment and vehicles under operating leases		298	294
Leasehold property rents		653	620
Depreciation of tangible fixed assets			
- Owned assets		250	226
- Assets held under finance leases		11	19
Profit on disposal of tangible fixed assets (excluding land and buildings)		-	(3)
Amortisation of intangible assets		145	144

5 Staff numbers and costs

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

	Year ended 30 September 2011 Number	Year ended 30 September 2010 Number
Distribution & production	115	103
Selling & marketing	66	59
Administration	24	24
	205	186

The aggregate payroll costs of these persons (including directors emoluments) was

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Wages & salaries	5,418	5,028
Social security costs	566	521
Other pension costs	132	134
	6,116	5,683

Notes to the financial statements

6 Emoluments of directors

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Emoluments	480	525
Contributions to money purchase schemes	32	32
	512	557

Two directors (2010 2) are accruing retirement benefits under money purchase schemes that are charged in these financial statements

Highest paid director

Details of the highest paid director whose costs were charged in these financial statements are

	2011 £'000	2010 £'000
Emoluments	245	272
Pension contributions	18	18
	263	290

7 Interest

Interest receivable

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Other	3	52

Interest payable and similar charges

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Bank loans and overdrafts	92	163
Finance costs	-	35
Finance leases	4	7
	96	205

Notes to the financial statements

8 Taxation

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Current taxation		
Corporation tax on profit for the year at 27% (2010 28%)	884	920
Adjustments in respect of prior years	(27)	(24)
	857	896
Deferred taxation		
Origination of timing differences	(13)	(8)
Adjustments in respect of prior years	16	15
	860	903

The actual current tax charge for the year differs to the standard rate of tax for the reasons set out in the following reconciliation

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Profit on ordinary activities before tax	2,980	2,998
Tax on profit on ordinary activities at standard rate - 27% (2010 28%)	805	839
Factors affecting charge for the year		
Depreciation exceeding capital allowances	25	20
Increase / (decrease) in accruals treated as general for corporation tax purposes	2	(4)
Change in Deferred Tax provision rate	-	2
Expenses not deductible for tax purposes		
- Goodwill amortisation	14	14
- Other	38	49
Current taxation charge for the year	884	920

9 Dividends

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
2010 Interim dividend of £2 18 per £1 'A' Ordinary Share	-	435
2010 Interim dividend of £1 24 per £1 'B' Ordinary Share	-	254
2010 Interim dividend of £1 24 per £1 'C' Ordinary Share	-	61
	-	750

Notes to the financial statements

10 Intangible assets

	Brand £'000	Goodwill £'000	Total £'000
Group			
Cost			
At 1 October 2010	-	2,878	2,878
Additions	23	-	23
At 30 September 2011	23	2,878	2,901
Amortisation			
At 1 October 2010	-	792	792
Charge for the year	1	144	145
At 30 September 2011	1	936	937
Net book amount			
At 30 September 2011	**22**	**1,942**	**1,964**
At 30 September 2010	-	2,086	2,086

In April 2011 the Group acquired the "Ring" trademark from the receivers of Ring Group Limited for £23,000

11 Tangible fixed assets

	Plant equipment & vehicles £'000
Group	
Cost	
At 1 October 2010	1,870
Additions	342
At 30 September 2011	**2,212**
Depreciation	
At 1 October 2010	1,224
Charge for the year	261
At 30 September 2011	**1,485**
Net book amounts	
At 30 September 2011	**727**
At 30 September 2010	646

The net book amounts of the Group's plant, equipment and vehicles includes £nil (2010 £101,000) in respect of assets held under finance leases

Notes to the financial statements

12 Fixed asset investments

	Company £'000
Investment in subsidiary undertakings	
Cost	
At 1 October 2010 and 30 September 2011	3,555

Investment in subsidiary undertakings

At 30 September 2010 the parent undertaking or its subsidiary undertaking owned 100% of the issued ordinary and preference share capitals of the following undertakings

Subsidiary undertaking	*Principal activity*
Owned directly	
Volvox Leeds Limited	Holding Company
Owned via Volvox Leeds Limited	
Arctic Products Ltd	Pipe freezing equipment and gas and plumbing consumables distributor
BMAC Limited	Transportation lighting equipment assembler and distributor
Lighten Point Corporation Europe Ltd	Dormant
Ring Automotive Limited	Automotive parts and lighting distributor
Van-Line Limited	Wholesaler of automotive and industrial consumables

13 Stocks

		Group
	30 September 2011 £'000	30 September 2010 £'000
Raw materials and consumables	274	255
Finished goods and goods for resale	9,644	8,650
	9,918	8,905

14 Debtors

		Group		Company
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
Trade debtors	7,805	6,717	-	-
Amounts owed by subsidiary undertakings	-	-	770	230
Corporation Tax	-	-	538	506
Other debtors	1	59	-	-
Prepayments	242	224	89	131
Deferred taxation (note 17)	48	51	4	4
	8,096	7,051	1,401	871

Notes to the financial statements

15 Creditors: amounts falling due within one year

	Group		Company	
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
Bank overdrafts and loans	**538**	1,100	**650**	-
Carbon Trust loan	**12**	-	-	-
Trade creditors	**7,052**	6,734	-	-
Amounts owed to subsidiary undertakings	-	-	**267**	366
Corporation tax payable	**421**	480	-	-
Other taxation and social security costs	**496**	335	**32**	5
Other creditors and accruals	**1,084**	1,151	**182**	415
Obligations under finance leases	-	20	-	-
	9,603	9,820	**1,131**	786

The bank overdrafts and loans are secured by fixed and floating charges over the Group's assets

16 Creditors: amounts falling due after more than one year

	Group		Company	
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
Carbon Trust loan	**20**	-	-	-
	20	-	-	-

The total borrowings of the Group at 30 September 2011 were repayable as follows

	Bank overdrafts and loans £'000	**Carbon Trust Loan £'000**	**Total 2011 £'000**	Total 2010 £'000
Within one year	**538**	**12**	**550**	1,120
Between one and two years	-	**13**	**13**	-
Between two and five years	-	**7**	**7**	-
	538	**32**	**570**	1,120

Notes to the financial statements

17 Deferred taxation

Movements in deferred taxation assets are as follows

		Group		Company
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
At beginning of year	**51**	58	**4**	4
Credited during the year	**(3)**	(7)	**-**	-
At 30 September 2011	**48**	51	**4**	4

Deferred taxation assets recognised in the accounts and the amounts not recognised, calculated at the rate of 27% (2010 28%) are as follows

Group

		Recognised		Not recognised
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
Capital allowances	**16**	19	**-**	-
Other timing differences	**32**	32	**-**	-
	48	51	**-**	-

Company

Other than the deferred taxation asset disclosed below, the Company had no other deferred taxation assets / (liabilities) either recognised or not recognised

		Recognised
	30 September 2011 £'000	30 September 2010 £'000
Other timing differences	**4**	4

Notes to the financial statements

18 Called-up share capital

Called up, allotted and fully paid

	Number of Shares	30 September 2011 £'000	Number of Shares	30 September 2010 £'000
Equity shares				
'A' ordinary shares of £1 each	200,000	200	200,000	200
'B' ordinary shares of £1 each	204,286	204	204,286	204
'C' ordinary shares of £1 each	55,714	56	55,714	56
		460		460
Non-equity shares				
'B' preference shares (4 9% cumulative preference shares of £1 each)	Nil	-	Nil	-
Total		460		460

The respective rights in respect of the share capital in issue at 30 September 2011 are as follows

Dividends

All classes of the ordinary share rank equally in respect of dividends

Return of capital

On a return of capital of the Company on a liquidation of otherwise (other than a redemption of shares or the purchase by the Company of its own shares) the surplus assets and retained profits of the Company will be applied in the following order

Priority	Class	Amount to be paid
1	'A' ordinary shares	Paid up capital
2	'B' ordinary shares	Paid up capital
3	'C' ordinary shares	Paid up capital
4	'A', 'B' and 'C' ordinary shares	Any surplus to be paid in the following proportions A','B' and 'C' ordinary shares, 58%, 33% and 9% respectively, pro rata to their respective holdings in each class

Voting

The 'A' ordinary shares have 49% of the voting rights attaching to all the issued 'A','B' and 'C' ordinary shares and such percentage can under certain circumstances increase to 95%

The 'C' ordinary shareholders do not have the right to vote at general meetings

Exit proceeds

In the event of an Exit the proceeds shall be distributed as follows

Class	Percentage
'A' ordinary shares	58%
'B' ordinary shares	33%
'C' ordinary shares	9%

Notes to the financial statements

19 Reserves

	Capital redemption reserve £'000	Profit and loss account £'000
Group		
At 1 October 2010	3,095	5,422
Profit for the financial year	-	2,120
At 30 September 2011	3,095	7,542
Company		
At 1 October 2010	3,095	137
Profit for the financial year	-	133
At 30 September 2011	3,095	270

In accordance with the exemption allowed by section 408 of the Companies Act 2006 the Company has not presented its own profit and loss account The profit for the year was £133,000 (2010 - profit £554,000)

20 Reconciliation of operating profit to operating cash flows

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Operating profit	**3,073**	3,151
Depreciation charges	**261**	245
Amortisation of goodwill and other intangibles	**145**	144
Profit on disposal of fixed assets (excluding land and buildings)	**-**	(3)
Increase in stocks	**(1,013)**	(1,056)
(Increase) / decrease in debtors	**(1,048)**	23
Increase in creditors	**562**	966
Net cash inflow from operating activities	**1,980**	3,470

21 Analysis of cash flows for headings netted in the cash flow statement

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Returns on investments and servicing of finance		
Interest received	**3**	17
Interest paid	**(92)**	(163)
Interest element of finance lease rental payments	**(4)**	(7)
Net cash outflow from returns on investments and servicing of finance	**(93)**	(153)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(342)**	(229)
Disposal of tangible fixed assets	**-**	3
Purchase of brand	**(23)**	-
Net cash outflow from capital expenditure and financial investment	**(365)**	(226)
Financing		
Repayment of loans	**(706)**	(900)
New loans	**38**	-
Capital element of finance lease payments	**(20)**	(34)
Net cash outflow from financing	**(688)**	(934)

Notes to the financial statements

22 Analysis of net debt

	30 September 2010 £'000	Cash Flow £'000	**30 September 2011 £'000**
Cash at bank and in hand	109	(94)	**15**
Bank overdrafts	-	(138)	**(138)**
	109	(232)	**(123)**
Bank loans	(1,100)	700	**(400)**
Obligations under finance leases	(20)	20	**-**
Carbon Trust loan	-	(32)	**(32)**
	(1,120)	688	**(432)**
	(1,011)	456	**(555)**

23 Financial commitments

a) Capital commitments

Authorised future capital expenditure amounted to

	Group		Company	
	30 September 2011 £'000	30 September 2010 £'000	**30 September 2011 £'000**	30 September 2010 £'000
Contracted but not provided	**22**	59	**-**	-

b) Operating lease commitments

At 30 September 2011 the Group and Company were committed to making the following payments during the next year in respect of operating leases

	Group		**Company**	
	Land and buildings £'000	Plant, equipment and vehicles £'000	Land and buildings £'000	Plant, equipment and vehicles £'000
Leases expiring				
Within one year	-	55	-	-
Within one to five years	-	189	-	6
In more than five years	645	8	-	-
	645	252	-	6

c) Forward currency contracts

At the end of the financial year the Group had forward foreign currency purchase commitments that had not been matched against specific liabilities extant at that date amounting to £1,132,000 (2010 £2,412,000)

24 Contingent liabilities

	Company	
	30 September 2011 £'000	30 September 2010 £'000
Overdrafts and loans guaranteed in respect of group undertakings	**-**	1,059

In addition, the Company, as part of the overall cross-group banking facility arrangements, guarantees letters of credit raised by its subsidiary undertakings

Notes to the financial statements

25 Pension commitments

The Company and the Group operate defined contribution pension schemes The assets of the schemes are held separately from those of the Company and Group in independently administered funds The amount charged to the profit and loss account represents the contributions payable to the schemes and amounted to

		Group		Company
	30 September 2011	30 September 2010	**30 September 2011**	30 September 2010
	£'000	£'000	**£'000**	£'000
	132	134	**47**	39

26 Ultimate parent company

On 4 November 2011 the whole of the issued share capital of the Company was acquired by Venus Bidco Limited and consequently from that date the ultimate parent company of the Company became Venus Topco Limited

The registered office of Venus Topco Limited is Volvox House, Gelderd Road, Leeds, LS12 6NA