

Doyle plc
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 December 2010

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COMPANIES HOUSE

Company Registration No 5786284

Doyle plc and subsidiary undertakings

COMPANY INFORMATION

DIRECTORS

S G Harvey
S Stefanou (Chairman)
M Taylor

SECRETARY

S G Harvey

COMPANY NUMBER

05786284 (England and Wales)

REGISTERED OFFICE

John Doyle House
Little Burrow
Welwyn Garden City
Herts
AL7 4SP

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

Doyle plc and subsidiary undertakings

CHAIRMAN'S REVIEW

CHAIRMAN'S REVIEW

2010 was a very tough year for Doyle Plc. Although our results are distorted by the past legacies of the building company Bell Projects Limited which has ceased undertaking new business, it was still a tough year for John Doyle Construction Limited which underwent some Senior Management changes at the turn of the year. Blythewood Plant Hire Limited and Ibex Interiors Limited performed adequately in a very difficult market place.

Fortunately however 2010 is now behind us and the first half trading for 2011 for all our businesses appear very encouraging to say the least. There is more activity in all three main companies with John Doyle Construction Limited, Ibex Interiors Limited and Blythewood Plant Hire Limited all posting more positive results which hopefully will convert into full year figures showing a recovery in our fortunes.

As always it just remains for me to thank our staff, workforce and clients for their efforts and support in such difficult times.

S Stefanou



Doyle plc and subsidiary undertakings

DIRECTORS' REPORT

The directors submit their report and the group financial statements of Doyle plc for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activities of the group during the year were those of building, construction, interior fitting out and refurbishment, property development and plant hire

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The economic circumstances of 2009 and 2010 have continued to impact on our industry resulting in a severe decline in turnover

As a result of the reduced turnover, we have been unable to realise sufficient gross margin to cover the overheads at a consolidated level. Despite these problems, which affected our construction company the most, the fit out and plant hire companies trade profitably in very difficult circumstances

The year commencing 1 January 2011 appears to be a different prospect, with a very strong order book in hand which guarantees that our Turnover will exceed by some distance that achieved in 2010 and therefore we fully expect to return to group profitability in 2011

We have successfully negotiated a new facility with our principal bankers and have met all loan and interest payments under this arrangement and the preceding arrangements

ENVIRONMENT

The company complies with relevant environmental legislation, industry codes of practice, the Doyle Group Environmental Policy and any other applicable requirements. Construction methods are selected which minimise the use of natural resources associated with the use of energy and materials. Where appropriate, we will investigate and promote the use of by-products, recyclable and sustainable materials. We seek to minimise waste production and avoid contamination from any waste produced by ensuring that disposal is safely handled by licensed operators

RISKS

As part of the ongoing risk assessment, the Board identifies the principle risks and uncertainties facing the Group. These are summarised below, with a description of how the risks are addressed

Economic Uncertainty

Like many other companies the tightening market conditions will make 2011 another challenging year for the Group. However, the business prepared for the effect of the recession in 2008 and now operates from a considerably lower cost base. We have curtailed a number of non core and/or non profit making activities from the group, leaving us with a more streamlined operation, better able to cope with the difficult market conditions

Our long standing reputation as a highly technical and professional team finds favour with clients and suppliers alike as evidenced by the high proportion of repeat business. Our teams continue to look at ways of adding value to clients and finding technical solutions that save time and cost

Safety & Training

We, as an employer, take the responsibility for our staff and those who work or enter our sites extremely seriously. We have ensured that all site staff have received regular and structured training as well as informal methods, tool box talks etc. Our safety procedures are continually reviewed and updated to ensure best practice and comply with all legislative requirements

Financial Risk

In order to avert the impact of sharp rises in interest rates the Group has hedged a significant proportion of its bank facility with Bank of Scotland plc. As mentioned in the business review the Group has successfully negotiated a new facility to ensure adequate financial resources are available to manage the business going forward

Doyle plc and subsidiary undertakings

DIRECTORS' REPORT (continued)

People and Culture

All businesses have their own unique culture that derives from the individuals involved. The culture at Doyle's has evolved over many years and has historically been a key element of the Group's success, indeed the long service of many of the Group's employees is testament to this. The management buyout in 2006 inevitably led to some cultural changes, however the prevailing culture built up over many years has returned.

FINANCIAL INSTRUMENTS

The group has a loan and overdraft facility with Bank of Scotland plc. A mortgage debenture exists over the assets of the Group as security for the overdraft and loan facilities provided to the Group. These facilities are reviewed annually alongside the business plans and budgets for the forthcoming year.

The group enters into interest rate swap and cap and collar arrangements.

The group does not enter into any other financial instruments bar normal short-term creditors and debtors.

KEY PERFORMANCE INDICATORS

The company undertakes a comprehensive budgeting process and sets both company and profit centre targets with an objective of continuous organic growth in profit before tax.

DIVIDENDS

The directors have not paid or proposed any preference dividends either this year or in the previous year.

DIRECTORS

The following directors have held office since 1 January 2010 -

S G Harvey

S Stefanou

M Taylor

P Nurton (resigned 30 April 2011)

R Clancy (resigned 31 May 2010)

CHARITABLE DONATIONS

During the year the group made charitable contributions totalling £29,690 (2009 £13,371)

REPURCHASE OF OWN SHARES

During the year the group repurchased 620,000 shares with a nominal value of £62,000 from ex-employees when they ceased to be employed by the group. The shares were repurchased via the EBT at par. The repurchase represents 0.4% of the shares in issue as at 31 December 2010.

POLICY ON PAYMENT OF CREDITORS

The company does not adhere to any formal code regarding payments to creditors. Its current policy in this respect, which the company endeavours to have its subsidiary companies also follow, is to

Use unamended terms of standard forms of contract widely recognised in, and drawn up by bodies representing the industry

Clearly agree and set down the terms of payment with suppliers and subcontractors

Make payments in accordance with its obligations

Trade creditor days based on creditors at 31 December 2010 were 48 days (2009 53 days)

Doyle plc and subsidiary undertakings

DIRECTORS' REPORT (continued)

DISABLED PERSONS

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled. In addition, it is the group's policy to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

The group encourages the involvement of its employees in its management through regular meetings of worker/director groups which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

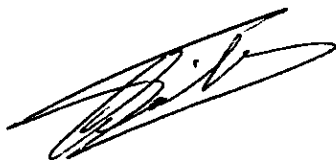
AUDITOR

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The Directors' Report was approved and signed on behalf of the board by



S Stefanou
Director

8 September 2011

Doyle plc and subsidiary undertakings

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOYLE PLC

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the 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 as at 31 December 2010 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

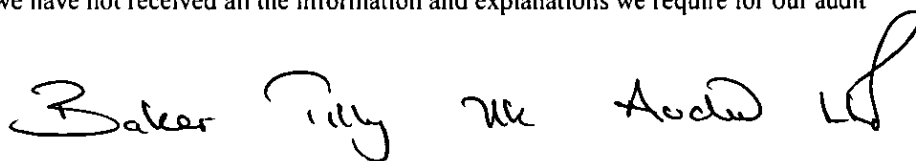
Opinion on other matters prescribed by the Companies Act 2006

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.



ANDREW MONTEITH (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

Date 9 September 2011

Doyle plc and subsidiary undertakings
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	<i>Notes</i>	2010 £000's	2009 £000's
TURNOVER Group and share of joint ventures		79,022	123,216
Less share of joint venture turnover		(145)	(266)
GROUP TURNOVER	1	<u>78,877</u>	<u>122,950</u>
Cost of sales		(73,822)	(115,497)
Gross profit		<u>5,055</u>	<u>7,453</u>
Other operating expenses (net)	2	(9,870)	(10,027)
OPERATING LOSS		<u>(4,815)</u>	<u>(2,574)</u>
Share of operating profit of joint venture		4	14
TOTAL OPERATING LOSS		<u>(4,811)</u>	<u>(2,560)</u>
Investment income	3	-	-
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		<u>(4,811)</u>	<u>(2,560)</u>
Interest payable	4	(364)	(904)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(5,175)</u>	<u>(3,464)</u>
Taxation	7	391	393
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(4,784)</u>	<u>(3,071)</u>
Attributable to minority interests		(3)	21
LOSS FOR THE FINANCIAL YEAR	16	<u><u>(4,787)</u></u>	<u><u>(3,050)</u></u>

Turnover and operating loss are derived from the group's continuing operations

No separate statement of Total Recognised gains or losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Doyle plc and subsidiary undertakings

CONSOLIDATED BALANCE SHEET

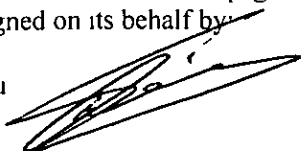
31 December 2010

Company Registration No 5786284

	Notes	2010	2009
		£000's	£000's
FIXED ASSETS			
Intangible assets	8	15,071	16,058
Tangible assets	9	7,911	8,850
Investments	10	68	96
Investments in joint ventures			
Share of gross assets	-		105
Share of gross liabilities	-		(85)
			20
		23,050	25,024
CURRENT ASSETS			
Stocks	11	1,824	2,709
Debtors	12	32,303	25,583
Deferred tax asset	12	2,120	1,705
Cash at bank and in hand		608	225
		36,855	30,222
CREDITORS Amounts falling due within one year	13	(52,483)	(41,681)
NET CURRENT LIABILITIES		(15,628)	(11,459)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,422	13,565
CREDITORS Amounts falling due after more than one year	14	(6,342)	(7,639)
NET ASSETS		1,080	5,926
CAPITAL AND RESERVES			
Called up share capital	15	14,000	14,000
Profit and loss account	16	(12,509)	(7,722)
Own shares	18	(377)	(315)
SHAREHOLDERS' FUNDS	17	1,114	5,963
ATTRIBUTABLE TO MINORITY INTERESTS		(34)	(37)
TOTAL CAPITAL EMPLOYED		1,080	5,926

The financial statements on pages 8 to 29 were approved by the board of directors and authorised for issue on and are signed on its behalf by

S Stefanou



8th September 2011

Doyle plc and subsidiary undertakings

COMPANY BALANCE SHEET

31 December 2010

	Notes	2010 £000's	2009 £000's
FIXED ASSETS			
Tangible assets	9	1,910	1,974
Investments	10	28,728	32,728
		<u>30,638</u>	<u>34,702</u>
CURRENT ASSETS			
Debtors	12	1,784	983
Cash at bank and in hand		4	81
		<u>1,788</u>	<u>1,064</u>
CREDITORS Amounts falling due within one year	13	(20,648)	(15,035)
NET CURRENT LIABILITIES		<u>(18,860)</u>	<u>(13,971)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,778	20,731
CREDITORS Amounts falling due after more than one year	14	(6,067)	(6,825)
NET ASSETS		<u>5,711</u>	<u>13,906</u>
CAPITAL AND RESERVES			
Called up share capital	15	14,000	14,000
Profit and loss account	16	(8,289)	(94)
SHAREHOLDERS' FUNDS	17	<u>5,711</u>	<u>13,906</u>

The financial statements on pages 8 to 29 were approved by the board of directors and authorised for issue on 8th Sept 2011 and are signed on its behalf by



S Stefanou

Doyle plc and subsidiary undertakings
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2010

	<i>Notes</i>	2010 £000's	2009 £000's
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	20a	(3,509)	2,390
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(582)	(857)
Net cash outflow from returns on investments and servicing of finance		(582)	(857)
TAXATION			
UK corporation tax repaid		5	119
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(991)	(1,064)
Sale of tangible fixed assets		335	364
Purchase of shares by employee benefit trust		(52)	(98)
Sale/purchase of investments		27	(21)
Net cash outflow for capital expenditure and financial investment		(681)	(819)
Net cash (outflow)/inflow before financing		(4,767)	833
FINANCING			
Repayment of loans	20b	(508)	(3,235)
Increase in other creditors		4,800	-
Net cash inflow/(outflow) from financing		4,292	(3,235)
DECREASE IN CASH IN THE YEAR	20b	(475)	(2,402)

Doyle plc and subsidiary undertakings

ACCOUNTING POLICIES

for the year ended 31 December 2010

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

GOING CONCERN

The Group's business activities are summarised in the "Business Review and Future Developments" on page 3. Clearly the current economic outlook presents significant challenges in terms of sales volume and margin.

The Group has an existing loan and overdraft facility in place with the bank. The group is at an advanced stage of negotiation with its principal banker to finalise the terms of an extended finance facility which the Group have been provided with subsequent to the year end. As part of this process, Mr S Stefanou, has introduced an additional £1.3m of new funds to the business. The anticipated repayment terms of the revised bank facilities are shown in note 14.

Forecasts have been prepared for the Group covering a period greater than 12 months from the date of approval of these financial statements which show that it will continue to operate within the additional facilities currently being obtained.

After considering the forecasts and the available financing the directors are of the opinion that the company will continue to meet its liabilities as they fall due and therefore consider it appropriate to draw up the accounts on a going concern basis.

CONSOLIDATION

The consolidated financial statements comprise those of the parent company and all of its subsidiaries for the year. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation.

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

Freehold buildings	2% on cost
Leasehold improvements	over the period of the lease on a straight line basis
Plant and machinery	25%-50% reducing balance basis
Fixtures, fittings and equipment	25% reducing balance basis
Motor vehicles	25% reducing balance basis

INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act 2006 does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and

Doyle plc and subsidiary undertakings

ACCOUNTING POLICIES

for the year ended 31 December 2010

changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

GOODWILL

Goodwill represents the excess of the purchase price compared with the fair value of assets acquired. It is capitalised and written off over 20 years as in the opinion of the directors, this represents the period over which the goodwill is effective. Provision is made for impairment where considered necessary.

IMPAIRMENT

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the Profit and Loss Account.

STOCK

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow-moving items.

WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value. Cost for this purpose comprises the cost to the company of acquiring land, construction and other development costs.

BASIS OF ACCOUNTING FOR PROFIT ON DEVELOPMENT

Profit is taken on the sale of residential and commercial units upon final completion of the sales contract. At this time the costs charged against the sales comprise the attributable proportion of expenditure on land acquisitions, construction and other development costs.

LONG TERM CONTRACTS

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract and measured by reference to the value of work done in comparison to total contract value. Credit is taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors, to the extent that payments on account exceed relevant turnover and long term contract balances, the excess is included as a creditor. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense as soon as it is foreseen.

INVESTMENTS

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

JOINT VENTURES

Undertakings in which the group has a long term interest and shares control under a contractual arrangement are defined as joint ventures. Joint ventures are accounted for using the gross equity method.

EMPLOYEE SHARE OPTION SCHEME

The value of the share options issued to employees of the group are assessed annually with adjustments taken to profit and loss.

Doyle plc and subsidiary undertakings

ACCOUNTING POLICIES

for the year ended 31 December 2010

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements. Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are provided to the extent that, in the opinion of the directors, there is a reasonable probability that the asset will be recoverable in the foreseeable future.

LEASED ASSETS AND OBLIGATIONS

Rentals under "operating lease" agreements are charged to profit and loss on a straight-line basis over the lease term.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs represents the contributions payable by the company during the year.

TURNOVER

Turnover represents the invoiced value of services rendered excluding VAT.

Turnover on long term contracts is recognised on a basis that is appropriate to the stage of completion, and when the outcome of the contract can be assessed with reasonable certainty.

ACCOUNTING FOR LESSORS INCOME

All assets leased out to customers are contracted on an operating lease basis and the respective income is recognised on a straight line basis.

EMPLOYEE BENEFIT TRUST

The company operates an employee benefit trust. The assets and liabilities of the Trust have been consolidated into these financial statements in accordance with UITF 32.

DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

The interest payable and receivable on the swaps is recognised within interest payable over the life of the swap or relevant interest period. The swaps are not otherwise recognised within the financial statements.

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1 SEGMENTAL REPORTING

Class of business	Net assets /(liabilities)	Net assets /(liabilities)	Group Turnover	Group Turnover	Profit /(Loss) before Taxation	Profit /(Loss) before Taxation
	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's
Construction	355	2,900	28,493	46,929	(3,219)	524
Building	(6,081)	(5,322)	1,318	12,390	(590)	(2,898)
Interior and fit-outs	4,258	4,058	45,856	60,996	361	521
Plant hire	2,175	1,925	3,119	2,434	305	301
Group						
Administration and Property Investment	373	2,365	91	201	(1,045)	(925)
	<u>1,080</u>	<u>5,926</u>	<u>78,877</u>	<u>122,950</u>	<u>(4,188)</u>	<u>(2,477)</u>
Less amortisation and impairment of goodwill arising on consolidation	-	-	-	-	(987)	(987)
	<u>1,080</u>	<u>5,926</u>	<u>78,877</u>	<u>122,950</u>	<u>(5,175)</u>	<u>(3,464)</u>

The group's activities are conducted wholly within the United Kingdom

Income from joint venture of £145,000 (2009 £266,000) is derived from Administration and Property Investment. Share of joint venture profit totalled £4,000 (2009 £14,000)

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

2	OTHER OPERATING EXPENSES (NET)	2010 £000's	2009 £000's
	Administrative expenses	9,870	10,277
	Other operating income	-	(250)
		<u>9,870</u>	<u>10,027</u>
3	INVESTMENT INCOME		
	Investment income	-	-
4	INTEREST PAYABLE		
	On bank loans and overdrafts	575	537
	Other interest	-	367
	Other interest written back (see note 26)	(211)	-
		<u>364</u>	<u>904</u>
5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		
	Loss on ordinary activities before taxation is stated after charging/(crediting)		
	Goodwill amortised	987	987
	Depreciation and amounts written off tangible fixed assets owned assets	1,456	1,557
	Loss on disposal of joint venture undertaking	40	-
	Loss/(profit) on disposal of fixed assets	139	(164)
	Operating lease rentals		
	plant and machinery	185	197
	land and buildings	569	577
	Auditors' remuneration and expenses		
	Statutory audit of parent and consolidated accounts	12	13
	Statutory audit of subsidiaries	74	74
	Other services relating to taxation compliance services	16	16
	Other services – statutory accounts	10	9

On 31 May 2010, Doyle plc disposed of its 100% shareholding in IPFI Financial Limited for consideration of £2. By virtue of this actual disposal, there was a deemed disposal of Pario Limited (Joint Venture) as IPFI Financial Limited held the 50% stake in this Joint Venture. At the date of disposal, IPFI Financial Limited had net assets attributable to the group of £20,000. The investment in the Associate, Pario Limited, had a carrying value of £20,000. A £40,000 loss on disposal has been recognised in the group profit and loss account for the year ended 31 December 2010.

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The discontinued operations of IPFI Financial Limited contributed to the group result as follows

	2010 £'000	2009 £'000
Turnover	81	162
Operating profit	22	77

6 EMPLOYEES

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

	2010 No	2009 No
Administration	67	79
Supervisory	83	102
Site Workers	125	177
Fitters	14	15
Drivers	13	12
Directors – all companies	10	10
	312	395

	2010 £000's	2009 £000's
Staff costs for the above persons		
Wages and salaries	13,567	17,930
Social security costs	1,375	1,869
Other pension costs	378	449
	15,320	20,248

DIRECTORS' REMUNERATION

In respect of the directors of Doyle plc

	£000's	£000's
Emoluments for qualifying services	608	665
Company pension contributions to money purchase schemes	43	58
	651	723

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

6 EMPLOYEES (CONTINUED)

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2009 4)

	£000's	£000's
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	167	142
Company pension contributions to money purchase schemes	17	11
	<u> </u>	<u> </u>

No directors exercised share options during the year

7 TAXATION

	2010 £000's	2009 £000's
Domestic current year tax		
U K corporation tax	-	-
Adjustment for prior years	24	-
Current tax charge	<u>24</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(415)	(393)
Effect of reduced tax rate on opening asset	-	-
Adjustment in respect of group relief for previous year	-	-
	<u>(391)</u>	<u>(393)</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(5,175)	(3,464)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2009 28%)	<u>(1,449)</u>	<u>(970)</u>
Effects of		
Non deductible expenses	88	77
Depreciation in excess of capital allowances	404	380
Tax losses carried forward	843	419
Consolidation adjustments	268	224
Other tax adjustments	(154)	(130)
Adjustment for prior years	24	-
	<u>1,473</u>	<u>970</u>
Current tax charge	<u>24</u>	<u>-</u>

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

8	INTANGIBLE FIXED ASSETS - GROUP	<i>Goodwill on Consolidation</i> £000's
	Cost	
	1 January 2010 and 31 December 2010	21,658
	Amortisation	
	1 January 2010	5,600
	Charged in the year	987
	31 December 2010	6,587
	Net book value	
	31 December 2010	15,071
	31 December 2009	16,058

Doyle plc and subsidiary undertakings NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

9 TANGIBLE FIXED ASSETS - GROUP

	Investment properties £000's	Freehold land and buildings £000's	Leasehold improvements £000's	Plant & machinery £000's	Fixtures, fittings & equipment £000's	Motor vehicles £000's	Total £000's
Cost							
1 January 2010	59	3,563	621	9,106	2,703	1,982	18,034
Additions	-	-	-	947	15	29	991
Disposals	-	(238)	-	(627)	(34)	(33)	(932)
31 December 2010	59	3,325	621	9,426	2,684	1,978	18,093
Depreciation							
1 January 2010	-	205	301	5,042	2,093	1,543	9,184
Charged in the year	-	20	108	1,080	137	111	1,456
Disposals	-	-	-	(428)	-	(30)	(458)
31 December 2010	-	225	409	5,694	2,230	1,624	10,182
Net book value							
31 December 2010	59	3,100	212	3,732	454	354	7,911
Net book value							
31 December 2009	59	3,358	320	4,064	610	439	8,850

In accordance with the requirements of Statement of Standard Accounting Practice Number 19 ("SSAP 19"), but contrary to the requirements of the Companies Act 2006, investment properties are not depreciated. Instead, they are revalued annually by the directors which they consider necessary in order to show a true and fair view.

Included within plant and machinery and motor vehicles above are assets which generate rental income for the company with a historical cost of £8,908,687 (2009 £8,593,289) and accumulated depreciation of £5,470,030 (2009 £4,891,555).

On the historic cost basis, freehold land and buildings would be £1,948,000 (2009 £1,948,000), and accumulated depreciation of £225,000 (2009 £205,000). The aggregate rentals receivable in relation to operating leases amounts to £3,119,227 (2009 £2,434,026).

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

9 TANGIBLE FIXED ASSETS - COMPANY

	<i>Freehold land and buildings £000's</i>	<i>Fixtures, fittings & equipment £000's</i>	<i>Total £000's</i>
Cost			
1 January 2010	1,948	638	2,586
Additions	-	10	10
31 December 2010	1,948	648	2,596
Depreciation			
1 January 2010	205	407	612
Charged in the year	20	54	74
31 December 2010	225	461	686
Net book value			
31 December 2010	1,723	187	1,910
Net book value			
31 December 2009	1,743	231	1,974

10 FIXED ASSET INVESTMENTS - GROUP

	<i>Listed Investments £000's</i>	<i>Unlisted Investments £000's</i>	<i>Total £000's</i>
Cost			
1 January 2010	28	68	96
Disposals	-	(28)	(28)
31 December 2010	28	40	68

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

10 FIXED ASSET INVESTMENTS - COMPANY

	<i>Listed Investments</i>	<i>Unlisted Investments</i>	<i>Shares in subsidiary undertakings</i>	<i>Total</i>
	£000's	£000's	£000's	£000's
Cost				
1 January 2010	28	40	33,748	33,816
31 December 2010	28	40	33,748	33,816
Provision				
1 January 2010	-	-	1,088	1,088
Provisions in the year	-	-	4,000	4,000
31 December 2010	-	-	5,088	5,088
Net book value				
31 December 2010	28	40	28,660	28,728
31 December 2009	28	40	32,660	32,728

The market value of the listed investments at 31 December 2010 was £16,645 (2009 £13,250) The directors consider this is a temporary fall in market value

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

<i>Company</i>	<i>Class of share</i>	<i>Proportion held</i>	<i>Business</i>
John Doyle Holdings Limited	Ordinary	100%	Holding company
Ibex Europe Limited	Ordinary	100%	Dormant
John Doyle Civil Engineering Limited	Ordinary	100%	Dormant
Smartbarge Limited	Ordinary	60%	Inland water transport
John Doyle Plant Limited	Ordinary	100%	Dormant

John Doyle Holdings Limited holds more than 20% of the share capital in the following companies

Bell Projects Limited	Ordinary	100%	Building Contractor and Developer
Blythwood Plant Hire Limited	Ordinary	100%	Plant hire
Ibex Interiors Limited	Ordinary	100%	Refurbishment & Fit-out
John Doyle Construction Limited	Ordinary	100%	Concrete Contractor
John Doyle Development Limited	Ordinary	100%	Dormant
John Doyle Basements Limited	Ordinary	100%	Building contractor

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

10 FIXED ASSET INVESTMENTS – COMPANY (CONTINUED)

All of the above companies are registered in England and Wales and all are included in these consolidated financial statements

Included within the consideration for the purchase of the ordinary share capital of John Doyle Holdings Limited is deferred consideration of £1,000,000 (2009 £1,800,000) This will be payable upon the sale of assets within one of the subsidiary companies acquired

11	STOCKS	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
	Raw materials and consumables	493	-	494	-
	Land and buildings in the course of development	1,331	-	2,215	-
		<u>1,824</u>	<u>-</u>	<u>2,709</u>	<u>-</u>
12	DEBTORS	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
	Due within one year				
	Amounts recoverable on long-term contracts	14,798	-	11,478	-
	Trade debtors	16,373	-	12,505	-
	Corporation tax	30	30	57	40
	Amounts owed by subsidiary undertakings	-	856	-	294
	Other debtors	484	406	725	28
	Prepayments	618	439	818	568
		<u>32,303</u>	<u>1,731</u>	<u>25,583</u>	<u>930</u>
	Deferred taxation (see below)	<u>2,120</u>	<u>53</u>	<u>1,705</u>	<u>53</u>
		<u>34,423</u>	<u>1,784</u>	<u>27,288</u>	<u>983</u>

Amounts falling due after more than one year and included in the debtors above are

	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Trade Debtors	<u>924</u>	<u>-</u>	<u>1,531</u>	<u>-</u>

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

12 DEBTORS (continued)

	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Deferred taxation				
1 January 2010	1,705	53	1,312	39
Transfer from profit and loss account	415	-	393	14
	<u>2,120</u>	<u>53</u>	<u>1,705</u>	<u>53</u>
31 December 2010	2,120	53	1,705	53

Deferred taxation provided in the financial statements is as follows

	Amount provided	
	2010 £000's	2009 £000's
Excess of depreciation over tax allowances	1,550	1,242
Short term timing differences	20	23
Unrelieved trading losses	550	440
Deferred tax asset	<u>2,120</u>	<u>1,705</u>

The losses in the year have arisen as a result of difficult trading conditions which are not expected to recur. A deferred tax asset has been recognised on the basis of an expected improvement in trading conditions, to the extent that losses are expected to be recovered in the foreseeable future.

There are additional tax losses of £2,784,772. The deferred tax asset of £751,888 has not been recognised in respect of these losses.

13 CREDITORS Amounts falling due within one year	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Bank loan	2,248	1,050	1,998	800
Bank overdrafts	8,891	567	8,033	1,334
Trade creditors	26,787	173	24,186	337
Other taxation and social security costs	1,195	32	1,250	41
Other creditors	7,807	7,419	2,241	1,833
Accruals and deferred income	5,555	521	3,973	713
Amounts owed to subsidiary undertakings	-	10,886	-	9,977
	<u>52,483</u>	<u>20,648</u>	<u>41,681</u>	<u>15,035</u>

The bank loans and overdrafts are secured by a fixed charge on the freehold land and buildings and a floating charge over all current assets of the group.

Other creditors of £4,800,000 are secured by way of a debenture with a fixed and floating charge over the assets of the company.

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

14 CREDITORS Amounts falling due in more than one year

	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Trade creditors	275	-	814	-
Bank loan	6,067	6,067	6,825	6,825
	<u>6,342</u>	<u>6,067</u>	<u>7,639</u>	<u>6,825</u>
	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Bank loan				
Analysis of debt maturity				
Amounts payable				
In one year or less	2,248	1,050	1,998	800
In more than one year but not more than two years	4,666	4,666	4,800	4,800
In more than two years but not more than five years	1,401	1,401	2,025	2,025
	<u>8,315</u>	<u>7,117</u>	<u>8,823</u>	<u>7,625</u>

At the balance sheet date, a majority of the existing bank loans were due to be repaid in 2012

As noted in the going concern note on page 12, we are at an advanced stage of negotiation with our bankers in respect of formalising the terms of the extended financing facilities

Under the revised facilities, it is anticipated that £1 5m will be repayable in instalments, by 2014 It is also intended that £3 17m of this debt will be refinanced in 2012

The bank loans bear interest at rates ranging from base rate plus 1 75% to LIBOR plus 2%

The bank loans are secured (see note 13)

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

15	SHARE CAPITAL	2010 £'000's	2009 £'000's
	Allotted, issued and fully paid		
	10,000,000 ordinary shares of 10p each	1,000	1,000
	10,000,000 "A" preference shares of £1 each	10,000	10,000
	3,000,000 "B" preference shares of £1 each	3,000	3,000
		<u>14,000</u>	<u>14,000</u>

In 2006, 495,000 share options with a nominal value of £49,500 were issued by the company to employees as part of an employee share incentive scheme. In 2007, a further 5,000 options with a nominal value of £500 were issued. These options can be exercised only if (i) the company is sold, (ii) the business is listed, or (iii) the scheme administrator otherwise permits it. At present management believe the likelihood of any of these events occurring is remote.

The "A" and "B" preference shares have no right to redemption or dividend. Redemption or dividend payment are subject to the Board's approval.

16 STATEMENT OF MOVEMENT ON RESERVES

	<i>Group profit & loss £000's</i>	<i>Company profit & loss £000's</i>
1 January 2010	(7,722)	(94)
Retained loss for the year	(4,787)	(8,195)
	<u> </u>	<u> </u>
31 December 2010	(12,509)	(8,289)

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group 2010 £000's	Company 2010 £000's	Group 2009 £000's	Company 2009 £000's
Loss for the financial year	(4,787)	(8,195)	(3,050)	(1,078)
Net reduction in shareholders' funds	<u>(4,787)</u>	<u>(8,195)</u>	<u>(3,050)</u>	<u>(1,078)</u>
Opening shareholders' funds	6,278	13,906	9,328	14,984
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds	1,491	5,711	6,278	13,906
Less Purchase of own shares through Employee Benefit Trust	(377)	-	(315)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,114</u>	<u>5,711</u>	<u>5,963</u>	<u>13,906</u>

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

18 OWN SHARES

On 12 May 2006, 3,000,000 ordinary shares of £0.10 each were allotted to the John Doyle Employee Benefit Trust Company Limited a subsidiary of Doyle plc. The amount of consideration for own shares was £300,000. During the year ended 31 December 2010 none (2009: none) of the shares were sold to employees of the group. During the year ended 31 December 2010 620,000 shares (2009: 50,000) were repurchased from employees of the group at their nominal value. In addition, a contribution of £62,000 (2009: £210,000) was made to the Trust during the year.

Shares held by John Doyle Employee Benefit Trust Limited

	2010 £'000's	2009 £'000's
1 January	315	310
Additions	62	5
Disposals	-	-
	<hr/>	<hr/>
31 December	377	315
	<hr/>	<hr/>

19 DERIVATIVES NOT INCLUDED AT FAIR VALUE

At the balance sheet date, the group had losses on interest rate swaps with its principal banker that were not included in the accounts at fair value. The fair values of the swaps as at the year end was £121,094 (2009: £391,319).

20 CASH FLOWS

a Reconciliation of operating loss to net cash inflow from operating activities

	2010 £000's	2009 £000's
Operating loss	(4,811)	(2,574)
Depreciation	1,456	1,557
Amortisation of goodwill	987	987
Loss on disposal of joint venture undertaking	40	-
Profit on sale of fixed assets	139	(164)
Decrease in stock	885	553
(Increase)/decrease in debtors	(6,872)	20,232
Increase/(decrease) in creditors	4,667	(18,201)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(3,509)	2,390
	<hr/>	<hr/>

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

20	CASH FLOWS	2010 £'000's	2009 £'000's
b	Reconciliation of net cashflow to movement in net debt		
	Decrease in cash in the year	(475)	(2,402)
	Repayment of loans	508	3,235
	Increase in other creditors	(4,800)	-
		<hr/>	<hr/>
	Change in net debt resulting from cashflows	(4,767)	833
	Net debt at 1 January 2010	(16,631)	(17,464)
		<hr/>	<hr/>
	Net debt at 31 December 2010	(21,398)	(16,631)
		<hr/>	<hr/>

c	Analysis of net debt	1 January 2010	Cashflow	Other non cash changes	31 December 2010
	Cash in hand and at bank	225	383	-	608
	Overdrafts	(8,033)	(858)	-	(8,891)
		<hr/>	<hr/>	<hr/>	<hr/>
		(7,808)	(475)	-	(8,283)
	Other creditors	-	(4,800)	-	(4,800)
	Bank loans – due in less than one year	(1,998)	-	(250)	(2,248)
	Bank loans – due in more than one year	(6,825)	508	250	(6,067)
		<hr/>	<hr/>	<hr/>	<hr/>
	Net debt	(16,631)	(4,767)	-	(21,398)
		<hr/>	<hr/>	<hr/>	<hr/>

21 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	2010		2009	
	Land and Buildings £000's	Other £000's	Other £000's	Land and Buildings £000's
Expiring in less than 1 year	8	45	8	46
Expiring between 2 and 5 years	427	94	445	95
Expiring after more than 5 years	19	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	454	139	453	141
	<hr/>	<hr/>	<hr/>	<hr/>

Doyle plc and subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

22 RETIREMENT BENEFITS

The group operates a defined contribution pension scheme whose assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £378,251 (2009 £448,683). Outstanding contributions included in creditors at the year end totalled £83,403 (2009 £96,152).

23 CONTROL

There is no ultimate controlling party of the company.

24 CONTINGENT LIABILITIES

The group is subject to the normal post-sales contingencies attaching to property developers.

The company has a cross guarantee arrangement with its principal bankers. At the balance sheet date a contingent liability of £9,618,437 (2009 £6,567,511) existed under this arrangement. There is a contingent liability under the group VAT registration of £641,143 (2009 £485,497).

25 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s408(3), Companies Act 2006, the company has not presented its own profit and loss account. Doyle plc made an unconsolidated loss for the year of £8,195,849 (2009 £1,077,308 loss).

26 RELATED PARTY TRANSACTIONS

During the year, Stef Stefanou, a director of the company, made short-term bridging loans of £4.73m to Doyle plc (2009 £Nil), of which the company has subsequently repaid £3.25m. An amount of £1.48m was due to the director as at 31 December 2010 (2009 £Nil).

During the year, Ibex Interiors Limited engaged in an interior fit out contract with Stelio Stefanou, the brother of Stef Stefanou (director and shareholder of Doyle plc). During the year, £482,678 of turnover has been recognised in relation to this contract (2009 £Nil). During the year, Ibex received payments totalling £3.6m in relation to this contract, of which £3.1m is included within creditors as at 31 December 2010 (2009 £Nil).

On 31 May 2010, Doyle plc repurchased 600,000 10p shares at their nominal value of £60,000 from Mr Richard Clancy, who also resigned as a director of Doyle plc on the same day. On 31 May 2010, Doyle plc completed the sale of IPFI Limited to Mr Richard Clancy for consideration of £2.

The group have taken advantage of the exemption conferred by Financial Reporting Standard ("FRS") 8 not to disclose details of transactions between wholly owned subsidiaries of the group.

Deferred consideration of £800,000 (2009 £Nil) was paid to S Stefanou, leaving a balance of £1,000,000 (2009 £1,800,000) outstanding at the year end. In addition £Nil (2009 £161,250) was paid to S Stefanou in respect of other interest payable.

Interest due to S Stefanou of £211,000 (2009 £Nil) was formally waived in the year.

The group had the following transactions in respect of administration services with Pario Limited, the joint venture investment of the group's subsidiary company, iPfi Financial Limited: sales of £81,075 (2009 £162,012). The trading balance due from Pario Limited at the year end was £Nil (2009 £58,860).