

Doyle plc  
CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended  
31 December 2009



Company Registration No 5786284

# Doyle plc and subsidiary undertakings

## COMPANY INFORMATION

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### DIRECTORS

S G Harvey  
S Stefanou (Chairman)  
M Taylor  
P Nurton

### SECRETARY

S G Harvey

### COMPANY NUMBER

05786284 (England and Wales)

### REGISTERED OFFICE

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

### AUDITORS

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

# Doyle plc and subsidiary undertakings

## CHAIRMAN'S REVIEW

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### CHAIRMAN'S REVIEW

The construction sector had, in general, a very tough year during 2009 and despite this if we exclude Bell Projects Ltd , our non-core business, we had a satisfactory year with £1 102m profit

Looking ahead to 2010, despite a slow first quarter we are now pleased with our order book which stands at £100m and, therefore, are looking forward to better results

As always we must thank our clients, supply chain partners and, of course, our dedicated staff and workforce for their continued support

S Stefanou

# Doyle plc and subsidiary undertakings

## DIRECTORS' REPORT

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The directors submit their report and the group financial statements of Doyle plc for the year ended 31 December 2009

### 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

In unprecedented economic circumstances we are disappointed to report a post tax loss in 2009 of £3.1m. The group loss at the operating level but before goodwill amortisation was £1.59m of which £2.69m was attributable to Bell Projects Limited. Without the loss in Bell Projects Limited, the loss of £1.59m referred to above would have been a profit of £1.1m

	£
John Doyle Construction	0.33m
Blythewood Plant Hire	0.39m
Ibex Interiors	0.49m
Other	(0.11)m
	<hr/>
	£1.1m

The start of 2010 has been particularly encouraging with several major contract awards contributing to both 2010 and 2011

We have successfully negotiated a new facility with our principal bankers and have met all loan and interest payments as they have fallen due under this new facility

### 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 2009/10 challenging years 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 taken decisive action with Bell Projects Limited and have moved on.

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 HBOS. 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)

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### 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 paid interim preference dividends of £Nil (2008 £660,000). In 2008, the 2007 final preference dividend of £600,000 was paid. No final preference dividend is proposed for the year ended 31 December 2009.

### DIRECTORS

The following directors have held office since 1 January 2009 -

S G Harvey

S Stefanou

M Taylor

R Clancy (resigned 31 May 2010)

P Nurton

### CHARITABLE DONATIONS

During the year the group made charitable contributions totalling £13,371 (2008 £91,403).

### 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.

### 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 2009 were 53 days (2008 43 days)

# Doyle plc and subsidiary undertakings

## DIRECTORS' REPORT (continued)

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### 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.

### AUDITORS

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors 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 auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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



S Stefanou  
Director

19 July 2010

# 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 30. 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 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

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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### 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 2009 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.

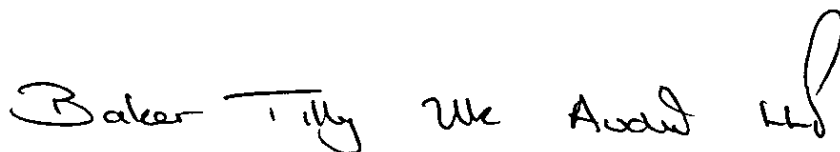
### Opinion on other matters prescribed by the Companies Act 2006

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  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

Date 23 July 2010



# Doyle plc and subsidiary undertakings

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

Company Registration No 5786284

	Notes	2009 £000's	2008 £000's
TURNOVER Group and share of joint ventures		123,216	183,295
Less share of joint venture turnover		(266)	(139)
GROUP TURNOVER	1	<u>122,950</u>	<u>183,156</u>
Cost of sales		(115,497)	(171,231)
Gross profit		<u>7,453</u>	<u>11,925</u>
Other operating expenses (net)	2	(10,027)	(14,908)
OPERATING LOSS		<u>(2,574)</u>	<u>(2,983)</u>
Share of operating profit of joint venture		14	6
TOTAL OPERATING LOSS		<u>(2,560)</u>	<u>(2,977)</u>
Loss on termination of operation	5	-	(1,948)
LOSS ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME		<u>(2,560)</u>	<u>(4,925)</u>
Investment income	3	441	930
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(2,119)</u>	<u>(3,995)</u>
Interest payable	4	(1,345)	(1,885)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(3,464)</u>	<u>(5,880)</u>
Taxation	7	393	582
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(3,071)</u>	<u>(5,298)</u>
Attributable to minority interests		21	16
LOSS FOR THE FINANCIAL YEAR	17	<u><u>(3,050)</u></u>	<u><u>(5,282)</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

*The notes on pages 15 to 30 form part of these financial statements.*

# Doyle plc and subsidiary undertakings

## CONSOLIDATED BALANCE SHEET

31 December 2009

	Notes	2009	2008
		£000's	£000's
<b>FIXED ASSETS</b>			
Intangible assets	9	16,058	17,045
Tangible assets	10	8,850	9,544
Investments	11	96	68
Investments in joint ventures			
Share of gross assets		105	40
Share of gross liabilities		(85)	(34)
		<u>20</u>	<u>6</u>
		<u>25,024</u>	<u>26,663</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,709	3,263
Debtors	13	25,583	45,862
Deferred tax asset	13	1,705	1,312
Cash at bank and in hand		225	13,773
		<u>30,222</u>	<u>64,210</u>
<b>CREDITORS Amounts falling due within one year</b>	14	(41,681)	(72,783)
<b>NET CURRENT LIABILITIES</b>		<u>(11,459)</u>	<u>(8,573)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,565</u>	<u>18,090</u>
<b>CREDITORS Amounts falling due after more than one year</b>	15	(7,639)	(9,088)
		<u>5,926</u>	<u>9,002</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	14,000	14,000
Profit and loss account	17	(7,722)	(4,672)
Own shares	19	(315)	(310)
<b>SHAREHOLDERS' FUNDS</b>	18	<u>5,963</u>	<u>9,018</u>
<b>ATTRIBUTABLE TO MINORITY INTERESTS</b>		<u>(37)</u>	<u>(16)</u>
<b>TOTAL CAPITAL EMPLOYED</b>		<u>5,926</u>	<u>9,002</u>

The financial statements on pages 8 to 30 were approved by the board of directors and authorised for issue on 19 July 2010 and are signed on its behalf by

S Stefanou

*The notes on pages 15 to 30 form part of these financial statements.*

Doyle plc and subsidiary undertakings  
COMPANY BALANCE SHEET  
31 December 2009

	Notes	2009 £000's	2008 £000's
FIXED ASSETS			
Tangible assets	10	1,974	2,058
Investments	11	32,728	32,727
		<u>34,702</u>	<u>34,785</u>
CURRENT ASSETS			
Stocks	12	-	6
Debtors	13	983	5,811
Cash at bank and in hand		81	-
		<u>1,064</u>	<u>5,817</u>
CREDITORS Amounts falling due within one year	14	(15,035)	(17,238)
NET CURRENT LIABILITIES		<u>(13,971)</u>	<u>(11,421)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,731	23,364
CREDITORS Amounts falling due after more than one year	15	(6,825)	(8,380)
		<u>13,906</u>	<u>14,984</u>
CAPITAL AND RESERVES			
Called up share capital	16	14,000	14,000
Profit and loss account	17	(94)	984
SHAREHOLDERS' FUNDS	18	<u>13,906</u>	<u>14,984</u>

The financial statements on pages 8 to 30 were approved by the board of directors and authorised for issue on 19 July 2010 and are signed on its behalf by



S Stefanou

*The notes on pages 15 to 30 form part of these financial statements.*

**Doyle plc and subsidiary undertakings**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2009

	<i>Notes</i>	2009 £000's	2008 £000's
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21a	2,390	(1,097)
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		358	930
Interest paid		(1,215)	(1,760)
Net cash outflow from returns on investments and servicing of finance		(857)	(830)
TAXATION			
UK corporation tax repaid		119	74
EQUITY DIVIDENDS PAID		-	(1,260)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(1,064)	(2,790)
Sale of tangible fixed assets		364	506
Purchase of shares by employee benefit trust		(98)	(122)
Sale of shares by employee benefit trust		-	46
Purchase of investments		(21)	-
Net cash outflow for capital expenditure and financial investment		(819)	(2,360)
ACQUISITIONS AND DISPOSALS			
Payment of deferred consideration		-	(700)
Net cash outflow for acquisitions and disposals		-	(700)
Net cash flow before financing		833	(6,173)
FINANCING	21b		
Repayment of loans		(3,235)	(2,072)
New bank loans advanced		-	3,510
Net cash (outflow)/inflow from financing		(3,235)	1,438
DECREASE IN CASH IN THE YEAR	21b	(2,402)	(4,735)

*The notes on pages 15 to 30 form part of these financial statements.*

# Doyle plc and subsidiary undertakings

## ACCOUNTING POLICIES

for the year ended 31 December 2009

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### 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. As mentioned in the review on page 3 the directors have successfully negotiated a new facility with the group's principal bankers.

The Group has a loan and overdraft facility in place with the bank. 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 can continue to operate within the facilities currently available.

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 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.

### 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 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.

# Doyle plc and subsidiary undertakings

## ACCOUNTING POLICIES

for the year ended 31 December 2009

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### 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.

### 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

# Doyle plc and subsidiary undertakings

## ACCOUNTING POLICIES

for the year ended 31 December 2009

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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.

### FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Profit and Loss Account.

### 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.

For an interest swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the period of the contracts.

# Doyle plc and subsidiary undertakings

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 1 SEGMENTAL REPORTING

	Net assets /(liabilities)	Net assets /(liabilities)	Group Turnover	Group Turnover	Profit /(Loss) before Taxation 2009 £000's	Profit /(Loss) before Taxation 2008 £000's
	2009 £000's	2008 £000's	2009 £000's	2008 £000's		
Class of business						
Construction	3,125	2,575	46,929	65,057	524	1,703
Building	(5,593)	(3,001)	12,390	20,090	(2,898)	(4,809)
Interior and fit-outs	4,261	3,719	60,996	95,107	521	1,484
Plant hire	2,287	1,716	2,434	2,742	301	462
Group						
Administration and Property Investment	1,846	3,993	201	160	(925)	(1,687)
	<u>5,926</u>	<u>9,002</u>	<u>122,950</u>	<u>183,156</u>	<u>(2,477)</u>	<u>(2,847)</u>
Less amortisation and impairment of goodwill arising on consolidation	-	-	-	-	(987)	(3,033)
	<u>5,926</u>	<u>9,002</u>	<u>122,950</u>	<u>183,156</u>	<u>(3,464)</u>	<u>(5,880)</u>

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

Income from joint venture of £266,000 (2008 £139,000) is derived from Administration and Property Investment



**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

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<b>2</b>	<b>OTHER OPERATING EXPENSES (NET)</b>	<b>2009</b>	<b>2008</b>
		<b>£000's</b>	<b>£000's</b>
	Administrative expenses	10,277	14,937
	Other operating income	(250)	(29)
		<hr/>	<hr/>
		10,027	14,908
		<hr/>	<hr/>
<b>3</b>	<b>INVESTMENT INCOME</b>		
	Investment income	441	930
		<hr/>	<hr/>
<b>4</b>	<b>INTEREST PAYABLE</b>		
	On bank loans and overdrafts	1,339	1,706
	Other interest	6	179
		<hr/>	<hr/>
		1,345	1,885
		<hr/>	<hr/>
<b>5</b>	<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
	Loss on ordinary activities before taxation is stated after charging/(crediting)		
	Goodwill amortised	987	1,085
	Exceptional loss on termination of Bell Projects Limited operation	-	1,948
	Depreciation and amounts written off tangible fixed assets		
	charge for the year		
	owned assets	1,557	1,703
	Profit on disposal of fixed assets	(164)	(237)
	Operating lease rentals		
	plant and machinery	197	248
	land and buildings	577	531
	Auditors' remuneration and expenses		
	Statutory audit of parent and consolidated accounts	13	13
	Statutory audit of subsidiaries	74	80
	Other services relating to taxation compliance services	16	16
	Other services – statutory accounts	9	9
		<hr/>	<hr/>

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

**6 EMPLOYEES**

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

	2009 No	2008 No
Administration	79	104
Supervisory	102	161
Site Workers	177	235
Fitters	15	12
Drivers	12	12
Directors – all companies	10	12
	<u>395</u>	<u>536</u>

	2009 £000's	2008 £000's
Staff costs for the above persons		
Wages and salaries	17,930	27,120
Social security costs	1,869	2,910
Other pension costs	449	537
	<u>20,248</u>	<u>30,567</u>

DIRECTORS' REMUNERATION	£000's	£000's
In respect of the directors of Doyle plc		
Emoluments for qualifying services	665	720
Company pension contributions to money purchase schemes	58	78
Compensation for loss of office	-	30
	<u>723</u>	<u>828</u>

The number of directors for whom retirement benefits are accruing  
under money purchase pension schemes amounted to 4 (2008 4)

	£000's	£000's
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	153	245
Company pension contributions to money purchase schemes	-	47
	<u>153</u>	<u>245</u>

No directors exercised share options during the year

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

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7	TAXATION	2009 £000's	2008 £000's
	Domestic current year tax		
	U K corporation tax	-	-
	Adjustment for prior years	-	9
		<hr/>	<hr/>
	Current tax charge	-	9
	Deferred tax		
	Deferred tax credit current year	(393)	(610)
	Effect of reduced tax rate on opening asset	-	44
	Adjustment in respect of group relief for previous year	-	(25)
		<hr/>	<hr/>
		(393)	(582)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(3,464)	(5,880)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 28.5%)	(970)	(1,676)
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	77	127
	Depreciation in excess of capital allowances	380	387
	Tax losses utilised	-	26
	Tax losses carried forward	419	353
	Consolidation adjustments	224	864
	Other tax adjustments	(130)	(81)
	Adjustment for prior years	-	9
		<hr/>	<hr/>
		970	1,685
		<hr/>	<hr/>
	Current tax charge	-	9
		<hr/>	<hr/>

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

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8	DIVIDENDS	2009 £000's	2008 £000's
	Preference dividends payable	-	660
		-	660
9	INTANGIBLE FIXED ASSETS - GROUP	<i>Goodwill on Consolidation</i> £000's	
	Cost 1 January 2009 and 31 December 2009	21,658	
	Amortisation 1 January 2009 Charged in the year	4,613	
		987	
	31 December 2009	5,600	
	Net book value 31 December 2009	16,058	
	31 December 2008	17,045	

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

**10 TANGIBLE FIXED ASSETS - GROUP**

	<i>Investment properties</i> £000's	<i>Freehold land and buildings</i> £000's	<i>Leasehold improvements</i> £000's	<i>Plant &amp; machinery</i> £000's	<i>Fixtures, fittings &amp; equipment</i> £000's	<i>Motor vehicles</i> £000's	<i>Total</i> £000's
<b>Cost</b>							
1 January 2009	59	3,563	598	9,076	2,637	1,998	17,931
Additions	-	-	23	860	71	110	1,064
Disposals	-	-	-	(830)	(5)	(126)	(961)
31 December 2009	59	3,563	621	9,106	2,703	1,982	18,034
<b>Depreciation</b>							
1 January 2009	-	185	210	4,533	1,936	1,523	8,387
Charged in the year	-	20	91	1,147	161	138	1,557
Disposals	-	-	-	(638)	(4)	(118)	(760)
31 December 2009	-	205	301	5,042	2,093	1,543	9,184
<b>Net book value</b>							
31 December 2009	59	3,358	320	4,064	610	439	8,850
<b>Net book value</b>							
31 December 2008	59	3,378	388	4,543	701	475	9,544

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 above are assets which generate rental income for the company with a historical cost of £8,593,289 (2008 £9,029,375) and accumulated depreciation of £4,891,555 (2008 £4,466,179).

On the historic cost basis, freehold land and buildings would be £1,948,000 (2008 £1,948,000), and accumulated depreciation of £205,000 (2008 £185,000). The aggregate rentals receivable in relation to operating leases amounts to £3,255,225 (2008 £4,456,407).

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

**10 TANGIBLE FIXED ASSETS - COMPANY**

	<i>Freehold land and buildings £000's</i>	<i>Fixtures, fittings &amp; equipment £000's</i>	<i>Total £000's</i>
Cost			
1 January 2009	1,948	634	2,582
Additions	-	4	4
31 December 2009	1,948	638	2,586
Depreciation			
1 January 2009	185	339	524
Charged in the year	20	68	88
31 December 2009	205	407	612
Net book value			
31 December 2009	1,743	231	1,974
Net book value			
31 December 2008	1,763	295	2,058

**11 FIXED ASSET INVESTMENTS - GROUP**

	<i>Listed Investments £000's</i>	<i>Unlisted Investments £000's</i>	<i>Total £000's</i>
Cost			
1 January 2009	28	40	68
Additions in the year	-	28	28
31 December 2009	28	68	96

# Doyle plc and subsidiary undertakings

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### for the year ended 31 December 2009

#### 11 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
<b>Cost</b>				
1 January 2009	28	40	33,747	33,815
Additions	-	-	1	1
31 December 2009	28	40	33,748	33,816
<b>Provision</b>				
1 January 2009	-	-	1,088	1,088
Provision in the year	-	-	-	-
31 December 2009	-	-	1,088	1,088
<b>Net book value</b>				
31 December 2009	28	40	32,660	32,728
31 December 2008	28	40	32,659	32,727

The market value of the listed investments at 31 December 2009 was £13,250 (2008 : £21,184) 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
iPfi Financial Limited	Ordinary	100%	Administrative services

# Doyle plc and subsidiary undertakings

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### for the year ended 31 December 2009

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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 £1,800,000 (2008 £1,800,000) This will be payable upon the sale of assets within one of the subsidiary companies acquired

iPfi Financial Limited owns 50% of the ordinary share capital of a joint venture company, Pario Limited, which is registered in England and Wales Appleyards Limited own the other 50% of the ordinary share capital

Pario Limited provides administrative services and its principal place of business is Appleyards House, 72 Brighton Road, Horsham, West Sussex, RH13 5BU Pario Limited is managed by a board of 4 directors, 2 from each company, with neither party having overall control

The profit after tax of Pario Limited for the year ended 31 December 2009 was £33,407 (2008 £5,966), and its capital and reserves on that date were £39,473 (2008 £6,066)

12	STOCKS	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
	Development land	-	-	6	6
	Raw materials and consumables	494	-	398	-
	Land and buildings in the course of development	2,215	-	2,859	-
		<hr/>	<hr/>	<hr/>	<hr/>
		2,709	-	3,263	6
		<hr/>	<hr/>	<hr/>	<hr/>



**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

13	DEBTORS	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
	Due within one year				
	Amounts recoverable on long-term contracts	11,478	-	19,387	-
	Trade debtors	12,505	-	23,657	-
	Corporation tax	57	40	175	35
	Amounts owed by subsidiary undertakings	-	294	-	4,207
	Other debtors	725	28	1,262	730
	Prepayments	818	568	1,381	800
		<u>25,583</u>	<u>930</u>	<u>45,862</u>	<u>5,772</u>
	Deferred taxation (see below)	<u>1,705</u>	<u>53</u>	<u>1,312</u>	<u>39</u>
		<u>27,288</u>	<u>983</u>	<u>47,174</u>	<u>5,811</u>

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

	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
Trade Debtors	<u>1,531</u>	<u>-</u>	<u>1,741</u>	<u>-</u>

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

**13 DEBTORS (continued)**

	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
Deferred taxation				
1 January 2009	1,312	39	721	39
Transfer from profit and loss account	393	14	591	-
	<u>1,705</u>	<u>53</u>	<u>1,312</u>	<u>39</u>

Deferred taxation provided in the financial statements is as follows

	Amount provided	
	2009 £000's	2008 £000's
Excess of depreciation over tax allowances	1,242	877
Short term timing differences	23	82
Unrelieved trading losses	440	353
Deferred tax asset	<u>1,705</u>	<u>1,312</u>

The losses in the year have arisen as a result of difficult trading conditions which are not expected to reoccur. A deferred tax asset has been recognised on the basis of an expected improvement in trading conditions.

**14 CREDITORS** Amounts falling due within one year

	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
Bank loan	1,998	800	3,678	1,750
Bank overdrafts	8,033	2,134	19,179	12,451
Trade creditors	24,186	337	41,432	291
Other taxation and social security costs	1,250	41	1,635	55
Other creditors	2,241	1,833	2,234	1,843
Accruals and deferred income	3,973	713	4,626	826
Amounts owed to subsidiary undertakings	-	9,977	-	22
	<u>41,681</u>	<u>15,035</u>	<u>72,783</u>	<u>17,238</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 and future assets of the group.

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 December 2009

**15 CREDITORS** Amounts falling due in more than one year

	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
Trade creditors	814	-	708	-
Bank loan	6,825	6,825	8,380	8,380
	<u>7,639</u>	<u>6,825</u>	<u>9,088</u>	<u>8,380</u>
	<u><u>7,639</u></u>	<u><u>6,825</u></u>	<u><u>9,088</u></u>	<u><u>8,380</u></u>
	Group 2009 £000's	Company 2009 £000's	Group 2008 £000's	Company 2008 £000's
Bank loan				
Analysis of debt maturity				
Amounts payable				
In one year or less	1,998	800	3,678	1,750
In more than one year but not less than two years	4,800	4,800	2,250	2,250
In more than two years but not more than five years	2,025	2,025	6,130	6,130
In five years or more	-	-	-	-
	<u>8,823</u>	<u>7,625</u>	<u>12,058</u>	<u>10,130</u>
	<u><u>8,823</u></u>	<u><u>7,625</u></u>	<u><u>12,058</u></u>	<u><u>10,130</u></u>

The bank loans are repayable by equal quarterly instalments before 2012 and bear interest at rates ranging from base rate plus 1.75% to LIBOR plus 2%

The bank loans are secured (see note 14)

<b>16 SHARE CAPITAL</b>	<b>2009 £000's</b>	<b>2008 £000's</b>
Authorised		
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>
	<u><u>14,000</u></u>	<u><u>14,000</u></u>
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>
	<u><u>14,000</u></u>	<u><u>14,000</u></u>

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 December 2009

**16 SHARE CAPITAL (continued)**

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

On 31 December 2009, the Company granted no (2008: 12,000) share options of 10p each to employees as part of an employee share incentive scheme. These share options can be exercised only if either (i) the business is sold, (ii) the business is listed, or (iii) the business is placed into liquidation. At present management believe that the likelihood of any of these events occurring is remote.

**17 STATEMENT OF MOVEMENTS ON RESERVES**

	<i>Group profit &amp; loss £000's</i>	<i>Company profit &amp; loss £000's</i>
1 January 2009	(4,672)	984
Retained loss for the year	(3,050)	(1,078)
	<hr/>	<hr/>
31 December 2009	(7,722)	(94)
	<hr/>	<hr/>

**18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<i>Group 2009 £000's</i>	<i>Company 2009 £000's</i>	<i>Group 2008 £000's</i>	<i>Company 2008 £000's</i>
(Loss)/profit for the financial year	(3,050)	(1,078)	(5,282)	349
Dividends	-	-	(660)	(660)
	<hr/>	<hr/>	<hr/>	<hr/>
Net reduction in shareholders' funds	(3,050)	(1,078)	(5,942)	(311)
Opening shareholders' funds	9,328	14,984	15,270	15,295
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	6,278	13,906	9,328	14,984
Less: Employee benefit trust	(315)	-	(310)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,963	13,906	9,018	14,984
	<hr/>	<hr/>	<hr/>	<hr/>

# Doyle plc and subsidiary undertakings

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### for the year ended 31 December 2009

#### 19 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 2009 none (2008: 120,000) of the shares were sold to employees of the group. During the year ended 31 December 2009 50,000 shares (2008: 2,075,000) were repurchased from employees of the group. In addition, a contribution of £210,000 (2008: £ Nil) was made to the Trust during the year.

Shares held by John Doyle Employee Benefit Trust Limited

	2009 £'000	2008 £'000
1 January 2009	310	115
Additions	5	207
Disposals	-	(12)
	<u>315</u>	<u>310</u>
31 December 2009	<u>315</u>	<u>310</u>

#### 20 DERIVATIVES NOT INCLUDED IN 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 £391,319 (2008: £340,797).

#### 21 CASH FLOWS

	2009 £000's	2008 £000's
a Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		
Operating loss	(2,574)	(4,925)
Depreciation	1,557	1,703
Amortisation of goodwill	987	1,085
Exceptional impairment of goodwill	-	1,948
Profit on sale of fixed assets	(164)	(237)
Decrease in stock	553	938
Decrease/(increase) in debtors	20,232	(9,491)
(Decrease)/increase in creditors	(18,201)	7,882
	<u>2,390</u>	<u>(1,097)</u>
Net cash inflow/(outflow) from operating activities	<u>2,390</u>	<u>(1,097)</u>

**Doyle plc and subsidiary undertakings**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2009**

**21 CASH FLOWS**

**b Reconciliation of net cashflow to movement in net debt**

Decrease in cash in the year	(2,402)	(4,735)
Increase in bank loans	-	(3,510)
Repayment of loans	3,235	2,072
	<hr/>	<hr/>
Change in net debt resulting from cashflows	833	(6,173)
Net debt at 1 January 2009	(17,464)	(11,291)
	<hr/>	<hr/>
Net debt at 31 December 2009	(16,631)	(17,464)
	<hr/>	<hr/>

**c Analysis of net debt**

	At 1 1 09	Cashflow	Other non cash changes	At 31 12 09
Cash in hand and at bank	13,773	(13,548)	-	225
Overdrafts	(19,179)	11,146	-	(8,033)
	<hr/>	<hr/>	<hr/>	<hr/>
	(5,406)	(2,402)	-	(7,808)
Bank loans – due in less than one year	(3,678)	3,235	(1,555)	(1,998)
Bank loans – due in more than one year	(8,380)	-	1,555	(6,825)
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	(17,464)	833	-	(16,631)
	<hr/>	<hr/>	<hr/>	<hr/>

**22 COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows

	2009		2008	
	Land and Buildings	Other	Land and Buildings	Other
	£000's	£000's	£000's	£000's
Expiring in less than 1 year	8	46	-	21
Expiring between 2 and 5 years	445	95	47	133
Expiring after more than 5 years	-	-	356	-
	<hr/>	<hr/>	<hr/>	<hr/>
	453	141	403	154
	<hr/>	<hr/>	<hr/>	<hr/>

# Doyle plc and subsidiary undertakings

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### for the year ended 31 December 2009

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#### 23 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 £448,683 (2008 £536,780). Included in creditors at the year end was £96,152 (2008 £114,949).

#### 24 CONTROL

There is no ultimate controlling party of the company.

#### 25 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 £6,567,511 (2008 £Nil) existed under this arrangement. There is a contingent liability under the group VAT registration of £485,497 (2008 £1,162,036).

#### 26 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s408(3), Companies Act 2006, the company has not presented its own profit and loss account.

#### 27 RELATED PARTY TRANSACTIONS

During the previous year the employee benefit trust contracted to repurchase 2m ordinary 10p ordinary shares from R Johnson, a director. The shares were repurchased at par value. 1m were repurchased during the previous year for £100,000 with a further payment of £100,000 being made on 30 January 2009.

Preference dividends of £Nil (2008 £600,000) were payable to S Stefanou, the Chairman of the Group, during the year.

Deferred consideration of £Nil (2008 £700,000) was paid to S Stefanou, leaving a balance of £1,800,000 (2008 £1,800,000) outstanding at the year end. In addition £161,250 (2008 £Nil) was paid to S Stefanou in respect of other interest payable.

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 £162,012 (2008 £52,344). The trading balance due from Pario Limited at the year end was £58,860 (2008 £34,765).

#### 28 POST BALANCE SHEET EVENT

After the year end, a loan of £4.8m was received from Schroder Trust SA, Switzerland as Trustee of the Burrowfield Trust. The loan was secured by way of a debenture with a fixed and floating charge over the assets of the company.