

Company Registration No. 6365189 (England and Wales)

BALDWINS HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

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BALDWINS HOLDINGS LIMITED

DIRECTORS AND ADVISERS

| | |
|----------------------------|--|
| Directors | Mr John Baldwin Mr Stephen Southall Mr David Baldwin |
| Secretary | Mr Stephen Southall |
| Company number | 6365189 |
| Registered office | 40 Lichfield Street Walsall West Midlands WS1 1UU |
| Registered auditors | Robertson & Co 169 Spencefield Lane Leicester Leicestershire UK LE5 6GG |

BALDWINS HOLDINGS LIMITED

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BALDWINS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report and financial statements for the year ended 30 June 2010

Principal activities and review of the business

The principal activity of the group continued to be that of the provision of audit, accountancy and taxation services in the United Kingdom

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and profit margins

During the year the group's turnover has grown again by nearly 11% and EBITDA was in excess of £1.4M. The increase in overheads reflects our continued investment in people, brand and infrastructure for the enlarged group and the costs associated with acquisitions. Liquidity in the group remains strong and will continue to improve as much of our acquisition debt has come to an end or is due to end in the current twelve months. All offices made a good contribution to the performance of the group.

The acquisitions in Nottingham have now been completed and relocated and are well integrated into the group and, as with the rest of the group, are now well placed for organic growth in our chosen markets.

We feel that we are well positioned to move forward, maximising our partner led approach to provide a local, cost effective, value driven service with the support and expertise of a larger group. We believe that this is what businesses are demanding in the present market conditions.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

Future developments

The directors consider that they have a strong and stable management team in place to continue the growth of the business. Economic conditions continue to allow good opportunities for acquisition on a selective basis and discussions remain ongoing with a number of target firms and individuals.

Directors

The following directors have held office since 1 July 2009:

Mr John Baldwin
Mr Stephen Southall
Mr David Baldwin

Auditors

The auditors, Robertson & Co, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BALDWINS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

Statement of directors' responsibilities

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

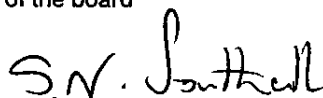
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



Mr Stephen Southall

Secretary

4 March 2011

BALDWINS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BALDWINS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of BALDWINS HOLDINGS LIMITED for the year ended 30 June 2010 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on 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 30 June 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BALDWINS HOLDINGS LIMITED

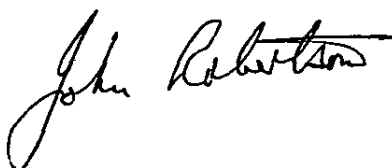
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BALDWINS HOLDINGS LIMITED

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



Mr John Robertson (Senior Statutory Auditor)
for and on behalf of Robertson & Co

8 March 2011

Chartered Accountants
Statutory Auditor

169 Spencefield Lane
Leicester
Leicestershire
UK
LE5 6GG

BALDWINS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2010

| | Notes | 2010 £ | 2009 £ |
|--|-------|-------------|-------------|
| Turnover | 2 | 6,305,730 | 5,682,411 |
| Administrative expenses | | (6,300,722) | (5,578,952) |
| Other operating income | | 128,033 | 139,902 |
| Operating profit | 3 | 133,041 | 243,361 |
| Investment income | | 3,280 | - |
| Interest payable and similar charges | 4 | (149,587) | (127,145) |
| (Loss)/profit on ordinary activities before taxation | | (13,266) | 116,216 |
| Tax on (loss)/profit on ordinary activities | 5 | (64,018) | (65,526) |
| (Loss)/profit on ordinary activities after taxation | | (77,284) | 50,690 |
| Minority interests | | (59,436) | (44,757) |
| (Loss)/profit for the financial year | 6 | (136,720) | 5,933 |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BALDWINS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2010

| | Notes | Group 2010 £ | 2009 £ | Company 2010 £ | 2009 £ |
|--|-------|--------------------|--------------------|----------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | 3,350,733 | 3,414,508 | - | - |
| Tangible assets | 8 | 385,897 | 208,414 | - | - |
| Investments | 9 | - | - | 1,062,486 | 1,062,467 |
| | | <u>3,736,630</u> | <u>3,622,922</u> | <u>1,062,486</u> | <u>1,062,467</u> |
| Current assets | | | | | |
| Debtors | 10 | 3,106,136 | 2,763,599 | 1,302,647 | 415,166 |
| Cash at bank and in hand | | 629,059 | 247,809 | 446,248 | 41 |
| | | <u>3,735,195</u> | <u>3,011,408</u> | <u>1,748,895</u> | <u>415,207</u> |
| Creditors: amounts falling due within one year | 11 | <u>(4,355,683)</u> | <u>(3,011,419)</u> | <u>(691,289)</u> | <u>(319,000)</u> |
| Net current liabilities | | <u>(620,488)</u> | <u>(11)</u> | <u>1,057,606</u> | <u>96,207</u> |
| Total assets less current liabilities | | <u>3,116,142</u> | <u>3,622,911</u> | <u>2,120,092</u> | <u>1,158,674</u> |
| Creditors' amounts falling due after more than one year | 12 | <u>(1,370,931)</u> | <u>(1,735,813)</u> | <u>(937,500)</u> | - |
| Provisions for liabilities | 13 | <u>(49,291)</u> | <u>(33,216)</u> | - | - |
| | | <u>1,695,920</u> | <u>1,853,882</u> | <u>1,182,592</u> | <u>1,158,674</u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | 993,815 | 993,825 | 993,825 | 993,825 |
| Other reserves | 16 | 841,617 | 841,617 | - | - |
| Profit and loss account | 16 | (130,787) | 5,933 | 188,767 | 164,849 |
| Shareholders' funds | 18 | <u>1,704,645</u> | <u>1,841,375</u> | <u>1,182,592</u> | <u>1,158,674</u> |
| Minority interests | 17 | <u>(8,725)</u> | <u>12,507</u> | - | - |
| | | <u>1,695,920</u> | <u>1,853,882</u> | <u>1,182,592</u> | <u>1,158,674</u> |

BALDWINS HOLDINGS LIMITED

BALANCE SHEETS (CONTINUED)

AS AT 30 JUNE 2010

Approved by the Board and authorised for issue on 4 March 2011



Mr John Baldwin
Director

Company Registration No. 6365189

BALDWINS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

| | £ | 2010 £ | £ | 2009 £ |
|---|-------------|-------------|-------------|-------------|
| Net cash inflow from operating activities | | 1,275,469 | | 1,564,740 |
| Returns on investments and servicing of finance | | | | |
| Interest paid | (149,587) | | (127,145) | |
| Dividends paid to minorities | (80,670) | | (43,051) | |
| Net cash outflow for returns on investments and servicing of finance | | (230,257) | | (170,196) |
| Taxation | | (189,133) | | (42,873) |
| Capital expenditure and financial investment | | | | |
| Payments to acquire intangible assets | (1,207,616) | | (1,035,664) | |
| Payments to acquire tangible assets | (178,972) | | (48,917) | |
| Receipts from sales of tangible assets | 16,500 | | 4,000 | |
| Receipts from sales of investments | 3,280 | | - | |
| Net cash outflow for capital expenditure | | (1,366,808) | | (1,080,581) |
| Acquisitions and disposals | | | | |
| Purchase of subsidiary undertakings | - | | (998,014) | |
| Sale of subsidiary undertakings | - | | 316 | |
| Net cash outflow for acquisitions and disposals | | - | | (997,698) |
| Net cash outflow before management of liquid resources and financing | | (510,729) | | (726,608) |
| Financing | | | | |
| Issue of ordinary share capital | - | | 993,823 | |
| New long term bank loan | 1,000,000 | | 280,000 | |
| Other new long term loans | 209,340 | | 574,458 | |
| Other new short term loans | 786,813 | | 349,846 | |
| Repayment of long term bank loan | (872,427) | | (207,043) | |
| Repayment of other long term loans | (746,146) | | (857,698) | |
| Repayment of other short term loans | (856,049) | | (293,007) | |
| Capital element of hire purchase contracts | (26,562) | | (25,193) | |
| Net cash (outflow)/inflow from financing | | (505,031) | | 815,186 |
| (Decrease)/increase in cash in the year | | (1,015,760) | | 88,578 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

| | | | | |
|---|---|--|-----------|-----------|
| 1 | Reconciliation of operating profit to net cash inflow from operating activities | | 2010 | 2009 |
| | | | £ | £ |
| | Operating profit | | 133,041 | 243,361 |
| | Depreciation of tangible assets | | 52,141 | 48,291 |
| | Amortisation of intangible assets | | 1,271,390 | 1,117,918 |
| | Loss on disposal of tangible assets | | 4,029 | 4,971 |
| | Increase in debtors | | (342,537) | (237,531) |
| | Increase in creditors within one year | | 157,405 | 387,730 |
| | Net cash inflow from operating activities | | 1,275,469 | 1,564,740 |

| | | | | | |
|---|-----------------------------------|-------------|-------------|------------------------|--------------|
| 2 | Analysis of net debt | 1 July 2009 | Cash flow | Other non-cash changes | 30 June 2010 |
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 247,809 | 381,250 | - | 629,059 |
| | Bank overdrafts | (241,201) | (1,397,010) | - | (1,638,211) |
| | | 6,608 | (1,015,760) | - | (1,009,152) |
| | Finance leases | (27,858) | 26,562 | - | (72,484) |
| | Debts falling due within one year | (1,314,795) | 69,234 | - | (1,245,561) |
| | Debts falling due after one year | (1,723,741) | 409,235 | - | (1,314,506) |
| | | (3,066,394) | 505,031 | - | (2,632,551) |
| | Net debt | (3,059,786) | (510,729) | (71,188) | (3,641,703) |

| | | | |
|---|---|-------------|-------------|
| 3 | Reconciliation of net cash flow to movement in net debt | 2010 | 2009 |
| | | £ | £ |
| | (Decrease)/increase in cash in the year | (1,015,760) | 88,578 |
| | Cash outflow from decrease in debt | 505,031 | 186,799 |
| | Change in net debt resulting from cash flows | (510,729) | 275,377 |
| | Movement in net debt in the year | (581,917) | 275,377 |
| | Opening net debt | (3,059,786) | (3,335,163) |
| | Closing net debt | (3,641,703) | (3,059,786) |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2010. The acquisitions method of accounting has been adopted. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Income has been recognised based on contract activity and adoption of amendment to FRS 5 "Reporting the Substance of Transactions", Revenue Recognition, and UITF Abstract 40 "Revenue Recognition and Service Contracts".

Where Revenue exceeds the amount billed, this amount is included within Debtors as "Amounts Recoverable on Contracts".

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|--------------------------------------|
| Plant and machinery | 20% per annum reducing balance basis |
| Fixtures, fittings & equipment | 15% per annum reducing balance basis |
| Motor vehicles | 25% per annum reducing balance basis |

1.7 Leasing and hire purchase commitments

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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

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

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

1 Accounting policies (continued)

1.9 Revenue recognition

Revenue Recognition has been based on UITF Abstract 40, any amounts due on service contracts have been included within Debtors as "Amounts Recoverable on Contracts"

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

| 3 Operating profit | 2010 £ | 2009 £ |
|--|-----------|-----------|
| Operating profit is stated after charging | | |
| Amortisation of intangible assets | 1,271,390 | 1,117,918 |
| Depreciation of tangible assets | 52,141 | 48,291 |
| Loss on disposal of tangible assets | 4,029 | 4,971 |
| Operating lease rentals | | |
| - Plant and machinery | 39,525 | 30,594 |
| - Other assets | 209,960 | 191,816 |
| Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,000, 2009 £-) | 9,000 | 6,000 |

| 4 Interest payable | 2010 £ | 2009 £ |
|------------------------------|-----------|-----------|
| On bank loans and overdrafts | 146,037 | 124,564 |
| Hire purchase interest | 3,550 | 2,581 |
| | 149,587 | 127,145 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

| 5 | Taxation | 2010 £ | 2009 £ |
|---|--|---------------|---------------|
| | Domestic current year tax | | |
| | U K corporation tax | 51,756 | 57,279 |
| | Adjustment for prior years | (3,813) | - |
| | Total current tax | 47,943 | 57,279 |
| | Deferred tax | | |
| | Origination and reversal of timing differences | 16,075 | 8,247 |
| | | 64,018 | 65,526 |
| | Factors affecting the tax charge for the year | | |
| | (Loss)/profit on ordinary activities before taxation | (13,266) | 116,216 |
| | (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.00% (2009 - 25.00%) | (2,919) | 29,054 |
| | Effects of | | |
| | Non deductible expenses | (8,876) | 34,360 |
| | Depreciation add back | 12,357 | 13,881 |
| | Capital allowances | (24,336) | (20,016) |
| | Adjustments to previous periods | (3,813) | - |
| | Dividends and distributions received | 75,530 | - |
| | | 50,862 | 28,225 |
| | Current tax charge for the year | 47,943 | 57,279 |

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Holding company's profit for the financial year | 23,918 | 164,849 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

7 Intangible fixed assets

Group

| | Goodwill £ |
|-----------------------|---------------|
| Cost | |
| At 1 July 2009 | 5,629,051 |
| Additions | 1,207,616 |
| | <hr/> |
| At 30 June 2010 | 6,836,667 |
| | <hr/> |
| Amortisation | |
| At 1 July 2009 | 2,214,544 |
| Charge for the year | 1,271,390 |
| | <hr/> |
| At 30 June 2010 | 3,485,934 |
| | <hr/> |
| Net book value | |
| At 30 June 2010 | 3,350,733 |
| | <hr/> |
| At 30 June 2009 | 3,414,508 |
| | <hr/> |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

8 Tangible fixed assets

Group

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|------------------------|--------------------------------------|-------------------|----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 July 2009 | 233,683 | 138,411 | 39,000 | 411,094 |
| Additions | 105,734 | 63,352 | 81,068 | 250,154 |
| Disposals | - | - | (39,000) | (39,000) |
| At 30 June 2010 | 339,417 | 201,763 | 81,068 | 622,248 |
| Depreciation | | | | |
| At 1 July 2009 | 119,995 | 64,215 | 18,471 | 202,681 |
| On disposals | - | - | (18,471) | (18,471) |
| Charge for the year | 30,189 | 18,344 | 3,608 | 52,141 |
| At 30 June 2010 | 150,184 | 82,559 | 3,608 | 236,351 |
| Net book value | | | | |
| At 30 June 2010 | 189,233 | 119,204 | 77,460 | 385,897 |
| At 30 June 2009 | 113,688 | 74,197 | 20,529 | 208,414 |

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

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|------------------------|--------------------------------------|-------------------|--------|
| | £ | £ | £ | £ |
| Net book values | | | | |
| At 30 June 2010 | 9,384 | - | 77,460 | 86,844 |
| At 30 June 2009 | 11,731 | - | 20,530 | 32,261 |
| Depreciation charge for the year | | | | |
| 30 June 2010 | 2,347 | - | 3,608 | 5,955 |
| 30 June 2009 | 2,933 | - | 6,893 | 9,826 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

9 Fixed asset investments

Net book value

At 30 June 2010

-

At 30 June 2009

-

The subsidiary undertakings were acquired on 30th June 2008 and have been included in the consolidated balance sheet at 30th June 2010 using the acquisitions method of accounting for the period since acquisition. The aggregated operating assets and liabilities of the subsidiary companies on 30th June 2008 were as follows -

Fair value/book value

| | £ |
|---|-------------|
| Intangible fixed assets | 2,239,805 |
| Tangible fixed assets | 216,756 |
| Investments | 1,261,249 |
| Debtors | 2,526,068 |
| Cash | 588,277 |
| Creditors - amounts falling due within 1 year | (2,985,873) |
| Creditors - amounts falling due after 1 year | (1,975,070) |
| Provisions for liabilities | (24,969) |
| Minority Interests | (10,801) |
| Share Consideration | (993,825) |
| Merger Reserve | 841,617 |

Company

| | Shares in group undertakings £ |
|-----------------------|---|
| Cost | |
| At 1 July 2009 | 1,062,467 |
| Additions | 29 |
| Disposals | (10) |
| At 30 June 2010 | 1,062,486 |
| Net book value | |
| At 30 June 2010 | 1,062,486 |
| At 30 June 2009 | 1,062,467 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

9 Fixed asset investments

(continued)

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%

The company holds more than 20% of the share capital of the following companies

| Company | Country of registration or incorporation | Shares held |
|-------------------------------------|--|--------------|
| | | Class % |
| Subsidiary undertakings | | |
| Baldwins Limited | England | Ordinary 100 |
| Baldwins (Tamworth) Limited | England | Ordinary 100 |
| Baldwins (Leamington) Limited | England | Ordinary 77 |
| Baldwins (Stourbridge) Limited | England | Ordinary 80 |
| Baldwins (Ashby) Limited | England | Ordinary 90 |
| Baldwins (Nuneaton) Limited | England | Ordinary 90 |
| Baldwins Corporate Services Limited | England | Ordinary 100 |
| Baldwins (Nottingham) Limited | England | Ordinary 90 |

The principal activity of these undertakings for the last relevant financial year was as follows

| | Principal activity |
|-------------------------------------|--|
| Baldwins Limited | Audit,Accountancy and Taxation Services |
| Baldwins (Tamworth) Limited | Audit,Accountancy and Taxation Services |
| Baldwins (Leamington) Limited | Audit,Accountancy and Taxation Services |
| Baldwins (Stourbridge) Limited | Audit,Accountancy and Taxation Services |
| Baldwins (Ashby) Limited | Audit,Accountancy and Taxation Services |
| Baldwins (Nuneaton) Limited | Audit,Accountancy and Taxation Services |
| Baldwins Corporate Services Limited | Accountancy and Taxation Services |
| Baldwins (Nottingham) Limited | Audit,Accountancy and Taxation |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

10 Debtors

| | Group 2010 £ | 2009 £ | Company 2010 £ | 2009 £ |
|--|--------------------|------------------|----------------------|----------------|
| Trade debtors | 1,644,538 | 1,476,061 | - | - |
| Amounts recoverable on long term contracts | 1,249,212 | 776,832 | - | - |
| Other debtors | 9,309 | 356,216 | 1,281,895 | 414,424 |
| Prepayments and accrued income | 203,077 | 154,490 | 20,752 | 742 |
| | <u>3,106,136</u> | <u>2,763,599</u> | <u>1,302,647</u> | <u>415,166</u> |

11 Creditors . amounts falling due within one year

| | Group 2010 £ | 2009 £ | Company 2010 £ | 2009 £ |
|---|--------------------|------------------|----------------------|----------------|
| Bank loans and overdrafts | 1,888,211 | 445,662 | 250,000 | - |
| Net obligations under finance lease and hire purchase contracts | 16,059 | 15,786 | - | - |
| Trade creditors | 229,090 | 152,481 | 1,175 | - |
| Amounts owed to group undertakings | - | - | 294,159 | 240,764 |
| Corporation tax | 44,712 | 185,902 | - | - |
| Taxes and social security costs | 835,867 | 700,140 | - | - |
| Directors current accounts | 187,284 | 87,095 | 121,705 | 78,236 |
| Other creditors | 995,561 | 1,110,334 | - | - |
| Accruals and deferred income | 158,899 | 314,019 | 24,250 | - |
| | <u>4,355,683</u> | <u>3,011,419</u> | <u>691,289</u> | <u>319,000</u> |

The bank borrowings are secured by a Group Cross Guarantee over the assets of the Baldwins Holdings Limited group of companies and by limited Joint and Several Personal Guarantees given by certain directors

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

12 Creditors : amounts falling due after more than one year

| | Group 2010 £ | 2009 £ | Company 2010 £ | 2009 £ |
|---|--------------------|------------------|----------------------|-----------|
| Bank loans | 937,500 | 809,927 | 937,500 | - |
| Other loans | 377,006 | 913,814 | - | - |
| Net obligations under finance leases and hire purchase agreements | 56,425 | 12,072 | - | - |
| | <u>1,370,931</u> | <u>1,735,813</u> | <u>937,500</u> | <u>-</u> |
| Analysis of loans | | | | |
| Not wholly repayable within five years by instalments | | | | |
| Wholly repayable within five years | 2,560,067 | 3,038,536 | 1,187,500 | - |
| Included in current liabilities | (1,245,561) | (1,314,795) | (250,000) | - |
| | <u>1,314,506</u> | <u>1,723,741</u> | <u>937,500</u> | <u>-</u> |
| Loan maturity analysis | | | | |
| In more than one year but not more than two years | 250,000 | 608,843 | 250,000 | - |
| In more than two years but not more than five years | 687,500 | 1,073,549 | 687,500 | - |
| In more than five years | - | 41,349 | - | - |
| | <u>-</u> | <u>41,349</u> | <u>-</u> | <u>-</u> |
| Net obligations under finance leases and hire purchase contracts | | | | |
| Repayable within one year | 16,059 | 15,786 | - | - |
| Repayable between one and five years | 56,425 | 12,072 | - | - |
| | <u>72,484</u> | <u>27,858</u> | <u>-</u> | <u>-</u> |
| Included in liabilities falling due within one year | (16,059) | (15,786) | - | - |
| | <u>56,425</u> | <u>12,072</u> | <u>-</u> | <u>-</u> |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

13 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 July 2009

34,404

Profit and loss account

14,887

Balance at 30 June 2010

49,291

The deferred tax liability is made up as follows:

| | Group 2010 £ | 2009 £ | Company 2010 £ | 2009 £ |
|--------------------------------|--------------------|-----------|----------------------|-----------|
| Accelerated capital allowances | 49,291 | 33,216 | - | - |

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Contributions payable by the group for the year | 44,954 | 65,244 |

15 Share capital

Allotted, called up and fully paid

608,000 Ordinary of £1 each

608,000

608,000

825 Ordinary 'A' non-voting of £1 each

825

825

385,000 Ordinary 'B' non-voting of £1 each

385,000

385,000

993,825

993,825

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

16 Statement of movements on reserves

Group

| | Other reserves (see below) £ | Profit and loss account £ |
|-------------------------|---------------------------------------|---------------------------------|
| Balance at 1 July 2009 | 841,617 | 5,933 |
| Loss for the year | - | (136,720) |
| Balance at 30 June 2010 | <u>841,617</u> | <u>(130,787)</u> |

Other reserves

Merger Reserve

| | |
|--|----------------|
| Balance at 1 July 2009 & at 30 June 2010 | <u>841,617</u> |
|--|----------------|

On 30 June 2008 the entire share capital of Baldwins Limited and Baldwins (Tamworth) Limited was acquired in exchange for 993,825 £1 shares in Baldwins Holdings Limited. On 30th June 2008 the investments in subsidiary companies as detailed below were transferred from Baldwins Limited to Baldwins Holdings Limited at market value as part of the Baldwins Group reorganisation -

Baldwins (Leamington) Limited 76.5%
 Baldwins (Stourbridge) Limited 80%
 Baldwins (Ashby) Limited 90%
 Baldwins (Nuneaton) Limited 70%

The net assets of all of the subsidiaries acquired amounted to £1,835,442. The difference between the amount paid for the share capital and the net assets was transferred to a merger reserve.

Company

| | Profit and loss account £ |
|-------------------------|---------------------------------|
| Balance at 1 July 2009 | 164,849 |
| Profit for the year | 23,918 |
| Balance at 30 June 2010 | <u>188,767</u> |

17 Minority interests

| | 2010 £ | 2009 £ |
|--|----------------|---------------|
| Minority interests' share of net assets and liabilities in subsidiary undertakings | <u>(8,725)</u> | <u>12,507</u> |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

| 18 Reconciliation of movements in shareholders' funds | 2010 | 2009 |
|--|-------------|-------------|
| Group | £ | £ |
| (Loss)/Profit for the financial year | (136,720) | 5,933 |
| Proceeds from issue of shares | - | 993,823 |
| Transfer to Merger Reserve on consolidation | - | 841,617 |
| | | |
| Net (depletion in)/addition to shareholders' funds | (136,720) | 1,841,373 |
| Opening shareholders' funds | 1,841,375 | 2 |
| | | |
| Closing shareholders' funds | 1,704,655 | 1,841,375 |
| | | |
| | 2010 | 2009 |
| Company | £ | £ |
| Profit for the financial year | 23,918 | 164,849 |
| Proceeds from issue of shares | - | 993,823 |
| | | |
| Net addition to shareholders' funds | 23,918 | 1,158,672 |
| Opening shareholders' funds | 1,158,674 | 2 |
| | | |
| Closing shareholders' funds | 1,182,592 | 1,158,674 |

19 Financial commitments

At 30 June 2010 the group had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | Other |
|----------------------------|---------------------------|--------------|
| | 2010 | 2010 |
| | £ | £ |
| Expiry date | | |
| Within one year | 33,833 | 9,551 |
| Between two and five years | - | 10,082 |
| In over five years | 159,650 | - |
| | | |
| | 193,483 | 19,633 |

BALDWINS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| | 2010 Number | 2009 Number |
|-------|----------------|----------------|
| Total | 106 | 104 |

Employment costs

| | 2010 £ | 2009 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 3,243,452 | 3,064,330 |
| Social security costs | 271,072 | 261,595 |
| Other pension costs | 44,954 | 65,244 |
| | 3,559,478 | 3,391,169 |

21 Control

The company is controlled by the directors who own 97% of the ordinary voting share capital