

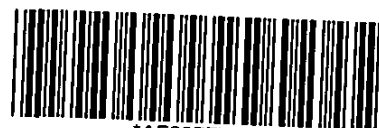
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**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2011
FOR
DANIELI HOLDINGS LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2011**

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DANIELI HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2011**

DIRECTORS:	N A Winch S W Howe
SECRETARY:	N A Winch
REGISTERED OFFICE:	Silverbirch House Silverbirch Camperdown Industrial Estate Newcastle upon Tyne Tyne and Wear NE12 5UJ
REGISTERED NUMBER:	06599929 (England and Wales)
AUDITORS:	Robson Laidler LLP Statutory Auditor Fernwood House Fernwood Road Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS:	Lloyds TSB Plc 102 Grey Street Newcastle upon Tyne Tyne and Wear NE1 6AG

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2011**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2011

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of security services, domiciliary care and training services

REVIEW OF BUSINESS

We have undertaken an analysis of the group companies' activities and performance and closing year end position. Our review has considered the market conditions prevailing, the opportunities and risks that each company has encountered during the year and we have anticipated what could occur going forward.

Phoenix Eye Limited

The principal activity of the company has been, and will continue to be, the supply of door supervisors, security guards, stadium security and close circuit television installation, maintenance and monitoring. The emphasis will be on the development of our door supervision expansion into southern parts of the UK, as well as the migration of sites with a physical guard to a monitored CCTV rental system.

During the year sales, gross and net profit margins before tax were -

	2011 £	2010 £
Sales	8,269,001	2,497,731
Gross profit	1,689,876	527,096
Net profit/(loss)	384,688	(32,773)

Sales during the financial year have increased by 331%, this increase was slightly lower than was expected due to the tough economic climate within our sector. The primary reason however for the large increase was due to the transfer of trade from Phoenix Security UK Limited.

The gross profit margin is within the expected range, however there is a slight decrease in GP% from 21.10% to 20.44% which is a minimal change and in line with expectations.

The net profit margin has increased substantially, this is primarily due to the integration of Phoenix Security UK Limited and cost savings as a result of the restructuring of the business.

The financial year ahead will be a good one and we expect to increase sales by 6% due to our expansion into the southern part of the UK. The gross profit margin will be retained and the net profit will be in line with expectations.

Education and Training Services (UK) Limited

The principal activity of the company has been, and will continue to be, the delivery of training programmes within the security sector with the emphasis on train to gain encompassing national vocational qualifications and skills for life.

During the year sales, gross and net profit margins before tax were -

	2011 £	2010 £
Sales	252,818	406,968
Gross profit	191,364	323,030
Net profit/(loss)	(14,538)	16,580

Sales during the financial year have decreased by 37.87% throughout the year due to a shortage of funding from the SFA (Skills Funding Agency) as we were unsuccessful with our bid. We did however manage to partner with other organisations who were successful in securing funding, but at a reduced rate per learner.

The gross profit margin was higher than expected and this was due to a successful court case where there had been some misappropriation of funds by a former employee.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2011**

The net profit has decreased, due primarily to the decrease in sales, which has affected the gross profit contribution, but overhead costs have been reduced by 32.02% compared to the previous year

The financial year ahead we believe will be an improvement in all areas of sales and margin, however we will endeavour to be prudent with overhead costs and are looking to make at least a 10% saving

Care Line Homecare Limited

This subsidiary was sold on 31 March 2011 as the directors considered it to be a beneficial strategic decision in order to generate funds in order to invest in other group operations, in particular the respite care home development within Northridge Healthcare Limited

The impact on the group's results by the sale of this company is shown within discontinued operations in the group profit and loss account

Leisuretime (Leasehold) Limited

The principal activity of the company has been, and will continue to be, the operation of leasehold public houses

During the year sales, gross and net profit margins before tax were -

	2011 £	2010 £
Sales	193,153	77,732
Gross profit	29,260	12,841
Net profit/(loss)	(76,065)	(53,005)

The retail pub sector is an area the group is keen to expand into and will continue to be supported by the group as a whole. This sector also allows options on freehold sites to be entered into at an advantageous cost price, of which our healthcare side to the group can take advantage of in redeveloping the site

We do not anticipate any trading activity for the coming year, at the one remaining site we currently retain a lease and we have an option to purchase this site and are currently awaiting planning permission to convert to a residential nursing home. Expenditure for the coming year will be minimal. We do however hope to be able to convert this to a freehold purchase within the next twelve months, recouping the losses to date as a result of the agreed cost price, compared to the value of the site with planning

Leisuretime (Freehold) Limited

The principal activity of the company has been, and will continue to be, the operation of freehold public houses, or the acquisition of sites suitable for conversion or redevelopment

During the year sales, gross and net profit margins before tax were -

	2011 £
Sales	163,267
Gross profit	17,116
Net profit/(loss)	(101,816)

The retail pub sector is an area the group is keen to expand into and will continue to be supported by the group as a whole. This sector also allows the purchase of freehold sites at an advantageous cost price, of which one of our other group companies can take advantage of in redeveloping the site

We do not anticipate any trading activity for the forthcoming year and we are in the process of redeveloping a site which will enable us to recoup the losses to date

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2011**

Danieli Property Investments Limited

The principal activity of the company has been, and will continue to be, the purchase and development of freehold properties. Not as a developer in the true sense of the word but as a developer operator in whatever sector the site fits.

Northridge Healthcare Limited

The principal activity of the company is to provide state of the art respite and residential nursing care for adults with complex healthcare needs.

Trading activity for this company began when the new development was completed in September 2011.

Professional Parking Control Limited

The principal activity of the company has been to provide a service to the many hotels we are contracted to look after through our security company Phoenix Eye Limited. We have, however, decided not to continue to trade this company as it is marginally profitable. This company ceased to trade in September 2011.

Phoenix Security UK Limited

This company ceased trading following the transfer of the trade to Phoenix Eye Limited on 5 April 2010.

Leisuretime Pub Group Limited

The principal activity of this company is to hold the shares for Leisuretime (Freehold) Limited and Leisuretime (Leasehold) Limited. There is no trading activity within this company.

DIVIDENDS

The total distribution of dividends for the year ended 30 April 2011 will be £500,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2010 to the date of this report.

N A Winch
S W Howe

Other changes in directors holding office are as follows:

D C Williamson - resigned 14 March 2011.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

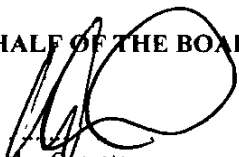
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Robson Laidler LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

x



N A Winch - Secretary

Date

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DANIELI HOLDINGS LIMITED

We have audited the financial statements of Danieli Holdings Limited for the year ended 30 April 2011 on pages seven to thirty two. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

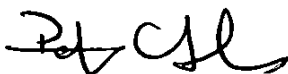
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



P Charles FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler LLP
Statutory Auditor
Fernwood House
Fernwood Road
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date 1 December 2011

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
TURNOVER	2	12,582,409	12 250,198
Continuing operations		8,912,921	8,646,583
Discontinued operations		<u>3,669,488</u>	<u>3,603,615</u>
Cost of sales	3	<u>6 952,314</u>	<u>6,807,006</u>
GROSS PROFIT	3	5,630,095	5,443,192
Net operating expenses	3	<u>5,504,145</u>	<u>5,204,443</u>
OPERATING PROFIT	5	125,950	238,749
Continuing operations		(243,268)	(245,780)
Discontinued operations		<u>369,218</u>	<u>484,529</u>
Profit on sale of subsidiary business		1,512,574	-
Profit on sale of minority interest in subsidiary		<u>143 623</u>	<u>-</u>
		1,782,147	238,749
Interest receivable and similar income		<u>1,381</u>	<u>-</u>
		1,783,528	238,749
Interest payable and similar charges	6	<u>151,384</u>	<u>42,866</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,632,144	195,883
Tax on profit on ordinary activities	7	<u>93,319</u>	<u>119,475</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,538,825	76,408
Minority interest - equity		<u>(2,055)</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>1,540,880</u>	<u>76,408</u>

The notes form part of these financial statements

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2011**

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	1,540,880	76,408
Revaluation in year	255,608	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>1,796,488</u>	<u>76,408</u>

The notes form part of these financial statements

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**CONSOLIDATED BALANCE SHEET
30 APRIL 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	10	950,682	1,862,298
Tangible assets	11	1,764,501	664,235
Investments	12	-	-
Investment property	13	645,000	-
		<u>3,360,183</u>	<u>2 526,533</u>
CURRENT ASSETS			
Stocks	14	16,170	65,857
Debtors	15	1,709,998	2,064,381
Cash at bank and in hand		1,644,471	11,129
		<u>3,370,639</u>	<u>2,141,367</u>
CREDITORS			
Amounts falling due within one year	16	4,389,096	3,665,309
NET CURRENT LIABILITIES		<u>(1,018,457)</u>	<u>(1,523,942)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,341,726</u>	<u>1,002,591</u>
CREDITORS			
Amounts falling due after more than one year	17	(131,353)	(230,246)
PROVISIONS FOR LIABILITIES	21	(28,756)	(16,505)
MINORITY INTERESTS	22	<u>(129,289)</u>	<u>-</u>
NET ASSETS		<u><u>2,052,328</u></u>	<u><u>755,840</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	1,000	1,000
Revaluation reserve	24	255,608	-
Profit and loss account	24	1,795,720	754,840
SHAREHOLDERS' FUNDS	28	<u><u>2,052,328</u></u>	<u><u>755,840</u></u>

The financial statements were approved by the Board of Directors on 1 December 2011 and were signed on its behalf by


N A Winch - Director

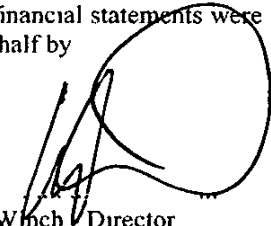
The notes form part of these financial statements

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**COMPANY BALANCE SHEET
30 APRIL 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	152,769	-
Investments	12	1,110,023	1,847,368
Investment property	13	-	-
		<u>1,262,792</u>	<u>1,847,368</u>
CURRENT ASSETS			
Debtors	15	1,024,073	307,733
Cash at bank		<u>1,500,000</u>	<u>-</u>
		2,524,073	307,733
CREDITORS			
Amounts falling due within one year	16	<u>2,336,823</u>	<u>2,094,020</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>187,250</u>	<u>(1,786,287)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,450,042</u>	<u>61,081</u>
CREDITORS			
Amounts falling due after more than one year	17	<u>70,568</u>	<u>-</u>
NET ASSETS		<u><u>1,379,474</u></u>	<u><u>61,081</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	1,000	1,000
Profit and loss account	24	<u>1,378,474</u>	<u>60,081</u>
SHAREHOLDERS' FUNDS	28	<u><u>1,379,474</u></u>	<u><u>61,081</u></u>

The financial statements were approved by the Board of Directors on *1 December 2011* and were signed on its behalf by


N A Winch Director

The notes form part of these financial statements

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	1 867,917	660,966
Returns on investments and servicing of finance	2	(150,003)	(42,866)
Taxation		(141,770)	(336,118)
Capital expenditure and financial investment	2	(1,764,953)	(110,952)
Acquisitions and disposals	2	2,615,299	-
Equity dividends paid		(500,000)	-
		<u>1,926,490</u>	<u>171,030</u>
Financing	2	<u>297,618</u>	<u>(624,634)</u>
Increase/(Decrease) in cash in the period		<u>2,224,108</u>	<u>(453,604)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		2,224,108	(453,604)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(418 227)</u>	<u>258,721</u>
Change in net debt resulting from cash flows		1 805,881	(194,883)
New finance leases		(24,200)	(268,639)
Movement in net debt in the period		<u>1,781,681</u>	<u>(463,522)</u>
Net debt at 1 May		<u>(1,902,824)</u>	<u>(1,439,302)</u>
Net debt at 30 April		<u>(121,143)</u>	<u>(1,902,824)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2011**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Year ended 30 April 2011

	Continuing £	Discontinued £	Total £
Operating profit	(243,268)	369,218	125,950
Depreciation charges	261,595	79,161	340,756
Loss on disposal of fixed assets	724	-	724
Decrease in stocks	25,757	23,930	49,687
Decrease in debtors	(164,592)	477,174	312,582
Increase in creditors	1,248,506	(210,288)	1,038,218
Net cash inflow from continuing operating activities	1,128,722		
Net cash inflow from discontinued operating activities		739,195	
Net cash inflow from operating activities			1,867,917

Year ended 30 April 2010

	Continuing £	Discontinued £	Total £
Operating profit	(245,780)	484,529	238,749
Depreciation charges	173,588	117,025	290,613
Profit on disposal of fixed assets	(961)	33	(928)
Decrease in stocks	16,802	(1,019)	15,783
Increase in debtors	(46,955)	(1,385)	(48,340)
Increase in creditors	274,280	(109,191)	165,089
Net cash inflow from continuing operating activities	170,974		
Net cash inflow from discontinued operating activities		489,992	
Net cash inflow from operating activities			660,966

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,381	-
Interest paid	(124,195)	(22,987)
Interest element of hire purchase payments	(27,189)	(19,879)
Net cash outflow for returns on investments and servicing of finance	(150,003)	(42,866)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(36,048)	-
Purchase of tangible fixed assets	(1,358,355)	(125,518)
Purchase of investment property	(389,392)	-
Sale of tangible fixed assets	18,842	14,566
Net cash outflow for capital expenditure and financial investment	(1,764,953)	(110,952)

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2011**

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2011 £	2010 £
Acquisitions and disposals		
Sale of business	2,615,299	-
Net cash inflow for acquisitions and disposals	<u>2,615,299</u>	<u>-</u>
Financing		
Debt factoring finance movement	(59,175)	(211,204)
Bank loan advance in year	546,394	92,425
Loan repayments in year	(36,310)	(12,412)
Brewery loan advance in year	100,167	-
Capital repayments in year	(132,849)	(127,529)
Amount introduced by directors	350,000	2,700
Amount withdrawn by directors	(470,609)	(368,614)
Net cash inflow/(outflow) from financing	<u>297,618</u>	<u>(624,634)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 5 10 £	Cash flow £	Other non-cash changes £	At 30 4 11 £
Net cash				
Cash at bank and in hand	11,129	1,633,342		1,644,471
Bank overdrafts	(590,766)	590,766		-
	<u>(579,637)</u>	<u>2,224,108</u>		<u>1,644,471</u>
Debt				
Hire purchase	(302,357)	132,849	(24,200)	(193,708)
Debts falling due within one year	(980,429)	(587,386)	-	(1,567,815)
Debts falling due after one year	(40,401)	36,310	-	(4,091)
	<u>(1,323,187)</u>	<u>(418,227)</u>	<u>(24,200)</u>	<u>(1,765,614)</u>
Total	<u>(1,902,824)</u>	<u>1,805,881</u>	<u>(24,200)</u>	<u>(121,143)</u>

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2011**

4 DISPOSAL OF BUSINESS

Net assets disposed of

	£
Purchased goodwill	746,864
Tangible fixed assets	69,395
Intangible fixed assets	37,951
Stocks	23,930
Debtors	523,290
Cash at bank and in hand	6,086
Creditors	(304,791)
	<hr/>
	1,102,725
Profit on disposal	1,512,574
	<hr/>
	2,615,299
	<hr/>

The disposal was satisfied by cash

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2011**

1 ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The results of all subsidiaries are included in the group profit and loss account from the date of acquisition under the acquisition method of accounting

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Purchased goodwill is amortised by equal annual instalments over its estimated useful life of 5 or 10 years

Goodwill arising on consolidation is the excess of purchase consideration over fair value of the assets of the companies acquired. In the consolidated accounts the amount of goodwill is capitalised and amortised over 20 years, which, in the opinion of the directors, is the period the company will derive the economic benefit from this goodwill.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

CCTV equipment	- 25% on reducing balance and 15% on cost
Plant and machinery	- 25% on cost, 25% on reducing balance, 25% straight line and 20% on reducing balance
Fixtures and fittings	- 25% on cost, 25% straight line, 20% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on cost, 25% on reducing balance and 20% straight line basis
Office equipment	- 25% on cost, 25% on reducing balance and 20% on reducing balance

No depreciation has been charged on the freehold property during the period as the asset is not yet in use

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

This policy represents a departure from statutory accounting principles which require changes in value to be taken to the profit and loss account. The directors consider that this departure is necessary in order that the financial statements may give a true and fair view because changes in current values should only be recognised in the profit and loss account when realised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. No discounting is applied to the deferred tax liabilities. A deferred tax asset is recognised when it is considered that there will be sufficient future taxable profits against which the asset can be recovered.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below.

	2011 £	2010 £
Security services	8,269,001	8,161,882
Domiciliary care	3,669,488	3,603,615
Training services	252,818	406,968
Operation of public houses	356,420	77,733
Wheel clamping	34,682	-
	<u>12,582,409</u>	<u>12,250,198</u>

3 ANALYSIS OF OPERATIONS

	Continuing £	2011 Discontinued £	Total £
Cost of sales	<u>6,952,314</u>	<u>-</u>	<u>6,952,314</u>
Gross profit	<u>1,960,607</u>	<u>3,669,488</u>	<u>5,630,095</u>
Net operating expenses			
Administrative expenses	2,336,152	3,301,835	5,637,987
Other operating income	(132,277)	(1,565)	(133,842)
	<u>2,203,875</u>	<u>3,300,270</u>	<u>5,504,145</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

3 ANALYSIS OF OPERATIONS - continued

	Continuing £	2010 Discontinued £	Total £
Cost of sales	<u>6,807,006</u>	<u>-</u>	<u>6,807,006</u>
Gross profit	<u>1,839,577</u>	<u>3,603,615</u>	<u>5,443,192</u>
Net operating expenses			
Administrative expenses	2,118,357	3,125,586	5,243,943
Other operating income	(33,000)	(6,500)	(39,500)
	<u>2,085,357</u>	<u>3,119,086</u>	<u>5,204,443</u>

4 STAFF COSTS

	2011 £	2010 £
Wages and salaries	9,967,993	6,302,521
Social security costs	545,218	386,310
Other pension costs	1,430	300
	<u>10,514,641</u>	<u>6,689,131</u>

The average monthly number of employees during the year was as follows

	2011	2010
Administration	67	60
Site	<u>1,921</u>	<u>1,614</u>
	<u>1,988</u>	<u>1,674</u>

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Hire of plant and machinery	85,841	72,215
Other operating leases	89,438	27,044
Depreciation - owned assets	103,789	87,112
Depreciation - assets on hire purchase contracts	96,983	83,928
Loss/(Profit) on disposal of fixed assets	724	(928)
Goodwill amortisation	139,984	119,574
Auditors' remuneration	20,135	27,600
Auditors' remuneration for non audit work	5,404	12,775
Government grants receivable	(20,000)	(33,000)
Redundancy pay	<u>24,595</u>	<u>-</u>
Directors' remuneration	<u>136,365</u>	<u>106,592</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

5 OPERATING PROFIT - continued

Auditor's remuneration above includes £2,800 (2010 £2,615) in respect of the parent and the group accounts
The balance is in respect of the audit of the subsidiaries

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	14,734	9,944
Bank loan interest	2,723	4,814
Other interest payable	54,543	3,695
Factoring interest	45,854	4,534
Loan interest	6,341	-
Hire purchase interest	27,189	19,879
	<u>151,384</u>	<u>42,866</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	87,616	144,376
Adjustments in respect of previous years	(8,583)	(17,987)
Total current tax	<u>79,033</u>	<u>126,389</u>
Deferred tax	<u>14,286</u>	<u>(6,914)</u>
Tax on profit on ordinary activities	<u>93,319</u>	<u>119,475</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

7 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>1,632,144</u>	<u>195,883</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	457,000	54,847
Effects of		
Goodwill written off not allowable for tax relief	19,979	30,839
Expenses not allowable for tax	25,287	24,751
Capital allowances in excess of depreciation	(11,943)	14,433
Gain on disposal of subsidiary not taxable	(422,598)	-
Disposal of minority interest in subsidiary not taxable	(40,213)	-
Tax losses brought forward	(5,616)	-
Tax losses carried back to previous years	-	20,601
Tax losses carried forward	65,720	4,445
Marginal rate tax relief	-	(5,540)
Adjustments in respect of previous years	<u>(8,583)</u>	<u>(17,987)</u>
Current tax charge	<u>79,033</u>	<u>126,389</u>

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,818,393 (2010 - £2,528)

9 DIVIDENDS

	2011 £	2010 £
Interim	<u>500,000</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

10 INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 May 2010	2,074,161
Additions	36,048
Disposals	(951,146)
At 30 April 2011	<u>1,159,063</u>
AMORTISATION	
At 1 May 2010	211,863
Amortisation for year	139,984
Eliminated on disposal	(143,466)
At 30 April 2011	<u>208,381</u>
NET BOOK VALUE	
At 30 April 2011	<u>950,682</u>
At 30 April 2010	<u>1,862,298</u>

The purchased goodwill attributable to the sale of Care Line Homecare Limited was £746,864. The disposal of this goodwill has been accounted for as part of the sale of the business.

11 TANGIBLE FIXED ASSETS

Group	Freehold property £	CCTV equipment £	Plant and machinery £
COST			
At 1 May 2010	-	126,018	95,091
Additions	1,050,985	86,467	136,762
Disposals	-	(1,111)	(8,953)
At 30 April 2011	<u>1,050,985</u>	<u>211,374</u>	<u>222,900</u>
DEPRECIATION			
At 1 May 2010	-	28,230	14,102
Charge for year	-	21,379	31,198
Eliminated on disposal	-	-	(16)
At 30 April 2011	<u>-</u>	<u>49,609</u>	<u>45,284</u>
NET BOOK VALUE			
At 30 April 2011	<u>1,050,985</u>	<u>161,765</u>	<u>177,616</u>
At 30 April 2010	<u>-</u>	<u>97,788</u>	<u>80,989</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

11 TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 May 2010	99,800	384,633	152,275	857,817
Additions	59,558	27,210	21,573	1,382,555
Disposals	(2,255)	(70,337)	(155,025)	(237,681)
At 30 April 2011	157,103	341,506	18,823	2,002,691
DEPRECIATION				
At 1 May 2010	39,643	59,327	52,280	193,582
Charge for year	33,345	94,615	20,235	200,772
Eliminated on disposal	(181)	(63,318)	(92,649)	(156,164)
At 30 April 2011	72,807	90,624	(20,134)	238 190
NET BOOK VALUE				
At 30 April 2011	84,296	250,882	38,957	1,764,501
At 30 April 2010	60,157	325,306	99,995	664,235

The freehold property is currently being converted into a respite care home

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	CCTV equipment £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 May 2010	6,882	22,900	400,182	30,846	460,810
Additions	-	-	184,704	-	184,704
Disposals	-	-	(310,059)	(19,550)	(329,609)
Transfer to ownership	-	-	(7,568)	-	(7,568)
At 30 April 2011	6,882	22,900	267,259	11,296	308,337
DEPRECIATION					
At 1 May 2010	1,988	1,908	77,112	4,083	85,091
Charge for year	1,032	5,725	84,398	5,828	96,983
Eliminated on disposal	-	-	(99,615)	(6,992)	(106,607)
Transfer to ownership	-	-	(6,297)	-	(6,297)
At 30 April 2011	3,020	7,633	55,598	2,919	69,170
NET BOOK VALUE					
At 30 April 2011	3 862	15,267	211,661	8 377	239 167
At 30 April 2010	4,894	20,992	323,070	26,763	375,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

11 TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
Additions	565	181,694	8,238	190,497
At 30 April 2011	565	181,694	8,238	190,497
DEPRECIATION				
Charge for year	59	35,836	1,833	37,728
At 30 April 2011	59	35,836	1,833	37,728
NET BOOK VALUE				
At 30 April 2011	506	145,858	6,405	152,769

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
Additions	157,494
At 30 April 2011	157,494
DEPRECIATION	
Charge for year	32,811
At 30 April 2011	32,811
NET BOOK VALUE	
At 30 April 2011	124,683

12 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 May 2010	1,847,368
Additions	100
Disposals	(737,445)
At 30 April 2011	1,110,023
NET BOOK VALUE	
At 30 April 2011	1,110,023
At 30 April 2010	1,847,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

12 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Phoenix Security UK Limited

Nature of business Security services

	% holding	2011	2010
Class of shares	100 00	£	£
Ordinary			
Aggregate capital and reserves		237,795	266,095
(Loss)/Profit for the year		(28,300)	107,439

Phoenix Eye Limited

Nature of business Security services

	% holding	2011	2010
Class of shares	100 00	£	£
Ordinary			
Aggregate capital and reserves		380,400	16,306
Profit/(Loss) for the year		364,094	(44,814)

Care Line Homecare Limited

Nature of business Domiciliary care

	% holding	2011	2010
Class of shares	100 00	£	£
Ordinary			
Aggregate capital and reserves		-	463,083
Profit for the year		-	411,733

The above company was sold on 31 March 2011. The group profit attributable to the profit of this company was £224,847 (2010 £411,733)

Education and Training Services (UK) Limited

Nature of business Training services

	% holding	2011	2010
Class of shares	100 00	£	£
Ordinary			
Aggregate capital and reserves		307,200	316,955
(Loss)/Profit for the year		(9,755)	14,123

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

12 FIXED ASSET INVESTMENTS - continued

Professional Parking Control Limited

Nature of business Parking enforcement

	% holding	2011	2010
Class of shares		£	£
Ordinary £1	100 00		
Aggregate capital and reserves		10,333	100
Profit for the year		10,233	-

Danieli Property Investments Limited

Nature of business Property investment

	% holding	2011	2010
Class of shares		£	£
Ordinary £1	75 19		
Aggregate capital and reserves		521,118	(1,208)
Loss for the year		(8,282)	(1,308)

Leisuretime Pub Group Limited

Nature of business Holding company

	% holding	2011	2010
Class of shares		£	£
Ordinary £1	100 00		
Aggregate capital and reserves		1	1

Northridge Healthcare Limited

Nature of business Respite care services

	% holding	2011
Class of shares		£
Ordinary £1	100 00	
Aggregate capital and reserves		(42,416)
Loss for the year		(42,516)

The company was incorporated on 5 July 2010 with £100 issued share capital

Leisuretime (Freehold) Limited

Nature of business Operation of public houses

	% holding	2011	2010
Class of shares		£	£
Ordinary	100 00		
Aggregate capital and reserves		(101,815)	1
Loss for the year		(101,816)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

12 FIXED ASSET INVESTMENTS - continued

Leisuretime (Leasehold) Limited

Nature of business Operation of public houses

Class of shares	% holding	2011	2010
Ordinary	100 00	£	£
Aggregate capital and reserves		(129,069)	(53,004)
Loss for the year		<u>(76,065)</u>	<u>(53,005)</u>

13 INVESTMENT PROPERTY

Group

	Total £
COST OR VALUATION	
Additions	389,392
Revaluations	<u>255,608</u>
At 30 April 2011	<u>645,000</u>
NET BOOK VALUE	
At 30 April 2011	<u>645,000</u>

Cost or valuation at 30 April 2011 is represented by

	£
Valuation in 2011	255,608
Cost	<u>389,392</u>
	<u>645 000</u>

If the investment properties had not been revalued they would have been included at the following historical cost

	2011	2010
	£	£
Cost	<u>389,392</u>	<u>-</u>

The commercial property was valued on an open market basis on 23 February 2011 by Storeys ssp Limited, regulated by RICS

14 STOCKS

	Group	
	2011	2010
	£	£
Stocks	16,170	46,641
Work-in-progress	-	6,001
Finished goods	-	13,215
	<u>16,170</u>	<u>65,857</u>

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

15 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,070,529	1,489,385	-	2,749
Other debtors	194,117	21,712	38,075	-
Amounts owed by group undertakings	-	-	982,438	304,984
Corporation tax debtor	21,225	63,026	-	-
Deferred tax asset	-	-	3,560	-
Prepayments and accrued income	424,127	490,258	-	-
	<u>1,709,998</u>	<u>2,064,381</u>	<u>1,024,073</u>	<u>307,733</u>

Included in trade debtors are factored debts of £1,063,408 (2010 £1,182,393)

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 18)	586,005	630,377	26,791	472,236
Other loans (see note 18)	981,810	940,818	-	-
Hire purchase contracts (see note 19)	76,271	112,512	27,463	-
Trade creditors	239,640	163,354	24,545	19,354
Corporation tax	-	144,376	-	9,047
Social security and other taxes	1,822,447	780,414	712,520	53,375
Other creditors	413,509	312,530	150,000	247,795
Amounts owed to group undertakings	-	-	1,166,397	948,579
Directors' current accounts	212,510	333,119	210,595	331,203
Accrued expenses	56,904	247,809	18,512	12,431
	<u>4,389,096</u>	<u>3,665,309</u>	<u>2,336,823</u>	<u>2,094,020</u>

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans (see note 18)	4,091	40,401	-	-
Hire purchase contracts (see note 19)	117,437	189,845	70,568	-
Other creditors	9,825	-	-	-
	<u>131,353</u>	<u>230,246</u>	<u>70,568</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

18 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts falling due within one year or on demand				
Bank overdrafts	-	590,766	26,791	472,236
Bank loans	586,005	39,611	-	-
Debt factoring liability	881,643	940,818	-	-
Brewery loan	100,167	-	-	-
	<u>1,567,815</u>	<u>1,571,195</u>	<u>26,791</u>	<u>472,236</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>4,091</u>	<u>39,611</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>-</u>	<u>790</u>	<u>-</u>	<u>-</u>

19 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2011 £	2010 £
Gross obligations repayable		
Within one year	98,593	132,391
Between one and five years	<u>135,220</u>	<u>232,902</u>
	<u>233,813</u>	<u>365,293</u>
Finance charges repayable		
Within one year	22,322	19,879
Between one and five years	<u>17,783</u>	<u>43,057</u>
	<u>40,105</u>	<u>62,936</u>
Net obligations repayable		
Within one year	76,271	112,512
Between one and five years	<u>117,437</u>	<u>189,845</u>
	<u>193,708</u>	<u>302,357</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

19 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

Company

	Hire purchase contracts	
	2011 £	2010 £
Gross obligations repayable		
Within one year	38,670	-
Between one and five years	80,386	-
	<u>119,056</u>	<u>-</u>
Finance charges repayable		
Within one year	11,207	-
Between one and five years	9,818	-
	<u>21,025</u>	<u>-</u>
Net obligations repayable		
Within one year	27,463	-
Between one and five years	70,568	-
	<u>98,031</u>	<u>-</u>

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring				
Within one year	-	41,158	5,065	-
Between one and five years	32,000	-	32,545	44,863
	<u>32,000</u>	<u>41,158</u>	<u>37,610</u>	<u>44,863</u>

Company

	Land and buildings	
	2011 £	2010 £
Expiring		
Between one and five years	32,000	-
	<u>32,000</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

20 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank overdrafts	-	590,766	26,791	472,236
Bank loans	590,096	80,012	-	-
Debt factoring liability	881,643	940,818	-	-
Hire purchase contracts	193,708	302,357	98,031	-
	<u>1,665,447</u>	<u>1,913,953</u>	<u>124,822</u>	<u>472,236</u>

The bank loans relating to the company's properties are secured on those properties. Other bank loans are secured by a debenture on certain assets.

The debt factoring liability is secured by way of a debenture on certain assets.

The hire purchase liabilities are secured on the assets being financed.

The directors have also provided personal guarantees for the group's banking facilities.

21 PROVISIONS FOR LIABILITIES

	Group	
	2011	2010
	£	£
Deferred tax		
Accelerated capital allowances	<u>28,756</u>	<u>16,505</u>
Group		
		Deferred tax
		£
Balance at 1 May 2010		16,505
Charge/(credit) to profit and loss account		<u>12,251</u>
Balance at 30 April 2011		<u>28,756</u>
Company		
		Deferred tax
		£
Charge/(credit) to profit and loss account		<u>(3,560)</u>
Balance at 30 April 2011		<u>(3,560)</u>

22 MINORITY INTERESTS

The minority interest represents a 24.81% holding in the equity share capital of Danieli Property Investments Limited.

DANIELI HOLDINGS LIMITED (REGISTERED NUMBER: 06599929)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

23 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £	2010 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

24 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 May 2010	754,840	-	754,840
Profit for the year	1,540,880		1,540,880
Dividends	(500,000)		(500,000)
Revaluation in year	-	255,608	255,608
At 30 April 2011	<u>1,795,720</u>	<u>255,608</u>	<u>2,051,328</u>

Company

	Profit and loss account £
At 1 May 2010	60,081
Profit for the year	1,818,393
Dividends	(500,000)
At 30 April 2011	<u>1,378,474</u>

25 CAPITAL COMMITMENTS

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>559,144</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011**

26 RELATED PARTY DISCLOSURES

Included in creditors due within one year are the following amounts owed to the directors of the company -

Group

	2011 £	2010 £
S W Howe	206,645	332,161
N A Winch	5,865	958
	212,510	333,119

Company

	2011 £	2010 £
S W Howe	205,688	331,203
N A Winch	4,907	-
	210,595	331,203

During the year the company paid the following dividends -

	2011 £	2010 £
S W Howe	200,000	-
N A Winch	150,000	-
C Howe (wife of S W Howe)	50,000	-
J M Winch (wife of N A Winch)	50,000	-
R E Winch (mother of N A Winch)	50,000	-
	500,000	-

Also included in creditors due within one year are amounts of £50,000 (2010 £82,813) and £50,000 (2010 £164,982) owed to J M Winch and R E Winch respectively who are both members of the immediate family of N A Winch, a director of the company

Also included in creditors due within one year is an amount of £50,000 (2010 £Nil) owed to C Howe who is a member of the immediate family of S W Howe, a director of the company

The company's bank facilities are within a group facility which is secured by personal guarantees of £75,000 each given by S W Howe and N A Winch, directors of the company

27 ULTIMATE CONTROLLING PARTY

The company is under the joint control of S W Howe and N A Winch, directors of the company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2011

28 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2011 £	2010 £
Profit for the financial year	1,540,880	76,408
Dividends	(500,000)	-
	<u>1,040,880</u>	<u>76,408</u>
Other recognised gains and losses relating to the year (net)	255,608	-
	<u>1,296,488</u>	<u>76,408</u>
Net addition to shareholders' funds	755,840	679,432
Opening shareholders' funds	<u>2,052,328</u>	<u>755,840</u>
Closing shareholders' funds	<u>2,052,328</u>	<u>755,840</u>
Company	2011 £	2010 £
Profit for the financial year	1,818,393	2,528
Dividends	(500,000)	-
	<u>1,318,393</u>	<u>2,528</u>
Net addition to shareholders' funds	61,081	58,553
Opening shareholders' funds	<u>1,379,474</u>	<u>61,081</u>
Closing shareholders' funds	<u>1,379,474</u>	<u>61,081</u>