

MAJOR'S PLACE INDUSTRIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2011

Company Registration Number SC75748

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COMPANIES HOUSE

RSM Tenon Limited
Accountants and Business Advisers
160 Dundee Street
Edinburgh
EH11 1DQ

MAJOR'S PLACE INDUSTRIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Note of historical cost profits and losses	7
Group balance sheet	8
Balance sheet	9
Group cash flow cash flow statement	10
Notes to the financial statements	11 to 22

MAJOR'S PLACE INDUSTRIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2011

The board of directors	Sir A Grossart CBE DL B J W Lambie
Company secretary	W K Ramage B.Com, CA
Business address	Russell Road Edinburgh EH11 2LS
Registered office	Russell Road Edinburgh EH11 2LS
Auditor	RSM Tenon Audit Limited 160 Dundee Street Edinburgh EH11 1DQ
Accountants	RSM Tenon Limited Accountants and Business Advisers 160 Dundee Street Edinburgh EH11 1DQ
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
Solicitors	Tods Murray LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9AG

MAJOR'S PLACE INDUSTRIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2011

The directors present their report and the financial statements of the group for the year ended 31 January 2011.

Principal activities and business review

The principal activity of the company during the year is that of an investment holding company. The activity of the group is that of architectural metal works.

Whilst turnover has fallen from £18,086k to £10,487k in the current financial year, the group carried out some rationalisation of the cost base and as a result the Gross Profit margin has increased significantly to 16.4% from 13.1% in the prior year.

At the end of the financial year, the group has shareholders funds of £3.9m (2010: £3.8m) including distributable profits of £3.5m (2010: £3.3m). The directors therefore believe that the group's financial position is extremely robust, especially as the group's current assets exceed its current liabilities by some £2.5m (2010: £2.3m).

The group continues to operate strongly in its market sector where it is an acknowledged leader and, despite the ongoing difficult UK trading conditions, has been awarded significant large orders for 2011 and beyond. The directors anticipate a significant increase in turnover for the coming year.

The directors assess the main risks facing the group as being the current effect of the economic recession on the UK construction industry, and the significant increase in supplier costs.

The group is in excellent financial health and is well positioned to maximise future opportunities once economic conditions improve.

Results and dividends

The profit for the year, after taxation, amounted to £386,174. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

Details of the group's financial risk management objectives and policies are included in note 18 to the financial statements.

Directors

The directors who served the company during the year were as follows:

Sir A Grossart CBE DL
B J W Lambie

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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

MAJOR'S PLACE INDUSTRIES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2011

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

RSM Tenon Audit Limited who were appointed after the year end, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



W K Ramage, B.Com, CA

Company Secretary

Approved by the directors on 21st June 2011

MAJOR'S PLACE INDUSTRIES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAJOR'S
PLACE INDUSTRIES LIMITED
YEAR ENDED 31 JANUARY 2011

We have audited the group and parent company financial statements ("the financial statements") of Major's Place Industries Limited for the year ended 31 January 2011 on pages 6 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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 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 31 January 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 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.

MAJOR'S PLACE INDUSTRIES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAJOR'S
PLACE INDUSTRIES LIMITED *(continued)*
YEAR ENDED 31 JANUARY 2011

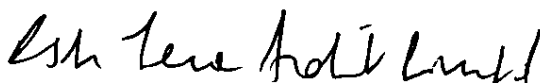
Matters on which we are required to report by exception

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.



David Holt, Senior Statutory Auditor
For and on behalf of



RSM Tenon Audit Limited
Statutory Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

Date:- 22/7/11

MAJOR'S PLACE INDUSTRIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JANUARY 2011**

	Note	2011 £	2010 £
Group turnover	2	10,487,177	18,086,919
Cost of sales		(8,766,420)	(15,743,958)
Gross profit		<u>1,720,757</u>	<u>2,342,961</u>
Distribution costs		(113,359)	(125,518)
Administrative expenses		(1,108,731)	(1,314,434)
Operating profit	3	<u>498,667</u>	<u>903,009</u>
Interest receivable		11,064	7,198
Interest payable and similar charges	6	(436)	-
Profit on ordinary activities before taxation		<u>509,295</u>	<u>910,207</u>
Tax on profit on ordinary activities	7	(123,121)	(245,328)
Profit for the financial year	8	<u>386,174</u>	<u>664,879</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTE OF HISTORICAL COST PROFITS AND LOSSES
YEAR ENDED 31 JANUARY 2011

	2011 £	2010 £
Reported profit on ordinary activities before taxation	509,295	910,207
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>13,320</u>	<u>13,320</u>
Historical cost profit on ordinary activities before taxation	<u>522,615</u>	<u>923,527</u>
Historical cost profit for the year after taxation	<u>399,494</u>	<u>678,199</u>

The notes on pages 11 to 22 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

GROUP BALANCE SHEET

31 JANUARY 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	10	1,491,446	1,473,778
		<u>1,491,446</u>	<u>1,473,778</u>
Current assets			
Stocks	12	246,173	156,031
Debtors	13	2,200,265	2,621,777
Cash at bank and in hand		1,821,075	2,629,645
		<u>4,267,513</u>	<u>5,407,453</u>
Creditors: Amounts falling due within one year	14	<u>(1,783,110)</u>	<u>(3,121,500)</u>
Net current assets		2,484,403	2,285,953
Total assets less current liabilities		<u>3,975,849</u>	<u>3,759,731</u>
Creditors: Amounts falling due after more than one year	15	(31,944)	—
Provisions for liabilities			
Deferred taxation	17	<u>(12,000)</u>	<u>(14,000)</u>
		<u>3,931,905</u>	<u>3,745,731</u>
Capital and reserves			
Called-up share capital	21	85,910	85,910
Share premium account	22	51,546	51,546
Revaluation reserve	22	332,979	346,299
Profit and loss account	22	3,461,470	3,261,976
Shareholders' funds	23	<u>3,931,905</u>	<u>3,745,731</u>

These financial statements were approved by the directors and authorised for issue on 22nd Jan 2011, and are signed on their behalf by:

B J W Lambie
Director



The notes on pages 11 to 22 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

Registered Number SC75748

BALANCE SHEET**31 JANUARY 2011**

	Note	2011 £	£	2010 £	£
Fixed assets					
Investments	11		436,338		436,338
Current assets					
Debtors	13	126		126	
Creditors: Amounts falling due within one year	14	<u>(148,442)</u>		<u>(148,442)</u>	
Net current liabilities			(148,316)		(148,316)
Total assets less current liabilities			<u>288,022</u>		<u>288,022</u>
Capital and reserves					
Called-up share capital	21		85,910		85,910
Share premium account	22		51,546		51,546
Profit and loss account	22		150,566		150,566
Shareholders' funds			<u>288,022</u>		<u>288,022</u>

These financial statements were approved by the directors and authorised for issue on 22nd Jan 2011, and are signed on their behalf by:

B J W Lambie
Director



The notes on pages 11 to 22 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2011

	Note	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	24	(210,604)	1,781,049
Returns on investments and servicing of finance	24	10,628	7,198
Taxation	24	(284,349)	(263,989)
Capital expenditure and financial investment	24	(172,856)	(81,525)
Equity dividends paid		(200,000)	(500,000)
Cash (outflow)/inflow before financing		(857,181)	942,733
Financing	24	48,611	—
(Decrease)/increase in cash	24	(808,570)	942,733

The notes on pages 11 to 22 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements combine the financial statements of Major's Place Industries Limited and its subsidiary company.

Uniform accounting policies are followed throughout the group and the financial statements of the operating subsidiary company are prepared to the same accounting date as the parent undertaking.

The parent undertaking has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

Turnover

Turnover represents the value of work done during the year in respect of contracting activities, including amounts not invoiced, excluding value added tax.

Tangible fixed assets

The company has not adopted a policy of revaluation of heritable property since the introduction of FRS 15.

Cost of fixed assets represents the purchase price together with incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable Property	- 2.5% straight line
Plant & Machinery	- 10% straight line
Motor Vehicles	- 20% straight line
Furniture & Equipment	- 20% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost comprises purchase price on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of any work in progress.

Hire purchase agreements

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing represents a constant proportion of the capital balance outstanding and is charged to the Profit & Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Long term contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses. Profit for the year included settlement of claims arising on contracts in prior years.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

Long term contract balances for amounts recoverable on contracts are included in trade debtors. These are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses.

Full provision is made for foreseeable losses on all contracts in the year in which the loss is first foreseen.

2. Turnover

Turnover (which is stated net of VAT) represents UK activity only.

3. Operating profit

Operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Depreciation of owned fixed assets	149,152	163,250
Depreciation of assets held under hire purchase agreements	1,458	—
Loss/(profit) on disposal of fixed assets	1,156	(106)
Auditor's remuneration	16,100	16,650
Operating lease costs:		
-Plant and machinery	30,316	30,819
-Other	<u>14,335</u>	<u>16,677</u>

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2011	2010
	No	No
Sales and administration	20	22
Production	57	66
	<u>77</u>	<u>88</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	2,049,013	2,675,707
Social security costs	169,015	190,790
Other pension costs	160,040	337,724
	<u>2,378,068</u>	<u>3,204,221</u>

5. Directors' remuneration

No directors were remunerated during the year as their services were provided by third parties at a cost to the group of £163,100 (2010: £150,920)

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

6. Interest payable and similar charges

	2011 £	2010 £
Finance charges	436	—

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	£	2010 £	£
In respect of the year:				
UK Corporation tax		118,020		277,262
Under/(over) provision in prior year		7,101		(9,934)
		<u>125,121</u>		<u>267,328</u>
Deferred tax:				
Origination and reversal of timing differences	(2,000)		(22,000)	
Total deferred tax (note 18)		<u>(2,000)</u>		<u>(22,000)</u>
Tax on profit on ordinary activities		<u>123,121</u>		<u>245,328</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2010 - 28%).

	2011 £	2010 £
Profit on ordinary activities before taxation	509,295	910,207
Profit on ordinary activities by rate of tax	142,603	254,858
Effects of:		
Expenses not deductible for tax purposes	3,397	6,345
Depreciation for year in excess of capital allowances	6,722	7,026
Other fixed asset timing differences	326	—
Marginal relief	(17,979)	(7,979)
Adjustments to tax charge in respect of previous periods	7,101	(9,934)
Over provision of Current Taxes	3,659	—
Other short term timing differences	(17,049)	16,012
Total current tax (note 7(a))	<u>125,121</u>	<u>267,328</u>

8. Profit attributable to members of the parent undertaking

The profit dealt with in the financial statements of the parent undertaking was £200,000 (2010 - £650,000).

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

9. Dividends

Equity dividends

	2011	2010
	£	£
Paid during the year		
Equity dividends on ordinary shares	199,500	649,500
Equity dividends on preference shares	500	500
	<u>200,000</u>	<u>650,000</u>

10. Tangible fixed assets

Group

	Heritable Property £	Plant & Machinery £	Motor Vehicles £	Furniture & Equipment £	Total £
Cost or valuation					
At 1 February 2010	1,385,909	1,375,000	223,265	873,923	3,858,097
Additions	30,041	19,051	158,264	–	207,356
Disposals	–	–	(100,749)	–	(100,749)
At 31 January 2011	<u>1,415,950</u>	<u>1,394,051</u>	<u>280,780</u>	<u>873,923</u>	<u>3,964,704</u>
Depreciation					
At 1 February 2010	393,027	1,079,945	98,154	813,193	2,384,319
Charge for the year	34,731	48,620	43,175	27,506	154,032
On disposals	–	–	(65,093)	–	(65,093)
At 31 January 2011	<u>427,758</u>	<u>1,128,565</u>	<u>76,236</u>	<u>840,699</u>	<u>2,473,258</u>
Net book value					
At 31 January 2011	<u>988,192</u>	<u>265,486</u>	<u>204,544</u>	<u>33,224</u>	<u>1,491,446</u>
At 31 January 2010	<u>992,882</u>	<u>295,055</u>	<u>125,111</u>	<u>60,730</u>	<u>1,473,778</u>

In January 1996, the heritable property was professionally valued at £989,600 on the basis of market value with existing use. Subsequent enhancement expenditure has been capitalised based on cost.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

10. Tangible fixed assets (continued)

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2011	2010
	£	£
Historical cost:		
At 1 February 2010	1,084,610	1,076,549
Cost of additions to revalued assets brought forward	30,041	8,061
	<u>1,114,651</u>	<u>1,084,610</u>
At 31 January 2011		
Depreciation:		
At 1 February 2010	391,994	371,003
Charge for year	24,740	20,991
	<u>416,734</u>	<u>391,994</u>
At 31 January 2011		
Net historical cost value:		
At 31 January 2011	<u>697,917</u>	<u>692,616</u>
At 1 February 2010	<u>692,616</u>	<u>705,546</u>

Hire purchase agreements

Included within the net book value of £1,491,446 is £86,042 (2010 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,458 (2010 - £Nil).

11. Investments

Company
Investment in subsidiary undertaking

	£
Cost	
At 1 February 2010 and 31 January 2011	<u>436,338</u>
Net book value	
At 31 January 2011 and 31 January 2010	<u>436,338</u>

Name of company	Country of registration	Details of investments	Proportion held by company	Nature of business
Charles Henshaw & Sons Limited	Scotland	Ordinary shares	100%	Architectural metal worker

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

12. Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials	144,588	129,026	—	—
Work in progress	101,585	27,005	—	—
	<u>246,173</u>	<u>156,031</u>	<u>—</u>	<u>—</u>

13. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,141,134	2,598,253	—	—
VAT recoverable	25,575	—	—	—
Prepayments and accrued income	33,556	23,524	126	126
	<u>2,200,265</u>	<u>2,621,777</u>	<u>126</u>	<u>126</u>

14. Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	1,210,362	1,548,269	—	—
Amounts owed to subsidiary undertaking	—	—	148,442	148,442
Hire purchase agreements	16,667	—	—	—
Corporation tax	118,020	277,248	—	—
PAYE and social security	70,345	97,508	—	—
VAT	—	442,139	—	—
Accruals and deferred income	367,716	756,336	—	—
	<u>1,783,110</u>	<u>3,121,500</u>	<u>148,442</u>	<u>148,442</u>

The bank overdraft facility is secured by a bond and floating charge over all of the group's assets and by an intercompany guarantee with Charles Henshaw & Sons Limited, the subsidiary undertaking.

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Hire purchase agreements	31,944	-	-	-

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	16,667	-	-	-
Amounts payable between 1 and 2 years	16,667	-	-	-
Amounts payable between 2 and 5 years	15,277	-	-	-
	<u>48,611</u>	<u>-</u>	<u>-</u>	<u>-</u>

Amounts due under hire purchase contracts are secured on the assets financed by such agreements.

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	14,000	36,000	-	-
Decrease in provision	(2,000)	(22,000)	-	-
Provision carried forward	<u>12,000</u>	<u>14,000</u>	<u>-</u>	<u>-</u>

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

17. Deferred taxation (*continued*)

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2011		2010	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	32,000	-	34,000	-
Other timing difference	(20,000)	-	(20,000)	-
	<u>12,000</u>	<u>-</u>	<u>14,000</u>	<u>-</u>

18. Financial risk management objectives and policies

The company makes little use of financial instruments. All the company's surplus funds are held in short term fixed rate sterling deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. As such, the company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit and loss of the company.

19. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from the company.

The total contributions paid in the year amounted to £160,040 (2010: £354,323). At the year end there was an amount accrued of £22,929 (2010: £96,885).

20. Commitments under operating leases

At 31 January 2011 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Other 2011 £	other 2010 £
Operating leases which expire:		
Within 1 year	22,174	11,601
Within 2 to 5 years	20,470	49,203
	<u>42,644</u>	<u>60,804</u>

21. Share capital

Authorised share capital:

	2011 £	2010 £
85,910 Ordinary shares of £1 each	<u>85,910</u>	<u>85,910</u>

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

21. Share capital (continued)

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
85,910 Ordinary shares of £1 each	<u>85,910</u>	<u>85,910</u>	<u>85,910</u>	<u>85,910</u>

22. Reserves

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance brought forward	51,546	346,299	3,261,976
Profit for the year	—	—	386,174
Equity dividends	—	—	(200,000)
Other movements - transfer to/from revaluation reserve	—	(13,320)	13,320
Balance carried forward	<u>51,546</u>	<u>332,979</u>	<u>3,461,470</u>

Company	Share premium account £	Profit and loss account £
Balance brought forward	51,546	150,566
Profit for the year	—	200,000
Equity dividends	—	(200,000)
Balance carried forward	<u>51,546</u>	<u>150,566</u>

23. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	386,174	664,879
Equity dividends	(200,000)	(500,000)
Transfer from revaluation reserve	13,320	13,320
Transfer to the Profit and Loss Account	(13,320)	(13,320)
Net addition to shareholders' funds	186,174	164,879
Opening shareholders' funds	3,745,731	3,580,852
Closing shareholders' funds	<u>3,931,905</u>	<u>3,745,731</u>

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

24. Notes to the cash flow statement

Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2011	2010
	£	£
Operating profit	498,667	903,009
Depreciation	154,032	163,250
Loss/(profit) on disposal of fixed assets	1,156	(106)
(Increase)/decrease in stocks	(90,142)	841,991
Decrease in debtors	421,512	1,067,616
Decrease in creditors	(1,195,829)	(1,194,711)
Net cash (outflow)/inflow from operating activities	<u>(210,604)</u>	<u>1,781,049</u>

Returns on investments and servicing of finance

	2011	2010
	£	£
Interest received	11,064	7,198
Interest element of hire purchase	(436)	—
Net cash inflow from returns on investments and servicing of finance	<u>10,628</u>	<u>7,198</u>

Taxation

	2011	2010
	£	£
Taxation	<u>(284,349)</u>	<u>(263,989)</u>

Capital expenditure and financial investment

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(207,356)	(84,725)
Receipts from sale of fixed assets	34,500	3,200
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(172,856)</u>	<u>(81,525)</u>

Financing

	2011	2010
	£	£
Capital element of hire purchase	48,611	—
Net cash inflow from financing	<u>48,611</u>	<u>—</u>

MAJOR'S PLACE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2011

24. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the year	(808,570)		942,733	
Cash outflow in respect of hire purchase	(48,611)		—	
Change in net funds		(857,181)		942,733
Net funds at 1 February 2010		2,629,645		1,686,912
Net funds at 31 January 2011		<u>1,772,464</u>		<u>2,629,645</u>

Analysis of changes in net funds

	At 1 February 2010 £	Cash flows £	At 31 January 2011 £
Net cash:			
Cash in hand and at bank	2,629,645	(808,570)	1,821,075
Debt:			
Hire purchase agreements	—	(48,611)	(48,611)
Net funds	<u>2,629,645</u>	<u>(857,181)</u>	<u>1,772,464</u>

25. Ultimate controlling party

In the opinion of the directors, the group has no ultimate controlling party.