

REGISTERED NUMBER 01459430 (England and Wales)

MANCHESTER VENDING SERVICES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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MANCHESTER VENDING SERVICES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2010**

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MANCHESTER VENDING SERVICES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010**

DIRECTORS:

J M Broderick
P A Broderick

SECRETARY:

M C Broderick

REGISTERED OFFICE:

Alpha Point
Bradnor Road
Sharston
Manchester
M22 4TE

REGISTERED NUMBER.

01459430 (England and Wales)

AUDITORS:

Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

MANCHESTER VENDING SERVICES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the accounts of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the purchase and sale of vending machine ingredients and supply of professionally operated vending services

REVIEW OF BUSINESS

The company has experienced a successful trading year with turnover for the year under review increasing by nearly 15% to £8 73m (2009 £7 60m)

The increase in turnover represents the continued demand for the company's products and high service levels

Net assets have increased by 30% to £1 04m (2009 £0 80m) reflecting the continued strength and performance of the business

PRINCIPLE RISKS AND UNCERTAINTIES

The activities of the company expose it to a number of financial risks including commodity price risk and credit risk

The company manages credit risk in so far as is possible by having a broad ranging customer base and by applying its knowledge of the industry

Price risks and uncertainty are managed through securing fixed term deals on purchases and through group purchasing where possible

TRADING OUTLOOK

The directors recognise the challenges in the forthcoming year in particular regarding the upward trend in commodity prices and the general uncertainty surrounding the economy as a whole. Despite these pressures the directors are confident that with the expertise and knowledge within the company continued success and growth is achievable

DIVIDENDS

Interim dividends of £19 2629 per share were paid during the year. The directors recommend that no final dividend be paid

The total distribution of dividends for the year end 31 December 2010 will be £300,000

DIRECTORS

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

J M Broderick
P A Broderick

MANCHESTER VENDING SERVICES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 of the profit or loss of the company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

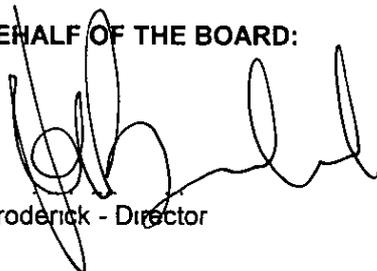
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company'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 company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



J M Broderick - Director

Date 17 September 2011

**REPORT OF THE INDEPENDENT AUDITORS TO
MANCHESTER VENDING SERVICES LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to fifteen, together with the full financial statements of Manchester Vending Services Limited for the year ended 31 December 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Clarke Nicklin LLP

Graham Travis (Senior Statutory Auditor)
for and on behalf of Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

Date 1 September 2011

MANCHESTER VENDING SERVICES LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Notes | 2010 | | 2009 | |
|--|-------|------------------|----------------|------------------|----------------|
| | | £ | £ | £ | £ |
| TURNOVER | | | 8,727,868 | | 7,603,673 |
| Cost of sales and other operating income | | | (4,128,842) | | (3,606,099) |
| | | | <hr/> | | <hr/> |
| | | | 4,599,026 | | 3,997,574 |
| Distribution costs | | 86,300 | | 82,018 | |
| Administrative expenses | | <u>3,814,683</u> | | <u>3,563,234</u> | |
| | | | <hr/> | | <hr/> |
| | | | 3,900,983 | | 3,645,252 |
| OPERATING PROFIT | 3 | | 698,043 | | 352,322 |
| Interest receivable and similar income | | | 2,185 | | 2,352 |
| | | | <hr/> | | <hr/> |
| | | | 700,228 | | 354,674 |
| Interest payable and similar charges | 4 | | - | | 1,478 |
| | | | <hr/> | | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | 700,228 | | 353,196 |
| Tax on profit on ordinary activities | 5 | | 162,459 | | 102,315 |
| | | | <hr/> | | <hr/> |
| PROFIT FOR THE FINANCIAL YEAR | | | <u>537,769</u> | | <u>250,881</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

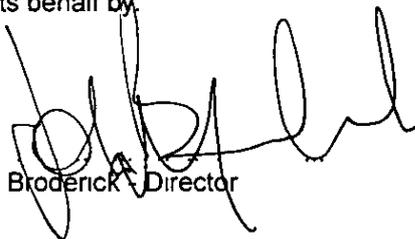
MANCHESTER VENDING SERVICES LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2010**

| | Notes | 2010 £ | 2009 £ |
|--|-------|-------------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 759,266 | 764,260 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 402,141 | 337,640 |
| Debtors | 9 | 1,503,360 | 733,571 |
| Cash at bank | | - | 300,684 |
| | | <u>1,905,501</u> | <u>1,371,895</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | <u>1,563,318</u> | <u>1,282,358</u> |
| NET CURRENT ASSETS | | <u>342,183</u> | <u>89,537</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,101,449</u> | <u>853,797</u> |
| PROVISIONS FOR LIABILITIES | 14 | <u>65,268</u> | <u>55,385</u> |
| NET ASSETS | | <u><u>1,036,181</u></u> | <u><u>798,412</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 15,574 | 15,574 |
| Capital redemption reserve | 16 | 7,026 | 7,026 |
| Profit and loss account | 16 | <u>1,013,581</u> | <u>775,812</u> |
| SHAREHOLDERS' FUNDS | 18 | <u><u>1,036,181</u></u> | <u><u>798,412</u></u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

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


J M Broderick, Director

The notes form part of these abbreviated accounts

MANCHESTER VENDING SERVICES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

| | Notes | 2010 £ | 2009 £ |
|---|-------|------------------|-----------------|
| Net cash inflow from operating activities | 1 | 200,230 | 858,336 |
| Returns on investments and servicing of finance | 2 | 2,185 | 874 |
| Taxation | | (89,622) | (98,170) |
| Capital expenditure | 2 | (188,640) | (315,818) |
| Equity dividends paid | | (300,000) | (80,265) |
| | | <u>(375,847)</u> | <u>364,957</u> |
| Financing | 2 | 72,441 | - |
| (Decrease)/Increase in cash in the period | | <u>(303,406)</u> | <u>364,957</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| (Decrease)/Increase in cash in the period | | <u>(303,406)</u> | <u>364,957</u> |
| Change in net funds resulting from cash flows | | <u>(303,406)</u> | <u>364,957</u> |
| Movement in net funds in the period | | <u>(303,406)</u> | <u>364,957</u> |
| Net funds/(debt) at 1 January | | <u>300,684</u> | <u>(64,273)</u> |
| Net (debt)/funds at 31 December | | <u>(2,722)</u> | <u>300,684</u> |

The notes form part of these abbreviated accounts

MANCHESTER VENDING SERVICES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

| | 2010 £ | 2009 £ |
|--|----------------|----------------|
| Operating profit | 698,043 | 352,322 |
| Depreciation charges | 187,482 | 187,764 |
| Loss on disposal of fixed assets | 6,152 | 24,136 |
| Increase in stocks | (64,501) | (25,328) |
| (Increase)/Decrease in debtors | (769,789) | 125,169 |
| Increase in creditors | 142,843 | 194,273 |
| Net cash inflow from operating activities | <u>200,230</u> | <u>858,336</u> |

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

| | 2010 £ | 2009 £ |
|--|------------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 2,185 | 2,352 |
| Interest paid | - | (1,478) |
| Net cash inflow for returns on investments and servicing of finance | <u>2,185</u> | <u>874</u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (188,640) | (315,817) |
| Sale of tangible fixed assets | - | (1) |
| Net cash outflow for capital expenditure | <u>(188,640)</u> | <u>(315,818)</u> |
| Financing | | |
| Amount introduced by directors | 213,316 | - |
| Amount withdrawn by directors | (140,875) | - |
| Net cash inflow from financing | <u>72,441</u> | <u>-</u> |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 1 10 £ | Cash flow £ | At 31 12 10 £ |
|--------------------------|----------------|------------------|---------------------|
| Net cash | | | |
| Cash at bank and in hand | 300,684 | (300,684) | - |
| Bank overdraft | - | (2,722) | (2,722) |
| | <u>300,684</u> | <u>(303,406)</u> | <u>(2,722)</u> |
| Total | <u>300,684</u> | <u>(303,406)</u> | <u>(2,722)</u> |

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of machines, ingredients, snacks and cans and maintenance of machines, excluding value added tax

Sales of snacks, ingredients and drinks are recognised at point of sale

Machine sales are recognised at date of installation

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|-----------------------|---------------------------|
| Office equipment | - 15% on reducing balance |
| Security system | - 25% on reducing balance |
| Vending machines | - 20% on reducing balance |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance |
| Computer equipment | - 25% on reducing balance |

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

Hire purchase and leasing commitments

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

Machine rentals

The company holds a number of vending machines that are rented out under operating leases

Rental Income from operating leases is recognised on a straight-line basis over the period of the lease

2 STAFF COSTS

| | 2010 | 2009 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,026,415 | 1,912,355 |
| Social security costs | 195,030 | 183,816 |
| Other pension costs | 60,000 | 50,000 |
| | <u>2,281,445</u> | <u>2,146,171</u> |

MANCHESTER VENDING SERVICES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010****2 STAFF COSTS - continued**

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

| | 2010 | 2009 |
|--------------------|-----------|-----------|
| Wages and salaries | <u>85</u> | <u>87</u> |

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2010 | 2009 |
|--|----------------|----------------|
| | £ | £ |
| Hire of plant and machinery | 67,601 | 49,815 |
| Depreciation - owned assets | 187,482 | 187,764 |
| Loss on disposal of fixed assets | 6,152 | 24,136 |
| Auditors' remuneration | 8,000 | 4,000 |
| VAT refund | (101,634) | - |
| Income from operating leases | (134,617) | (292,872) |
| Motor vehicle leases | <u>329,826</u> | <u>322,402</u> |
| Directors' remuneration | 324,084 | 313,725 |
| Directors' pension contributions to money purchase schemes | <u>60,000</u> | <u>50,000</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows

| | 2010 | 2009 |
|---|---------------|---------------|
| | £ | £ |
| Emoluments etc | 193,610 | 187,171 |
| Pension contributions to money purchase schemes | <u>30,000</u> | <u>25,000</u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2010 | 2009 |
|-----------------------------|----------|--------------|
| | £ | £ |
| Interest on corporation tax | <u>-</u> | <u>1,478</u> |

MANCHESTER VENDING SERVICES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 TAXATION

Analysis of the tax charge

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

| | 2010 £ | 2009 £ |
|--------------------------------------|----------------|----------------|
| Current tax | | |
| UK corporation tax | 153,832 | 90,878 |
| Adjustment in respect of prior year | (1,256) | - |
| | <u>152,576</u> | <u>90,878</u> |
| Total current tax | | |
| Deferred tax | 9,883 | 11,437 |
| | <u>162,459</u> | <u>102,315</u> |
| Tax on profit on ordinary activities | | |

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

| | 2010 £ | 2009 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax | <u>700,228</u> | <u>353,196</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 23.080%) | 196,064 | 81,518 |
| Effects of | | |
| Capital allowances in excess of depreciation | (7,631) | (14,719) |
| Lease car adjustment | 5,230 | 1,487 |
| Entertaining | 4,283 | 15,915 |
| Donations | - | 1,019 |
| Legal & professional | - | 87 |
| Loss on disposal of fixed assets | - | 5,571 |
| VAT refund | (28,457) | - |
| Adjustment in respect of prior year | (1,256) | - |
| Marginal relief | (15,657) | - |
| | <u>152,576</u> | <u>90,878</u> |
| Current tax charge | | |

6 DIVIDENDS

| | 2010 £ | 2009 £ |
|----------------------------|----------------|----------------|
| Ordinary shares of £1 each | | |
| Interim | <u>300,000</u> | <u>155,265</u> |

MANCHESTER VENDING SERVICES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

7 TANGIBLE FIXED ASSETS

| | Office equipment £ | Security system £ | Vending machines £ |
|------------------------|--------------------------|-------------------------|--------------------------|
| COST | | | |
| At 1 January 2010 | 48,081 | 11,256 | 1,666,181 |
| Additions | 4,679 | 20,238 | 135,262 |
| Disposals | - | (11,256) | (4,577) |
| At 31 December 2010 | <u>52,760</u> | <u>20,238</u> | <u>1,796,866</u> |
| DEPRECIATION | | | |
| At 1 January 2010 | 38,044 | 6,784 | 1,016,022 |
| Charge for year | 2,207 | 5,060 | 156,749 |
| Eliminated on disposal | - | (6,784) | (2,897) |
| At 31 December 2010 | <u>40,251</u> | <u>5,060</u> | <u>1,169,874</u> |
| NET BOOK VALUE | | | |
| At 31 December 2010 | <u>12,509</u> | <u>15,178</u> | <u>626,992</u> |
| At 31 December 2009 | <u>10,037</u> | <u>4,472</u> | <u>650,159</u> |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|------------------------|----------------------------|------------------|
| COST | | | | |
| At 1 January 2010 | 153,857 | 6,000 | 124,060 | 2,009,435 |
| Additions | 13,964 | - | 14,497 | 188,640 |
| Disposals | - | - | - | (15,833) |
| At 31 December 2010 | <u>167,821</u> | <u>6,000</u> | <u>138,557</u> | <u>2,182,242</u> |
| DEPRECIATION | | | | |
| At 1 January 2010 | 82,340 | 4,101 | 97,884 | 1,245,175 |
| Charge for year | 12,823 | 475 | 10,168 | 187,482 |
| Eliminated on disposal | - | - | - | (9,681) |
| At 31 December 2010 | <u>95,163</u> | <u>4,576</u> | <u>108,052</u> | <u>1,422,976</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2010 | <u>72,658</u> | <u>1,424</u> | <u>30,505</u> | <u>759,266</u> |
| At 31 December 2009 | <u>71,517</u> | <u>1,899</u> | <u>26,176</u> | <u>764,260</u> |

8 STOCKS

| | 2010 £ | 2009 £ |
|--------|----------------|----------------|
| Stocks | <u>402,141</u> | <u>337,640</u> |

MANCHESTER VENDING SERVICES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | 2009 £ |
|--------------------------------|------------------|----------------|
| Trade debtors | 1,033,513 | 361,151 |
| Other debtors | 386,898 | 291,435 |
| Prepayments and accrued income | 82,949 | 80,985 |
| | <u>1,503,360</u> | <u>733,571</u> |

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | 2009 £ |
|---|------------------|------------------|
| Bank loans and overdrafts (see note 11) | 2,722 | - |
| Trade creditors | 977,620 | 768,660 |
| Corporation tax | 153,832 | 90,878 |
| Social security and other taxes | 212,069 | 259,787 |
| Proposed dividends | - | 75,000 |
| Other creditors | 37,106 | 498 |
| Directors' current accounts | 128,990 | - |
| Accrued expenses | 50,979 | 87,535 |
| | <u>1,563,318</u> | <u>1,282,358</u> |

11 LOANS

An analysis of the maturity of loans is given below

| | 2010 £ | 2009 £ |
|--|--------------|-----------|
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | <u>2,722</u> | <u>-</u> |

12 OPERATING LEASE COMMITMENTS

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

| | Land and buildings | | Other operating leases | |
|----------------------------|-----------------------|----------------|------------------------------|----------------|
| | 2010 £ | 2009 £ | 2010 £ | 2009 £ |
| Expiring | | | | |
| Within one year | - | - | 129,676 | 223,308 |
| Between one and five years | 118,994 | 118,994 | 113,664 | 66,877 |
| | <u>118,994</u> | <u>118,994</u> | <u>243,340</u> | <u>290,185</u> |

MANCHESTER VENDING SERVICES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

13 SECURED DEBTS

The following secured debts are included within creditors

| | 2010 £ | 2009 £ |
|----------------|--------------|-----------|
| Bank overdraft | <u>2,722</u> | <u>-</u> |

The bank holds as security an unscheduled mortgage debenture, incorporating a fixed and floating charge over the current and future assets of the company, together with an unlimited guarantee provided by both the company and Brodericks Love Coffee LLP

14 PROVISIONS FOR LIABILITIES

| | 2010 £ | 2009 £ |
|-----------------------------|---------------|----------------------|
| Deferred tax | <u>65,268</u> | <u>55,385</u> |
| | | Deferred tax £ |
| Balance at 1 January 2010 | | 55,385 |
| Charge for year | | 9,883 |
| Balance at 31 December 2010 | | <u>65,268</u> |

15 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid | | | 2010 £ | 2009 £ |
|---------------------------------|----------|------------------------|---------------|---------------|
| Number | Class | Nominal value £1 | | |
| 15,574 | Ordinary | | <u>15,574</u> | <u>15,574</u> |

16 RESERVES

| | Profit and loss account £ | Capital redemption reserve £ | Totals £ |
|---------------------|------------------------------------|---------------------------------------|------------------|
| At 1 January 2010 | 775,812 | 7,026 | 782,838 |
| Profit for the year | 537,769 | | 537,769 |
| Dividends | (300,000) | | (300,000) |
| At 31 December 2010 | <u>1,013,581</u> | <u>7,026</u> | <u>1,020,607</u> |

MANCHESTER VENDING SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2010

17 RELATED PARTY DISCLOSURES

The following dividends have been paid to directors during the year -

J M Broderick £106,658
P A Broderick £106,658

During the year rent of £118,994 (2009 £118,294) was paid to Brodnods LLP, a limited liability partnership whose members include the directors J M & P A Broderick

During the year motor lease payments of £329,826 were made to Chappell Finance Ltd, a company controlled by the son of one of the directors

At 31 December 2010, a total of £92,137 (2009 £92,724) was due from Chappell Finance Ltd, this amount is interest free and repayable on demand

At 31 December 2010, £292,031 (2009 £194,001) was due from Broderick's Love Coffee LLP, a limited liability partnership whose members include the directors J M & P A Broderick This balance represents wages paid by Manchester Vending Limited on behalf of the company, management charges made to Broderick's Love Coffee LLP for services provided to the partnership and cash amounts handled by Manchester Vending Services Limited Interest is paid by Brodericks Love Coffee LLP to the company on a quarterly basis and is calculated on the amount owed at 2% above base rate Interest of £2,185 (2009 £2,352) was received in the year

At 31 December 2010, £36,363 (2009 Nil) was due to Beverley Broderick, sister of J M & P A Broderick

Directors loan accounts are interest free and repayable on demand Amounts due to directors at 31 December 2010 are -

J M Broderick £58,854
P A Broderick £70,136

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2010 | 2009 |
|--|------------------|----------------|
| | £ | £ |
| Profit for the financial year | 537,769 | 250,881 |
| Dividends | (300,000) | (155,265) |
| Net addition to shareholders' funds | 237,769 | 95,616 |
| Opening shareholders' funds | 798,412 | 702,796 |
| Closing shareholders' funds | 1,036,181 | 798,412 |

19 ULTIMATE CONTROLLING PARTY

The company is controlled by J M Broderick, P A Broderick and B Broderick by virtue of their 100% holding of the issued ordinary share capital