

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY  
COMPANIES**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 MAY 2011**

THURSDAY



A47 \*AEGF6ZWK\* 108  
08/12/2011  
COMPANIES HOUSE

## THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

### COMPANY INFORMATION

<b>Directors</b>	A J Plant R T H Plant P W Bushell J H T Plant
<b>Company secretary</b>	A C Perry
<b>Company number</b>	3411690
<b>Registered office</b>	Plumbob House Valepits Road, Garretts Green West Midlands B33 0TD
<b>Auditor</b>	PKF (UK) LLP 45 Great Charles Street Queensway Birmingham B3 2LX
<b>Bankers</b>	Lloyds TSB Bank Plc Edgbaston Birmingham B15 1QL

# **THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

## **CONTENTS**

	Page
<b>Directors' report</b>	1 - 2
<b>Statement of directors' responsibilities</b>	3
<b>Independent auditor's report</b>	4 - 5
<b>Consolidated profit and loss account</b>	6
<b>Consolidated statement of total recognised gains and losses</b>	7
<b>Consolidated balance sheet</b>	8
<b>Company balance sheet</b>	9
<b>Consolidated cash flow statement</b>	10
<b>Notes to the financial statements</b>	11 - 26

## **THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 MAY 2011**

The directors present their report and the financial statements for the period ended 30 May 2011

#### **Principal activity**

The group's principal activity is the import and distribution of kitchenware products

#### **Business review**

The group has enjoyed another successful year with both turnover and operating profit increasing by 10.2% and 35.0% respectively. Turnover increased across all areas of the group despite the generally difficult trading conditions and economic climate.

Increases in selling prices were not sufficient to offset increasing purchase prices across the group's supply chain and overall gross margins have fallen slightly. However, the directors are satisfied with the results and after taking account of overheads annual operating profit was £1,755,609.

During the year the group has developed many aspects of the business including further marketing investment, website development, product development and warehousing. The number of employees has grown by over 20% during the year to support both this growth and anticipated further expansion. This will enable the group to continue to strengthen its market position.

The group's balance sheet has strengthened once again with net assets increasing by £923,239 to over £11million.

With the current economic uncertainty the outlook for the next financial period continues to be difficult to predict. However, over the forthcoming year investment is planned in all areas of the business including product development and support systems that will help move the group forward.

#### **Results and dividends**

The profit for the period, after taxation, amounted to £1,145,939 (2010 - £1,326,187).

The directors have paid a dividend of £89,700 to the ordinary shareholders and a dividend of £350 on the preference shares. No final dividend is proposed.

#### **Directors**

The directors who served during the period were

A J Plant  
R T H Plant  
P W Bushell  
J H T Plant

#### **Financial instruments**

The group finances fixed assets and working capital through a mixture of retained profits, medium term related party loans at a fixed rate of interest, and a relatively small bank overdraft.

The group's financial risk management objective is broadly to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to pay suppliers in accordance with their stated terms, matching the maturity of the forward contract currency purchases. The group does not use hedge accounting.

The group's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments are its bankers or related parties, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 MAY 2011**

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit

**Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

This report was approved by the board on 10th November 2011 and signed on its behalf



**A C Perry**  
Secretary

## **THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 30 MAY 2011**

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 period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS PLANT (BIRMINGHAM) LIMITED**

We have audited the financial statements of Thomas Plant (Birmingham) Limited for the period ended 30 May 2011 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. 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, 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 directors' report 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 the parent company's affairs as at 30 May 2011 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS PLANT (BIRMINGHAM) LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF (UK) LLP

Howard Voisey (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor  
Birmingham  
21 November 2011



**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 MAY 2011**

	<b>Note</b>	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>TURNOVER</b>	1,2	<b>35,093,601</b>	31,838,174
Change in stocks of finished goods and work in progress		<b>1,382,053</b>	1,087,450
Raw materials and consumables		<b>(22,325,220)</b>	(19,807,637)
Other external charges		<b>(5,727,880)</b>	(4,590,306)
Staff costs		<b>(6,499,962)</b>	(7,059,244)
Depreciation and amortisation		<b>(166,983)</b>	(167,570)
<b>OPERATING PROFIT</b>	3	<b>1,755,609</b>	1,300,867
Interest receivable and similar income	7	<b>168</b>	589,075
Interest payable and similar charges	8	<b>(162,801)</b>	(13,793)
Other charges	9	<b>-</b>	(26,000)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,592,976</b>	1,850,149
Tax on profit on ordinary activities	10	<b>(447,037)</b>	(523,962)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	19	<b>1,145,939</b>	1,326,187

All amounts relate to continuing operations

The notes on pages 11 to 26 form part of these financial statements

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 30 MAY 2011**

		<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>Note</b>	<b>1,145,939</b>	<b>1,326,187</b>
Actuarial loss related to pension scheme	26	<b>(176,000)</b>	<b>(550,000)</b>
Deferred tax attributable to actuarial loss	26	<b>43,000</b>	<b>154,000</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL PERIOD</b>		<b><u>1,012,939</u></b>	<b><u>930,187</u></b>

The notes on pages 11 to 26 form part of these financial statements

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**REGISTERED NUMBER: 3411690**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 MAY 2011**

	Note	£	30 May 2011 £	31 May 2010 £
<b>FIXED ASSETS</b>				
Tangible assets	11		420,805	401,564
<b>CURRENT ASSETS</b>				
Stocks	13	10,819,728		9,437,675
Debtors	14	6,186,990		5,425,949
Cash at bank		65,117		50,006
		<u>17,071,835</u>		<u>14,913,630</u>
<b>CREDITORS</b> amounts falling due within one year	15	(4,905,694)		(3,546,487)
<b>NET CURRENT ASSETS</b>			<u>12,166,141</u>	<u>11,367,143</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,586,946</u>	<u>11,768,707</u>
<b>CREDITORS</b> amounts falling due after more than one year	16		(1,508,334)	(1,508,334)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,078,612</u>	<u>10,260,373</u>
Defined benefit pension scheme liability	26		-	(105,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,078,612</u>	<u>10,155,373</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		690,000	690,000
Capital redemption reserve	19		84,666	84,666
Profit and loss account	19		10,303,946	9,380,707
<b>SHAREHOLDERS' FUNDS</b>	20		<u>11,078,612</u>	<u>10,155,373</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
10 November 2011



**A J Plant**  
Director



**R T H Plant**  
Director

The notes on pages 11 to 26 form part of these financial statements

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**  
**REGISTERED NUMBER: 3411690**

**COMPANY BALANCE SHEET**  
**AS AT 30 MAY 2011**

	Note	£	30 May 2011 £	£	31 May 2010 £
<b>FIXED ASSETS</b>					
Tangible assets	11		420,805		401,564
Investments	12		999,004		999,004
			<u>1,419,809</u>		<u>1,400,568</u>
<b>CURRENT ASSETS</b>					
Stocks	13	10,819,728		9,437,675	
Debtors	14	6,186,990		5,425,949	
Cash at bank		65,117		50,006	
			<u>17,071,835</u>	<u>14,913,630</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(4,905,694)		(3,546,487)	
<b>NET CURRENT ASSETS</b>			<u>12,166,141</u>		<u>11,367,143</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,585,950</u>		<u>12,767,711</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(2,507,338)		(2,507,338)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,078,612</u>		<u>10,260,373</u>
Defined benefit pension scheme liability	26		-		(105,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,078,612</u>		<u>10,155,373</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		690,000		690,000
Capital redemption reserve	19		84,666		84,666
Profit and loss account	19		10,303,946		9,380,707
<b>SHAREHOLDERS' FUNDS</b>	20		<u>11,078,612</u>		<u>10,155,373</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**10 November 2011**



**A J Plant**  
Director



**R T H Plant**  
Director

The notes on pages 11 to 26 form part of these financial statements

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 MAY 2011**

	<b>Note</b>	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Net cash in/(out) flow from operating activities	22	<b>1,248,230</b>	(2,847,811)
Returns on investments and servicing of finance	23	<b>(160,948)</b>	575,282
Taxation		<b>(393,962)</b>	(139,867)
Capital expenditure and financial investment	23	<b>(182,912)</b>	(131,381)
Equity dividends paid		<b>(89,700)</b>	(89,700)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>420,708</b>	(2,633,477)
Financing	23	-	1,500,000
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>		<b>420,708</b>	(1,133,477)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
FOR THE PERIOD ENDED 30 MAY 2011**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Increase/(decrease) in cash in the period	<b>420,708</b>	(1,133,477)
Cash inflow from increase in debt and lease financing	-	(1,500,000)
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>420,708</b>	(2,633,477)
Net funds at 25 May 2010	<b>(1,900,103)</b>	733,374
<b>NET DEBT AT 30 MAY 2011</b>	<b>(1,479,395)</b>	(1,900,103)

The notes on pages 11 to 26 form part of these financial statements

## THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MAY 2011

#### 1 ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Thomas Plant (Birmingham) Limited and its subsidiary undertakings ('subsidiaries') using the acquisition method

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	33 3% reducing balance
Furniture, fittings and equipment	-	10-33% straight line
Short leasehold improvements	-	10% straight line

##### 1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment

##### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated on a weighted average basis

## THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MAY 2011

#### **1 ACCOUNTING POLICIES (continued)**

##### **1 8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### **1 9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

##### **1 10 Pensions**

The company operates defined contribution and defined benefit pension schemes. The pension charge for the defined contribution scheme represents the amount payable by the company in respect of the year and the charge for the defined benefit scheme is based on a full actuarial valuation dated 1 April 2008 updated by the actuaries under FRS 17 to 31 May 2011

For the defined benefit scheme, pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the year is charged to operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in interest payable. Gains or losses on curtailments or settlements are recognised in the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised on the balance sheet net of related deferred tax.

##### **1.11 Preference shares**

In accordance with Financial Reporting Standard 25, non-equity shares, including preference shares are classified in the balance sheet as creditors as opposed to share capital, with dividends accruing or paid on such shares being included as interest payable before arriving at profit on ordinary activities.

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**2. TURNOVER**

Turnover is attributable to one class of business

A geographical analysis of turnover is as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
United Kingdom	<b>28,454,328</b>	27,912,442
Rest of European Union	<b>4,524,083</b>	2,340,040
Rest of world	<b>2,115,190</b>	1,585,692
	<b><u>35,093,601</u></b>	<b><u>31,838,174</u></b>

**3. OPERATING PROFIT**

The operating profit is stated after charging

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Depreciation of tangible fixed assets		
- owned by the group	<b>166,983</b>	167,570
Operating lease rentals		
- plant and machinery	<b>73,285</b>	70,712
- other operating leases	<b>376,000</b>	320,000
	<b><u>                    </u></b>	<b><u>                    </u></b>

**4. AUDITORS' REMUNERATION**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	<b>13,350</b>	12,250
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	<b>10,399</b>	7,295
Services relating to corporate finance transactions	<b>6,844</b>	25,000
Audit of the Retirement Benefits Scheme	<b>4,100</b>	2,500
	<b><u>                    </u></b>	<b><u>                    </u></b>



**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**5 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Wages and salaries	5,743,417	6,422,528
Social security costs	658,932	704,319
Other pension costs (Note 26)	97,613	(67,603)
	<b>6,499,962</b>	<b>7,059,244</b>

The average monthly number of employees, including the directors, during the period was as follows

	<b>52 weeks ended 30 May 2011 No.</b>	<b>53 weeks ended 31 May 2010 No</b>
Marketing, buying and quality control	20	13
Sales and administration	34	31
Warehouse	54	44
Management	6	6
	<b>114</b>	<b>94</b>

**6. DIRECTORS' REMUNERATION**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Emoluments	2,455,216	3,562,661

The highest paid director received remuneration of £819,553 (2010 - £1,187,512)

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Exchange differences	-	587,459
Other interest receivable	168	1,616
	<b>168</b>	<b>589,075</b>

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**8 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
On loans and overdrafts	109,197	13,443
Exchange differences	53,254	-
Dividends paid on shares classed as debt	350	350
	<u><b>162,801</b></u>	<u><b>13,793</b></u>

**9. OTHER CHARGES**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Return on pension scheme assets	226,000	210,000
Interest on pension scheme liabilities	(226,000)	(236,000)
	<u><b>-</b></u>	<u><b>(26,000)</b></u>

**10 TAXATION**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>Analysis of tax charge for the period</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period	371,037	393,962
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,000)	2,000
Adjustments in respect of pension fund charges and payments	84,000	128,000
<b>Total deferred tax</b> (see note 17)	<u><b>76,000</b></u>	<u><b>130,000</b></u>
<b>Tax on profit on ordinary activities</b>	<u><b>447,037</b></u>	<u><b>523,962</b></u>

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**10. TAXATION (continued)**

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Profit on ordinary activities before tax	<b>1,592,976</b>	1,850,149
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	<b>414,174</b>	518,042
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>32,866</b>	7,277
Capital allowances in excess of depreciation	<b>(26,194)</b>	(1,825)
Adjustment in respect of pension fund charges and payments	<b>(84,000)</b>	(128,000)
Marginal rate relief	<b>(2,555)</b>	(1,532)
Change in tax rate	<b>22,774</b>	-
Other timing differences	<b>13,972</b>	-
<b>Current tax charge for the period (see note above)</b>	<b>371,037</b>	393,962

**11. TANGIBLE FIXED ASSETS**

<b>Group and Company</b>	<b>Short leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 June 2010	60,928	329,944	928,220	1,319,092
Additions	77,690	93,489	57,933	229,112
Disposals	-	(206,606)	(24,091)	(230,697)
At 30 May 2011	<b>138,618</b>	<b>216,827</b>	<b>962,062</b>	<b>1,317,507</b>
<b>Depreciation</b>				
At 1 June 2010	29,043	227,449	661,036	917,528
Charge for the period	11,886	48,457	106,640	166,983
On disposals	-	(163,932)	(23,877)	(187,809)
At 30 May 2011	<b>40,929</b>	<b>111,974</b>	<b>743,799</b>	<b>896,702</b>
<b>Net book value</b>				
At 30 May 2011	<b>97,689</b>	<b>104,853</b>	<b>218,263</b>	<b>420,805</b>
At 31 May 2010	31,885	102,495	267,184	401,564

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**12. FIXED ASSET INVESTMENTS**

Investments in subsidiaries comprised holdings in Thomas Plant (Birmingham 1927) Limited, Frederick Hill (Birmingham) Limited, Kitchencraft (Housewares) Limited and Plumbob (Hardware) Limited

Thomas Plant (Birmingham) Limited has a 100% holding in all of the above subsidiaries which are all incorporated within the UK and were dormant throughout the period

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 June 2010 and 30 May 2011	<b>999,004</b>
<b>Net book value</b>	
At 30 May 2011	<b>999,004</b>
At 31 May 2010	<b>999,004</b>

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>
Finished goods and goods for resale	<b>10,819,728</b>	9,437,675	<b>10,819,728</b>	9,437,675

**14. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>
Trade debtors	<b>5,729,746</b>	4,998,757	<b>5,729,746</b>	4,998,757
Other debtors	<b>320,631</b>	304,457	<b>320,631</b>	304,457
Prepayments and accrued income	<b>128,613</b>	122,735	<b>128,613</b>	122,735
Deferred tax asset (see note 17)	<b>8,000</b>	-	<b>8,000</b>	-
	<b>6,186,990</b>	5,425,949	<b>6,186,990</b>	5,425,949

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**15. CREDITORS:**  
**Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>30 May 2011</b>	<b>31 May 2010</b>	<b>30 May 2011</b>	<b>31 May 2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdrafts	<b>36,178</b>	441,775	<b>36,178</b>	441,775
Trade creditors	<b>2,381,428</b>	2,079,344	<b>2,381,428</b>	2,079,344
Corporation tax	<b>371,037</b>	393,962	<b>371,037</b>	393,962
Social security and other taxes	<b>56,663</b>	171,100	<b>56,663</b>	171,100
Other creditors	<b>143,150</b>	153,533	<b>143,150</b>	153,533
Accruals and deferred income	<b>1,917,238</b>	306,773	<b>1,917,238</b>	306,773
	<b>4,905,694</b>	3,546,487	<b>4,905,694</b>	3,546,487

Bank overdrafts are secured by a fixed and floating charge over the assets of the group

**16. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>30 May 2011</b>	<b>31 May 2010</b>	<b>30 May 2011</b>	<b>31 May 2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Debenture loans	<b>1,500,000</b>	1,500,000	<b>1,500,000</b>	1,500,000
Amounts owed to group undertakings	<b>-</b>	-	<b>999,004</b>	999,004
Share capital treated as debt (Note 18)	<b>8,334</b>	8,334	<b>8,334</b>	8,334
	<b>1,508,334</b>	1,508,334	<b>2,507,338</b>	2,507,338

Disclosure of the terms and conditions attached to the non-equity shares is made in note 18

Creditors include amounts not wholly repayable within 5 years as follows

	<b>Group</b>		<b>Company</b>	
	<b>30 May 2011</b>	<b>31 May 2010</b>	<b>30 May 2011</b>	<b>31 May 2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable other than by instalments	<b>8,334</b>	8,334	<b>8,334</b>	8,334

Debenture loans are secured by a second fixed and floating charge over the assets of the group

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**17. DEFERRED TAXATION**

	<u>Group</u>		<u>Company</u>	
	30 May 2011 £	31 May 2010 £	30 May 2011 £	31 May 2010 £
At 25 May 2009	-	2,000	-	2,000
Credit/(charge for) the period	8,000	(2,000)	8,000	(2,000)
At end of period	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>

The deferred taxation balance is made up as follows

	<u>Group</u>		<u>Company</u>	
	30 May 2011 £	31 May 2010 £	30 May 2011 £	31 May 2010 £
Accelerated capital allowances	2,000	-	2,000	-
Other timing differences	6,000	-	6,000	-
	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>

**18. SHARE CAPITAL**

	30 May 2011 £	31 May 2010 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
690,000 Ordinary shares of £1 each	<u>690,000</u>	<u>690,000</u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
8,334 4 2% Cumulative preference shares of £1 each	<u>8,334</u>	<u>8,334</u>

**19. RESERVES**

<b>Group</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
At 1 June 2010	84,666	9,380,707
Profit for the period		1,145,939
Dividends		(89,700)
Equity capital		(133,000)
Pension reserve movement (page 7)		
At 30 May 2011	<u>84,666</u>	<u>10,303,946</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011

<b>Company</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
At 25 May 2009	<b>84,666</b>	<b>9,380,707</b>
Profit for the period		<b>1,145,939</b>
Dividends		<b>(89,700)</b>
Equity capital		<b>(133,000)</b>
Pension reserve movement (page 7)		
	<hr/>	<hr/>
At 30 May 2011	<b>84,666</b>	<b>10,303,946</b>

## 20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

<b>Group</b>	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>
Opening shareholders' funds	<b>10,155,373</b>	9,314,886
Profit for the period	<b>1,145,939</b>	1,326,187
Dividends (Note 21)	<b>(89,700)</b>	(89,700)
Other recognised gains and losses during the period	<b>(133,000)</b>	(396,000)
Closing shareholders' funds	<b>11,078,612</b>	10,155,373

  

<b>Company</b>	<b>30 May 2011 £</b>	<b>31 May 2010 £</b>
Opening shareholders' funds	<b>10,155,373</b>	9,314,886
Profit for the period	<b>1,145,939</b>	1,326,187
Dividends (Note 21)	<b>(89,700)</b>	(89,700)
Other recognised gains and losses during the period	<b>(133,000)</b>	(396,000)
Closing shareholders' funds	<b>11,078,612</b>	10,155,373

The profit for the period dealt with in the accounts of the company was £1,145,939 (2010 - £1,326,187)

THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011

21 DIVIDENDS

	52 weeks ended 30 May 2011 £	53 weeks ended 31 May 2010 £
Dividends paid on equity capital	<u>89,700</u>	<u>89,700</u>
Dividends paid on shares classed as debt	<u>350</u>	<u>350</u>
<b>Total dividends paid</b>	<u><b>90,050</b></u>	<u><b>90,050</b></u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	52 weeks ended 30 May 2011 £	53 weeks ended 31 May 2010 £
Operating profit	1,755,609	1,300,867
Depreciation of tangible fixed assets	166,983	167,570
Profit on disposal of tangible fixed assets	(3,312)	(365)
Increase in stocks	(1,382,053)	(1,087,450)
Increase in debtors	(753,041)	(1,003,624)
Increase/(decrease) in creditors	1,786,044	(1,742,809)
Defined benefit pension scheme amounts recognised in profit and loss account less contributions paid	(322,000)	(482,000)
<b>Net cash inflow from operating activities</b>	<u><b>1,248,230</b></u>	<u><b>(2,847,811)</b></u>



**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>Returns on investments and servicing of finance</b>		
Non-equity dividends paid	(350)	(350)
Interest received	168	1,616
Interest paid	(107,512)	(13,443)
Exchange gains	(53,254)	587,459
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>	<b>(160,948)</b>	<b>575,282</b>
	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(229,112)	(144,932)
Sale of tangible fixed assets	46,200	13,551
<b>Net cash outflow from capital expenditure</b>	<b>(182,912)</b>	<b>(131,381)</b>
	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
<b>Financing</b>		
New secured loans	-	1,500,000

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>25 May 2010 £</b>	<b>Cash inflow £</b>	<b>Other non-cash changes £</b>	<b>30 May 2011 £</b>
Cash at bank and in hand	50,006	15,111	-	65,117
Bank overdraft	(441,775)	405,597	-	(36,178)
	(391,769)	420,708	-	28,939
Debts falling due after more than one year	(1,508,334)	-	-	(1,508,334)
<b>Net debt</b>	<b>(1,900,103)</b>	<b>420,708</b>	<b>-</b>	<b>(1,479,395)</b>

# THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MAY 2011

### 25. CONTINGENT LIABILITIES

At 31 May 2011, there were contingent liabilities of £125,000 (2010 £75,000) in respect of HM Revenue & Customs guarantees

### 26 PENSION COMMITMENTS

The company operates a defined contribution pension scheme

The company operates a defined benefit pension scheme, which is closed to future service accrual and new members, to which the following applies

The overall expected long term return on plan assets is a weighted average of the expected long term returns for equity securities, debt securities and other assets. The returns on each category, after allowing for scheme expenses, are as follows

- The redemption yield on UK government fixed interest bonds is around 4.1%. The average yield on AA-rated corporate bonds is 5.5%. Weighted by the relative proportion of each within the portfolio the expected rate of return on the bond investment is 4.9%.
- The long-term return on equities is assumed to outperform gilts by 3% giving an expected return of 7.3%. The same rate of return is assumed for the property holding.
- Cash will return the same yield as on the bank base rate of 0.5%.

The company's total pension charge included within operating profit was £97,613 (2010 - £67,603 credit), being £33,902 (2010 - £31,817), including administrative and other costs, in respect of its defined benefit pension scheme arrangements, £63,711 (2010 - £62,580) in respect of its defined contribution pension arrangements and a credit of £Nil (2010 - £162,000) in respect of curtailments resulting from the ceasing of benefit accrual under the scheme at 30 June 2009 and the breaking of the link to final salary at retirement.

The amounts in the financial statements for the period ended 31 May 2011, relating to pensions, are based on a full actuarial valuation dated 1 April 2008 updated under FRS 17 to 31 May 2011.

The amounts recognised in the balance sheet are as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Present value of schemes liabilities	<b>(4,834,000)</b>	(4,656,000)
Fair value of scheme assets	<b>4,955,000</b>	4,510,000
Surplus/(deficit) in scheme	<b>121,000</b>	(146,000)
Surplus not recognised	<b>(121,000)</b>	-
Deficit included in balance sheet	-	(146,000)
Related deferred tax asset	-	41,000
Net liability	-	(105,000)

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**26. PENSION COMMITMENTS (continued)**

The amounts recognised in the profit and loss account are as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Current service cost	-	(4,000)
Interest on obligation	(226,000)	(236,000)
Expected return on scheme assets	226,000	210,000
Gains on curtailments and settlements	-	162,000
<b>Total</b>	<b>-</b>	<b>132,000</b>

Changes in the present value of the defined benefit obligation are as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Opening defined benefit obligation	4,656,000	3,724,000
Current service cost	-	4,000
Interest cost	226,000	236,000
Actuarial losses	100,000	995,000
Liabilities extinguished on settlements	-	(162,000)
Benefits paid	(148,000)	(141,000)
<b>Closing defined benefit obligation</b>	<b>4,834,000</b>	<b>4,656,000</b>

Changes in the fair value of scheme assets are as follows

	<b>52 weeks ended 30 May 2011 £</b>	<b>53 weeks ended 31 May 2010 £</b>
Opening fair value of scheme assets	4,510,000	3,672,000
Expected return on assets	226,000	210,000
Actuarial gains	8,000	445,000
Contributions by employer	322,000	324,000
Benefits paid	(148,000)	(141,000)
Expected return restricted due to unrecognised surplus	37,000	-
<b>Closing fair value of scheme assets</b>	<b>4,955,000</b>	<b>4,510,000</b>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £900,000 (2010 - £767,000)

The company expects to contribute £330,000 to its defined contribution pension scheme in 2012

**THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 MAY 2011**

**26. PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows

	<b>2011</b>	<b>2010</b>
Equities and property	<b>78.00 %</b>	44.00 %
Bonds	<b>16.00 %</b>	51.00 %
Cash and other	<b>6.00 %</b>	5.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	<b>2011</b>	<b>2010</b>
Inflation	<b>3.60 %</b>	3.50 %
Pension increases-LPI maximum 5%	<b>3.60 %</b>	3.50 %
Pension increases-LPI maximum 2.5%	<b>2.40 %</b>	2.40 %
Deferred pension revaluation	<b>3.60 %</b>	3.50 %
Discount rate	<b>4.80 %</b>	4.85 %
Expected rate of return	<b>6.44 %</b>	5.71 %

Amounts for the current and previous three periods are as follows

Defined benefit pension schemes

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(4,834,000)</b>	(4,656,000)	(3,724,000)	(3,566,000)
Scheme assets	<b>4,955,000</b>	4,510,000	3,672,000	3,795,000
Surplus/(deficit)	<b>121,000</b>	(146,000)	(52,000)	229,000
Experience adjustments on scheme liabilities	<b>(100,000)</b>	(995,000)	(19,000)	370,000
Experience adjustments on scheme assets	<b>8,000</b>	445,000	(708,000)	(274,000)

**27. OPERATING LEASE COMMITMENTS**

At 30 May 2011 the Group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Other</b>	
	<b>30 May</b>	<b>31 May</b>	<b>30 May</b>	<b>31 May</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>				
<b>Expiry date:</b>				
Within 1 year	-	-	<b>4,241</b>	15,432
Between 2 and 5 years	<b>286,000</b>	235,000	<b>77,526</b>	56,224

# **THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MAY 2011**

### **28. RELATED PARTY TRANSACTIONS**

The company has two properties leased from the Trustees of the Thomas Plant (Birmingham) Limited 1997 Retirement Benefits Scheme. One property is on a ten year lease ending in December 2013, at a yearly rent of £286,000. The other property was on a five year lease which ended in March 2010, and is now on a six month rolling contract at a yearly rent of £85,000.

R T H Plant, A J Plant and P W Bushell, who are directors of the company, are also members of the scheme.

	Ordinary share dividends £	Preference share dividends £
A J Plant	21,947	69
R T H Plant	21,947	69
P W Bushell	17,290	-
J H T Plant	17,565	37

S Plant, M G Plant and K M Bushell, who are wives of the directors, have each loaned the company £500,000. At the year end the whole amount was outstanding. Interest is repayable on the loans at 5.5% over Lloyds TSB Bank plc base rate. During the year interest was charged and remained unpaid as at the year end on each loan amounting to £5,000.