

Registration number 04026676

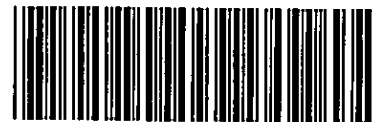
Bentham Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 December 2012

Lanham & Francis
Registered Auditors
Church House
Church Street
Yeovil
Somerset
BA20 1HB

FRIDAY



A2HS8O9K

A06

27/09/2013

#276

COMPANIES HOUSE

Bentham Limited

Contents

| | |
|------------------------------------------------|----------|
| Company Information | 1 |
| Directors' Report | 2 to 4 |
| Statement of Directors' Responsibilities | 5 |
| Independent Auditor's Report | 6 to 7 |
| Consolidated Profit and Loss Account | 8 |
| Consolidated Balance Sheet | 9 |
| Balance Sheet | 10 |
| Consolidated Cash Flow Statement | 11 to 12 |
| Notes to the Financial Statements | 13 to 26 |

Bentham Limited
Company Information

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Directors | Mrs EJ Rendell Mrs D Moxon |
| Company secretary | Mr A Moxon-Tritsch |
| Registered office | Polham Lane Industrial Estate Somerton Somerset TA11 6SP |
| Auditors | Lanham & Francis Registered Auditors Church House Church Street Yeovil Somerset BA20 1HB |

Bentham Limited
Directors' Report for the Year Ended 31 December 2012

The directors present their report and the consolidated financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

Mrs EJ Rendell

Mrs D Moxon

Principal activity

The principal activity of the group is mail order business supplies

Business review

Fair review of the business

Trading in the business categories where Bentham Group is active continued to be extremely competitive, with major pressure being put on margins. It is therefore to our great credit that gross margins increased during the year.

Group turnover fell, but this disguised a small increase in turnover for the company. The turnover of the subsidiary was affected by the transfer of fulfillment from Jersey to Macedonia, which meant that operations virtually ceased for part of the year. Trading from its new location was highly satisfactory.

The group profit for the year fell from £827k to £510k, but this year's figures were affected by a one-off charge of £67k from HMRC relating to 2009/10 import duty.

Careful attention is paid to stock control and holdings as, in our fast-moving environment, products become obsolescent at an ever-increasing rate. Group stock shows an increase of 10% from £2.52m to £2.77m at the year end. This reflects a broader range of products sold and end of year buying opportunities.

A key objective of the group is to maintain liquidity. Group cash reserves increased from £727k to £893 and debtors from £1.34m to £1.46m. A result of the group's stringent credit control procedures was that bad debts were derisory.

The directors consider the results to be highly satisfactory given the difficult trading conditions. The group continues to be very profitable through efforts made to maintain turnover and rigorously control costs.

The group's key financial and other performance indicators during the year were as follows:

| | Unit | 2012 | 2011 |
|--------------|------|------------|------------|
| Turnover | £ | 23,370,925 | 26,292,063 |
| Gross margin | £ | 3,820,303 | 4,199,189 |
| Cash at bank | £ | 893,412 | 726,886 |
| Debtors | £ | 1,464,132 | 1,338,307 |

Bentham Limited
Directors' Report for the Year Ended 31 December 2012

..... continued

Turnover

The group's target was to maintain turnover levels during a period of tough trading conditions, particularly in the public sector. Turnover fell, by 11%, but this was mainly due to the upheaval caused by the relocation of the subsidiary IJT Direct Limited, without which it is felt that targets would have been comfortably met.

Gross margin

Again, in difficult trading conditions a key target is to maintain gross margins. The group has achieved this and slightly improved margins from 15.9% to 16.3%.

Cash at bank and debtors

The group prides itself in not needing banking facilities. This is achieved by strong credit control and rigorous monitoring of cash flow. We are pleased to report that group cash at bank rose by 23% to £893k and that debtors rose by 9% to £1.46m.

Principal risks and uncertainties

Economic environment

The office consumables industry is intensely competitive and actions of competitors, including manufacturers of products we sell, can negatively affect our business. Competition has been primarily on price, product availability, speed of delivery and credit availability. Generally pricing is aggressive in the industry and we expect pricing pressures to continue.

Staff retention

The success of our business is dependant, to a large extent, on the efforts and abilities of key members of staff, particular the senior members. The policy of Bentham Limited is to provide senior members of staff with benefits which are competitive to other leading companies, as well as to provide them with fulfilment opportunities for their future careers.

Financial instruments

Objectives and policies

The company's principal financial instruments comprise bank balances, cash and short term deposits, as well as trade creditors and debtors. The main purpose of these financial instruments is to manage the company's funding and liquidity requirements.

The principal financial risks to which the company is exposed are those of price, liquidity, foreign currency and credit. Each of these is managed in accordance with board approved policies, as set out below.

Bentham Limited
Directors' Report for the Year Ended 31 December 2012

..... continued

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Changes in the industry and the economic environment can adversely affect the demand for the products we sell. Net sales can be dependant on demand for specific product categories, and any change in demand for or supply of such products could have a material effect on net sales and cause us to record further write downs of obsolete stock.

Liquidity risk

In respect of bank balances, liquidity risk is managed by closely monitoring movements and maintaining positive balances on accounts. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both credit and time limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Currency risk

The company imports largely from the Far East and from Europe and is at risk from currency movements, which can have an adverse effect on the purchase price of products.

Credit risk

The company's exposure to credit risk is managed by only dealing with other companies with strong credit ratings. The company uses credit insurance to verify the credit risk of each company on an individual basis.

Charitable donations

During the year the company made charitable donations of £8,766. Individual donations were

| | |
|-----------------------|--------------|
| | £ |
| St Margaret's Hospice | <u>8,277</u> |

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 27th 9th 13 and signed on its behalf by


Mr A Moxon-Tritsch
Company secretary

Bentham Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Bentham Limited

We have audited the financial statements of Bentham Limited for the year ended 31 December 2012, set out on pages 8 to 26. 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 Statement of Directors' Responsibilities (set out on page 5), 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 (APB'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 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 of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

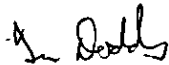
**Independent Auditor's Report to the Members of
Bentham Limited**

..... *continued*

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



Ian Dodds (Senior Statutory Auditor)
For and on behalf of Lanham & Francis, Statutory Auditor

Church House
Church Street
Yeovil
Somerset
BA20 1HB

Date 27 4 13

Bentham Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2012

| | Note | 2012 £ | 2011 £ |
|-----------------------------------------------------------------------------|------|-----------------------|-----------------------|
| Turnover | | 23,370,925 | 26,292,063 |
| Cost of sales | | <u>(19,550,622)</u> | <u>(22,092,874)</u> |
| Gross profit | | 3,820,303 | 4,199,189 |
| Administrative expenses | | <u>(3,309,561)</u> | <u>(3,371,837)</u> |
| Group operating profit | 2 | 510,742 | 827,352 |
| Other interest receivable and similar income | 6 | 2,626 | 2,306 |
| Interest payable and similar charges | 7 | <u>(3,454)</u> | <u>(1,810)</u> |
| Profit on ordinary activities before taxation | | 509,914 | 827,848 |
| Tax on profit on ordinary activities | 8 | <u>(125,362)</u> | <u>(194,834)</u> |
| Profit for the financial year attributable to members of the parent company | 17 | <u><u>384,552</u></u> | <u><u>633,014</u></u> |

Turnover and operating profit derive wholly from continuing operations

The group has no recognised gains or losses for the year other than the results above

Bentham Limited
Consolidated Balance Sheet at 31 December 2012

| | | 2012 | | 2011 | |
|-----------------------------------------------|------|-------------|-----------|-------------|-----------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible fixed assets | 9 | | 741 | | 1,241 |
| Tangible fixed assets | 10 | | 105,261 | | 122,621 |
| Current assets | | | | | |
| Stocks | 12 | 2,772,490 | | 2,515,556 | |
| Debtors | 13 | 1,464,132 | | 1,338,307 | |
| Cash at bank and in hand | | 893,412 | | 726,886 | |
| | | 5,130,034 | | 4,580,749 | |
| Creditors Amounts falling due within one year | 14 | (3,385,592) | | (2,888,719) | |
| Net current assets | | | 1,744,442 | | 1,692,030 |
| Net assets | | | 1,850,444 | | 1,815,892 |
| Capital and reserves | | | | | |
| Called up share capital | 15 | 1,000 | | 1,000 | |
| Profit and loss account | 17 | 1,849,444 | | 1,814,892 | |
| Shareholders' funds | 18 | | 1,850,444 | | 1,815,892 |

Approved by the Board on 27th Nov 12 and signed on its behalf by



Mrs EJ Rendell
Director

Bentham Limited
(Registration number: 04026676)
Balance Sheet at 31 December 2012

| | Note | 2012 £ | 2011 £ |
|-----------------------------------------------|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible fixed assets | 9 | 333 | 1,241 |
| Tangible fixed assets | 10 | 92,437 | 105,740 |
| Investments | 11 | 101 | 101 |
| | | <u>92,871</u> | <u>107,082</u> |
| Current assets | | | |
| Stocks | 12 | 2,520,603 | 2,020,903 |
| Debtors | 13 | 1,560,204 | 1,496,429 |
| Cash at bank and in hand | | 870,679 | 631,935 |
| | | <u>4,951,486</u> | <u>4,149,267</u> |
| Creditors Amounts falling due within one year | 14 | <u>(3,307,312)</u> | <u>(2,559,441)</u> |
| Net current assets | | <u>1,644,174</u> | <u>1,589,826</u> |
| Net assets | | <u>1,737,045</u> | <u>1,696,908</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 1,000 | 1,000 |
| Profit and loss account | 17 | 1,736,045 | 1,695,908 |
| Shareholders' funds | 18 | <u>1,737,045</u> | <u>1,696,908</u> |

Approved by the Board on 27th 12 13 and signed on its behalf by



Mrs EJ Rendell
Director

Bentham Limited
Consolidated Cash Flow Statement for the Year Ended 31 December 2012

Reconciliation of operating profit to net cash flow from operating activities

| | 2012 £ | 2011 £ |
|---------------------------------------------------|----------------|----------------|
| Operating profit | 510,742 | 827,352 |
| Depreciation, amortisation and impairment charges | 49,709 | 74,726 |
| Loss on disposal of fixed assets | 826 | 13,957 |
| (Increase)/decrease in stocks | (256,934) | 645,285 |
| Increase in debtors | (125,825) | (135,770) |
| Increase/(decrease) in creditors | 560,421 | (1,310,052) |
| Net cash inflow from operating activities | <u>738,939</u> | <u>115,498</u> |

Cash flow statement

| | 2012 £ | 2011 £ |
|-------------------------------------------------------------------------------|------------------|------------------|
| Net cash inflow from operating activities | <u>738,939</u> | <u>115,498</u> |
| Returns on investments and servicing of finance | | |
| Interest received | 2,626 | 2,306 |
| Interest paid | (3,454) | (1,810) |
| | <u>(828)</u> | <u>496</u> |
| Tax paid | <u>(188,912)</u> | <u>(235,214)</u> |
| Capital expenditure and financial investment | | |
| Purchase of intangible fixed assets | (510) | - |
| Purchase of tangible fixed assets | (32,163) | (63,047) |
| Sale of tangible fixed assets | - | 2,026 |
| | <u>(32,673)</u> | <u>(61,021)</u> |
| Equity dividends paid | <u>(350,000)</u> | <u>(475,000)</u> |
| Net cash inflow/(outflow) before management of liquid resources and financing | <u>166,526</u> | <u>(655,241)</u> |
| Increase/(decrease) in cash | <u>166,526</u> | <u>(655,241)</u> |

Bentham Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2012

..... continued

Reconciliation of net cash flow to movement in net debt

| | Note | 2012 £ | 2011 £ |
|-----------------------------|-------------|-----------------------|-----------------------|
| Increase/(decrease) in cash | | <u>166,526</u> | <u>(655,241)</u> |
| Movement in net debt | 21 | 166,526 | (655,241) |
| Net funds at 1 January | 21 | <u>726,886</u> | <u>1,382,127</u> |
| Net funds at 31 December | 21 | <u><u>893,412</u></u> | <u><u>726,886</u></u> |

The notes on pages 13 to 26 form an integral part of these financial statements

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2012

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £390,137 (2011 - £930,965)

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

| Asset class | Amortisation method and rate |
|-----------------------|-------------------------------------|
| Goodwill | 5 years straight line |
| Intellectual property | 5 years straight line |

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

| Asset class | Depreciation method and rate |
|----------------------------------|-------------------------------------|
| Leasehold property | Over the period of the lease |
| Equipment, fixtures and fittings | 15% per annum straight line |
| Computer equipment | 33% per annum straight line |
| Plant and machinery | 20% per annum straight line |

Research and development

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Foreign currency

Company

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Group

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging

| | 2012 £ | 2011 £ |
|---------------------------------------|-----------|-----------|
| Operating leases - other assets | 66,568 | 70,189 |
| Foreign currency gains | (34,122) | (7,708) |
| Loss on sale of tangible fixed assets | 826 | 13,957 |
| Depreciation of owned assets | 48,699 | 73,726 |
| Amortisation | 1,010 | 1,000 |
| Auditor's remuneration | 29,172 | 27,777 |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

3 Auditor's remuneration

| | 2012 £ | 2011 £ |
|-----------------------------------------------------------------------------------|-----------|-----------|
| Audit of the financial statements | 10,000 | 10,000 |
| Fees payable to the group's auditor and its associates for other services: | | |
| The audit of the company's subsidiaries' annual accounts | 5,000 | 5,000 |
| Other services | 14,172 | 12,777 |
| | 19,172 | 17,777 |
| | 29,172 | 27,777 |

£10,000 (2011 - £10,000) of the fee for auditing the financial statements and £14,172 (2011 - £12,777) of other fees to auditors relates to the company

4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

| | 2012 No. | 2011 No. |
|----------------------------|-------------|-------------|
| Administration and support | 23 | 21 |
| Sales | 55 | 52 |
| Distribution | 24 | 22 |
| | 102 | 95 |

The aggregate payroll costs were as follows

| | 2012 £ | 2011 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 2,511,409 | 2,633,640 |
| Social security costs | 86,533 | 94,490 |
| Staff pensions | 166,815 | 146,142 |
| | 2,764,757 | 2,874,272 |

5 Directors' remuneration

The directors' remuneration for the year was as follows

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

| | 2012 £ | 2011 £ |
|------------------------------------------------------|-------------------|-------------------|
| Remuneration (including benefits in kind) | 161,588 | 175,968 |
| Company contributions paid to money purchase schemes | 54,799 | 54,300 |

During the year the number of directors who were receiving benefits and share incentives was as follows

| | 2012 No. | 2011 No. |
|-------------------------------------------------------|---------------------|---------------------|
| Accruing benefits under money purchase pension scheme | 2 | 2 |

In respect of the highest paid director

| | 2012 £ | 2011 £ |
|---------------------------------------------------------|-------------------|-------------------|
| Remuneration | 79,292 | 88,021 |
| Company contributions to money purchase pension schemes | 50,000 | 49,500 |

6 Other interest receivable and similar income

| | 2012 £ | 2011 £ |
|--------------------------|-------------------|-------------------|
| Bank interest receivable | <u>2,626</u> | <u>2,306</u> |

7 Interest payable and similar charges

| | 2012 £ | 2011 £ |
|------------------------|-------------------|-------------------|
| Other interest payable | <u>3,454</u> | <u>1,810</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

8 Taxation

Tax on profit on ordinary activities

| | 2012 £ | 2011 £ |
|------------------------|----------------|----------------|
| Current tax | | |
| Corporation tax charge | 124,098 | 187,646 |
| Deferred taxation | 1,264 | 7,188 |
| UK Corporation tax | <u>125,362</u> | <u>194,834</u> |

9 Intangible fixed assets

Group

| | Goodwill £ | Development costs £ | Total £ |
|-----------------------|---------------|---------------------------|--------------|
| Cost | | | |
| At 1 January 2012 | 2,000 | 3,000 | 5,000 |
| Additions | <u>-</u> | <u>510</u> | <u>510</u> |
| At 31 December 2012 | <u>2,000</u> | <u>3,510</u> | <u>5,510</u> |
| Amortisation | | | |
| At 1 January 2012 | 1,267 | 2,492 | 3,759 |
| Charge for the year | <u>400</u> | <u>610</u> | <u>1,010</u> |
| At 31 December 2012 | <u>1,667</u> | <u>3,102</u> | <u>4,769</u> |
| Net book value | | | |
| At 31 December 2012 | <u>333</u> | <u>408</u> | <u>741</u> |
| At 31 December 2011 | <u>733</u> | <u>508</u> | <u>1,241</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

Company

| | Goodwill £ | Development costs £ | Total £ |
|-----------------------|---------------|---------------------------|------------|
| Cost | | | |
| At 1 January 2012 | 2,000 | 3,000 | 5,000 |
| At 31 December 2012 | 2,000 | 3,000 | 5,000 |
| Amortisation | | | |
| At 1 January 2012 | 1,267 | 2,492 | 3,759 |
| Charge for the year | 400 | 508 | 908 |
| At 31 December 2012 | 1,667 | 3,000 | 4,667 |
| Net book value | | | |
| At 31 December 2012 | 333 | - | 333 |
| At 31 December 2011 | 733 | 508 | 1,241 |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

10 Tangible fixed assets

Group

| | Freehold land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|--------------------------|----------------------------------------|-----------------------------|-------------------------------|--------------------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2012 | 62,826 | 95,588 | 614,054 | 56,293 | 828,761 |
| Additions | - | 1,570 | 30,593 | - | 32,163 |
| Disposals | - | (198) | (25,638) | - | (25,836) |
| At 31 December 2012 | 62,826 | 96,960 | 619,009 | 56,293 | 835,088 |
| Depreciation | | | | | |
| At 1 January 2012 | 62,355 | 75,203 | 529,170 | 39,412 | 706,140 |
| Charge for the year | 471 | 7,148 | 37,021 | 4,057 | 48,697 |
| Eliminated on disposals | - | (165) | (24,845) | - | (25,010) |
| At 31 December 2012 | 62,826 | 82,186 | 541,346 | 43,469 | 729,827 |
| Net book value | | | | | |
| At 31 December 2012 | - | 14,774 | 77,663 | 12,824 | 105,261 |
| At 31 December 2011 | 471 | 20,385 | 84,884 | 16,881 | 122,621 |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

Company

| | Freehold land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|--------------------------|----------------------------------------|-----------------------------|-------------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2012 | 62,826 | 95,588 | 614,054 | 772,468 |
| Additions | - | 1,570 | 30,593 | 32,163 |
| Disposals | - | (198) | (25,638) | (25,836) |
| At 31 December 2012 | 62,826 | 96,960 | 619,009 | 778,795 |
| Depreciation | | | | |
| At 1 January 2012 | 62,355 | 75,203 | 529,170 | 666,728 |
| Charge for the year | 471 | 7,148 | 37,021 | 44,640 |
| Eliminated on disposals | - | (165) | (24,845) | (25,010) |
| At 31 December 2012 | 62,826 | 82,186 | 541,346 | 686,358 |
| Net book value | | | | |
| At 31 December 2012 | - | 14,774 | 77,663 | 92,437 |
| At 31 December 2011 | 471 | 20,385 | 84,884 | 105,740 |

11 Investments held as fixed assets

Company

| | 2012 £ | 2011 £ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | 101 | 101 |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

Shares in group undertakings and participating interests

| | Subsidiary undertakings £ | Total £ |
|-----------------------|---------------------------------|------------|
| Cost | | |
| At 1 January 2012 | 101 | 101 |
| At 31 December 2012 | 101 | 101 |
| Net book value | | |
| At 31 December 2012 | 101 | 101 |
| At 31 December 2011 | 101 | 101 |

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

| Undertaking | Holding | Proportion of voting rights and shares held | Principal activity | Period end |
|-----------------------------------|--------------------|------------------------------------------------------|------------------------------------|------------|
| Subsidiary undertakings | | | | |
| IJT Direct Limited (UK based) | Ordinary shares | 100% | Dormant | 31 October |
| IJT Direct Limited (Jersey based) | Ordinary shares | 100% | Mail order business supplies | |

For the year ending 31 December 2012 the subsidiary IJT Direct Limited (UK based) was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

12 Stocks

| | Group | | Company | |
|--------|-----------|-----------|-----------|-----------|
| | 2012 £ | 2011 £ | 2012 £ | 2011 £ |
| Stocks | 2,772,490 | 2,515,556 | 2,520,603 | 2,020,903 |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

13 Debtors

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Trade debtors | 724,095 | 803,270 | 692,056 | 692,047 |
| Amounts owed by group undertakings | - | - | 242,107 | 326,219 |
| Other debtors | 73,533 | 48,378 | 51,533 | 42,346 |
| Prepayments and accrued income | 666,504 | 486,659 | 574,508 | 435,817 |
| | <u>1,464,132</u> | <u>1,338,307</u> | <u>1,560,204</u> | <u>1,496,429</u> |

Group debtors includes £2,868 (2011 - £4,132) receivable after more than one year and parent company debtors includes £2,868 (2011 - £4,132) receivable after more than one year

This can be analysed as follows

| | Group | | Company | |
|---------------|--------------|--------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Other debtors | <u>2,868</u> | <u>4,132</u> | <u>2,868</u> | <u>4,132</u> |

14 Creditors: Amounts falling due within one year

| | Group | | Company | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Trade creditors | 2,866,703 | 2,521,310 | 2,800,948 | 2,201,069 |
| Corporation tax | 124,098 | 187,646 | 124,098 | 187,646 |
| Other taxes and social security | 213,517 | 85,766 | 213,481 | 85,766 |
| Other creditors | 49,191 | 50,854 | 49,191 | 50,854 |
| Accruals and deferred income | 132,083 | 43,143 | 119,594 | 34,106 |
| | <u>3,385,592</u> | <u>2,888,719</u> | <u>3,307,312</u> | <u>2,559,441</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

15 Share capital

Allotted, called up and fully paid shares

| | 2012 | | 2011 | |
|----------------------------|--------------|--------------|--------------|--------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

16 Dividends

| | 2012 £ | 2011 £ |
|------------------------------------|-------------------|-------------------|
| Dividends paid | | |
| Current year interim dividend paid | <u>350,000</u> | <u>475,000</u> |

17 Reserves

Group

| | Profit and loss account £ | Total £ |
|---------------------|------------------------------------------|--------------------|
| At 1 January 2012 | 1,814,892 | 1,814,892 |
| Profit for the year | 384,552 | 384,552 |
| Dividends | <u>(350,000)</u> | <u>(350,000)</u> |
| At 31 December 2012 | <u>1,849,444</u> | <u>1,849,444</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

Company

| | Profit and loss account £ | Total £ |
|---------------------|---------------------------------|------------------|
| At 1 January 2012 | 1,695,908 | 1,695,908 |
| Profit for the year | 390,137 | 390,137 |
| Dividends | (350,000) | (350,000) |
| At 31 December 2012 | <u>1,736,045</u> | <u>1,736,045</u> |

18 Reconciliation of movement in shareholders' funds

Group

| | 2012 £ | 2011 £ |
|-------------------------------------------------|------------------|------------------|
| Profit attributable to the members of the group | 384,552 | 633,014 |
| Dividends | (350,000) | (475,000) |
| Net addition to shareholders' funds | 34,552 | 158,014 |
| Shareholders' funds at 1 January | <u>1,815,892</u> | <u>1,657,878</u> |
| Shareholders' funds at 31 December | <u>1,850,444</u> | <u>1,815,892</u> |

Company

| | 2012 £ | 2011 £ |
|---------------------------------------------------|------------------|------------------|
| Profit attributable to the members of the company | 390,137 | 930,965 |
| Dividends | (350,000) | (475,000) |
| Net addition to shareholders' funds | 40,137 | 455,965 |
| Shareholders' funds at 1 January | <u>1,696,908</u> | <u>1,240,943</u> |
| Shareholders' funds at 31 December | <u>1,737,045</u> | <u>1,696,908</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

19 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £166,815 (2011 - £146,142)

Contributions totalling £5,205 (2011 - £5,205) were payable to the scheme at the end of the year and are included in creditors

20 Commitments

Operating lease commitments

Company

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

| | 2012 £ | 2011 £ |
|---------------------------|---------------|---------------|
| Land and buildings | | |
| Within two and five years | 49,929 | 49,929 |
| Over five years | - | - |
| | <u>49,929</u> | <u>49,929</u> |
| Other | | |
| Within two and five years | - | - |
| | <u>-</u> | <u>-</u> |

21 Analysis of net debt

| | At 1 January 2012 £ | Cash flow £ | At 31 December 2012 £ |
|--------------------------|---------------------------|----------------|-----------------------------|
| Cash at bank and in hand | 726,886 | 166,526 | 893,412 |
| Net funds | <u>726,886</u> | <u>166,526</u> | <u>893,412</u> |

Bentham Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

22 Related party transactions

Other related party transactions

During the year the company made the following related party transactions

Mrs D Moxon

(Director)

Dividends paid of £154,000

At the balance sheet date the amount due to Mrs D Moxon was £nil (2011 - £nil)

Mrs E J Rendell

(Director)

Dividends paid of £17,500

At the balance sheet date the amount due to Mrs E J Rendell was £nil (2011 - £nil)

Mr A Moxon-Tritsch

(Husband of Mrs D Moxon)

Dividends of £178,500

At the balance sheet date the amount due from Mr A Moxon-Tritsch was £47,313 (2011 - £33,917)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

23 Control

The company is controlled by Mr A Moxon-Tritsch