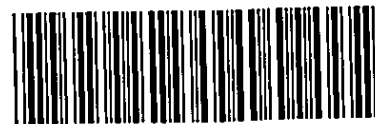


SANDWOOD SECURITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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SANDWOOD SECURITIES LIMITED

COMPANY INFORMATION

Directors	C B Willoughby S W Willoughby J H Howarth S C Clarke
Company secretary	C B Willoughby
Company number	00856474
Registered office	4 Vicarage Street Beeston Nottingham NG9 1BW
Auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor 14 Park Row Nottingham NG1 6GR

SANDWOOD SECURITIES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Consolidated statement of total recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 20

SANDWOOD SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

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

Directors' responsibilities statement

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 accounting estimates that are reasonable and prudent,
- 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 and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the group during the year was to generate rental income from its commercial and residential investment properties. Until May 2011, the principal activity of the group was that of the sale of new and used motor vehicles and associated activities, trading as Willoughby Group.

Business review

On 3 May 2011, the group sold all the trade and certain assets relating to the new and used motor vehicle business, and discontinued this activity. Since this point, the focus of the group has been to build a portfolio of residential properties, to enable the group to generate rental income from its long term investments in residential and commercial property.

Total turnover for the group for the year ended 31 March 2012 amounted to £1,251,933, a decrease of 81% on the prior year, attributed to the discontinuation of the motor trade business. Continuing income, from investment property, has increased from £207,500 in 2011, to £291,621 in 2012, as the group has invested in expanding its property portfolio.

Results and dividends

The profit for the year, after taxation, amounted to £17,017 (2011 - £75,485).

Dividends of £95,043 (2011 - £77,070) have been paid during the year.

Post year end, the directors have proposed and paid dividends of £51,300.

SANDWOOD SECURITIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

Directors

The directors who served during the year were

C B Willoughby
S W Willoughby
J H Howarth
S C Clarke

Provision of information to auditors

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 auditors are 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 auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

This report was approved by the board and signed on its behalf



S W Willoughby
Director

Date 15.11.12

SANDWOOD SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWOOD SECURITIES LIMITED

We have audited the financial statements of Sandwood Securities Limited for the year ended 31 March 2012, set out on pages 5 to 20. 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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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 31 March 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.

SANDWOOD SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWOOD SECURITIES 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

Cooper Parry Group Limited

Alison Fovargue (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Nottingham

Date *21 November 2012*

SANDWOOD SECURITIES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Turnover	1,2		
Continuing operations		291,621	207,500
Discontinued operations		960,312	6,410,921
		<u>1,251,933</u>	<u>6,618,421</u>
Cost of sales		<u>(957,492)</u>	<u>(6,123,120)</u>
Gross profit		294,441	495,301
Administrative expenses		<u>(234,849)</u>	<u>(420,321)</u>
Operating profit	3		
Continuing operations		28,257	139,274
Discontinued operations		31,335	(64,294)
		59,592	74,980
Interest receivable and similar income		741	639
Interest payable and similar charges	6	<u>(21,849)</u>	<u>-</u>
Profit on ordinary activities before taxation		38,484	75,619
Tax on profit on ordinary activities	7	<u>(21,467)</u>	<u>(134)</u>
Profit for the financial year		<u><u>17,017</u></u>	<u><u>75,485</u></u>

The notes on pages 10 to 20 form part of these financial statements

SANDWOOD SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Profit for the financial year		17,017	75,485
Unrealised surplus on revaluation of investment properties	10	<u>1,330,045</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u><u>1,347,062</u></u>	<u><u>75,485</u></u>

The notes on pages 10 to 20 form part of these financial statements

SANDWOOD SECURITIES LIMITED
REGISTERED NUMBER: 00856474

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	8		373,211		443,903
Tangible assets	9		-		589,565
Investment property	10		4,216,986		1,198,390
			<u>4,590,197</u>		<u>2,231,858</u>
Current assets					
Stocks	13	-		731,009	
Debtors	14	1,790		142,261	
Cash at bank		242,776		695,834	
		<u>244,566</u>		<u>1,569,104</u>	
Creditors: amounts falling due within one year	15	(889,581)		(1,107,799)	
Net current (liabilities)/assets			(645,015)		461,305
Net assets			<u>3,945,182</u>		<u>2,693,163</u>
Capital and reserves					
Called up share capital	17		33,193		33,193
Revaluation reserve	18		1,330,045		-
Profit and loss account	18		2,581,944		2,659,970
Shareholders' funds	19		<u>3,945,182</u>		<u>2,693,163</u>

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



S W Willoughby
Director

Date 15.11.12

The notes on pages 10 to 20 form part of these financial statements

SANDWOOD SECURITIES LIMITED
REGISTERED NUMBER: 00856474

COMPANY BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		-		589,565
Investment property	10		4,216,986		1,198,390
Investments	11		573,145		573,145
			<u>4,790,131</u>		<u>2,361,100</u>
Current assets					
Stocks	13	-		731,009	
Debtors	14	1,359		141,830	
Cash at bank		242,776		695,834	
		<u>244,135</u>		<u>1,568,673</u>	
Creditors amounts falling due within one year	15	(889,581)		(1,107,799)	
Net current (liabilities)/assets			<u>(645,446)</u>		<u>460,874</u>
Total assets less current liabilities			<u>4,144,685</u>		<u>2,821,974</u>
Creditors' amounts falling due after more than one year	16		(574,623)		(574,623)
Net assets			<u><u>3,570,062</u></u>		<u><u>2,247,351</u></u>
Capital and Reserves					
Called up share capital	17		33,193		33,193
Revaluation reserve	18		1,330,045		-
Profit and loss account	18		2,206,824		2,214,158
Shareholders' funds	19		<u><u>3,570,062</u></u>		<u><u>2,247,351</u></u>

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


S W Willoughby
 Director

Date 15.11.12 .

The notes on pages 10 to 20 form part of these financial statements

SANDWOOD SECURITIES LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	21	830,231	226,830
Returns on investments and servicing of finance	22	(21,108)	639
Taxation		(134)	(92,142)
Capital expenditure and financial investment	22	(1,067,004)	(4,862)
Equity dividends paid		(95,043)	(77,070)
Cash (outflow)/inflow before financing		<u>(353,058)</u>	<u>53,395</u>
Financing	22	(100,000)	(100,000)
Decrease in cash in the year		<u><u>(453,058)</u></u>	<u><u>(46,605)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Decrease in cash in the year	(453,058)	(46,605)
Cash outflow from decrease in debt and lease financing	100,000	100,000
Movement in net (debt)/funds in the year	<u>(353,058)</u>	<u>53,395</u>
Net debt at 1 April 2011	(204,166)	(257,561)
Net debt at 31 March 2012	<u><u>(557,224)</u></u>	<u><u>(204,166)</u></u>

The notes on pages 10 to 20 form part of these financial statements

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards

On 3 May 2011, the group sold all of the trade and certain assets relating to the new and used motor vehicle business. The turnover and expenses relating to this activity have been presented within discontinued operations

1.2 Going concern

At 31 March 2012 the group had net current liabilities of £645,155, as a result of balances due to directors being classified as repayable on demand. Confirmation has been provided by the directors that repayment of director loan account balances will only be made as and when funds permit, and that £700,000 of the balances outstanding at 31 March 2012 will not become repayable in less than one year from the date of signing the accounts. The directors therefore consider it appropriate to prepare the accounts on a going concern basis

1.3 Basis of consolidation

The financial statements consolidate the accounts of Sandwood Securities Limited and all of its subsidiary undertakings ('subsidiaries')

1.4 Turnover

Turnover from discontinued operations comprises revenue recognised by the group in respect of goods and services supplied during the year from the new and used motor vehicle business, and associated activities, exclusive of Value Added Tax and trade discounts

Turnover from continuing operations comprises revenue recognised by the group in respect of rental income receivable from tenants of the group's investment properties, exclusive of value added tax

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

Amortisation is provided at the following rates

Goodwill	-	10% straight line
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% straight line
Plant and machinery	-	20% to 50% straight line
Furniture, fittings and equipment	-	20% to 50% straight line

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting Policies (continued)

1.8 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.9 Stocks

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

Consignment stock is included in the balance sheet only where in substance it is an asset of the company such that the group has access to the benefits of holding stock and exposure to the risks and rewards of ownership as if it were owned outright.

1.10 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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2. Turnover

All turnover arose within the United Kingdom.

The whole of turnover and profit before taxation from continuing activities is attributable to rental income relating to the group's investment properties.

The turnover and profit before taxation from discontinued operations arose from the activity of new and used motor vehicle sales and associated activities, which was sold on 3 May 2011.

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3 Operating profit

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	70,692	70,692
Depreciation of tangible fixed assets - owned by the group	2,219	25,200
Auditors' remuneration	6,000	9,000
Profit on disposal of fixed assets	(34,201)	-

Auditors fees for the company were £6,000 (2011 - £9,000)

4 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	58,814	338,175
Social security costs	4,821	28,670
Other pension costs	74,891	31,493
	138,526	398,338

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

	2012 No.	2011 No.
Workshop and parts	0	10
Sales	0	7
General	4	4
	4	21

5 Directors' remuneration

	2012 £	2011 £
Emoluments	30,609	28,579
Group pension contributions to defined contribution pension schemes	60,700	20,700

During the year retirement benefits were accruing to 4 directors (2011 - 4) in respect of defined contribution pension schemes

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6 Interest payable

	2012	2011
	£	£
On other loans	21,849	-

7 Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	19,790	134
Adjustments in respect of prior periods	1,677	-
Tax on profit on ordinary activities	21,467	134

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 21%). The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	38,484	75,619
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 21%)	7,697	15,880
Effects of		
Expenses not deductible for tax purposes	14,002	745
Capital allowances for year in excess of depreciation	-	3,346
Utilisation of tax losses	(1,909)	(21,349)
Adjustments to tax charge in respect of prior periods	1,677	-
Other timing differences	-	1,512
Current tax charge for the year (see note above)	21,467	134

Factors that may affect future tax charges

No provision has been made for the tax which may become payable if revalued assets were sold at the values shown within these financial statements. The directors have estimated this to be in the region of £266,000

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8 Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 April 2011 and 31 March 2012	706,916
Amortisation	
At 1 April 2011	263,013
Charge for the year	70,692
At 31 March 2012	333,705
Net book value	
At 31 March 2012	373,211
At 31 March 2011	443,903

9. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
Group				
Cost				
At 1 April 2011	707,851	366,749	122,926	1,197,526
Disposals	-	(366,749)	(122,926)	(489,675)
Transfer between classes	(707,851)	-	-	(707,851)
At 31 March 2012	-	-	-	-
Depreciation				
At 1 April 2011	134,067	357,157	116,737	607,961
Charge for the year	2,219	-	-	2,219
On disposals	-	(357,157)	(116,737)	(473,894)
Transfer between classes	(136,286)	-	-	(136,286)
At 31 March 2012	-	-	-	-
Net book value				
At 31 March 2012	-	-	-	-
At 31 March 2011	573,784	9,592	6,189	589,565

Included in land and buildings is land amounting to £Nil (2011 £250,000) which is not depreciated

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9 Tangible fixed assets (continued)

Company	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost				
At 1 April 2011	590,013	22,258	27,236	639,507
Disposals	-	(22,258)	(27,236)	(49,494)
Transfer between classes	(590,013)	-	-	(590,013)
At 31 March 2012	-	-	-	-
Depreciation				
At 1 April 2011	16,229	12,666	21,047	49,942
Charge for the year	2,219	-	-	2,219
On disposals	-	(12,666)	(21,047)	(33,713)
Transfer between classes	(18,448)	-	-	(18,448)
At 31 March 2012	-	-	-	-
Net book value				
At 31 March 2012	-	-	-	-
At 31 March 2011	573,784	9,592	6,189	589,565

Included in land and buildings is land amounting to £Nil (2011 £250,000) which is not depreciated

During the year, freehold land and buildings have been reclassified to investment property to reflect the change in the principal activity of the group

10 Investment property

Group and Company	Freehold investment property £
Valuation	
At 1 April 2011	1,198,390
Additions at cost	1,116,986
Surplus on revaluation	1,330,045
Transfers between classes	571,565
At 31 March 2012	4,216,986

The residential properties acquired in the year are carried at cost. This valuation is not considered materially different to the market value as at 31 March 2012.

The commercial property held was revalued during the year by the directors, based on guidance from a FRICS qualified independent Chartered Surveyor, on an open market value for existing use basis.

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

11 Fixed asset investments

	Investments in subsidiary companies £
Company	
Cost	
At 1 April 2011 and 31 March 2012	1,748,807
Impairment	
At 1 April 2011 and 31 March 2012	1,175,662
Net book value	
At 31 March 2012	573,145
At 31 March 2011	573,145

12 Principal subsidiaries

Company name	Country	Percentage shareholding	Description
Willoughby Garages Nottm Limited	England and Wales	100%	Dormant
Flightcroft Limited	England and Wales	100%	Dormant
F Nicholson Limited	England and Wales	100%	Dormant

13. Stocks

	2012 £	Group 2011 £	2012 £	Company 2011 £
Goods for resale	-	731,009	-	731,009

The total value of consignment stock not recognised on the balance sheet is £Nil (2011 £485,892)

14. Debtors

	2012 £	Group 2011 £	2012 £	Company 2011 £
Trade debtors	-	120,593	-	120,593
Other debtors	1,790	13,924	1,356	13,493
Prepayments and accrued income	-	7,744	3	7,744
	1,790	142,261	1,359	141,830

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

**15 Creditors:
Amounts falling due within one year**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other loans	800,000	900,000	800,000	900,000
Trade creditors	3,065	112,086	3,065	112,086
Corporation tax	19,790	134	19,790	134
Social security and other taxes	14,259	40,362	14,259	40,362
Accruals and deferred income	52,467	55,217	52,467	55,217
	<u>889,581</u>	<u>1,107,799</u>	<u>889,581</u>	<u>1,107,799</u>

**16 Creditors
Amounts falling due after more than one year**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts owed to group undertakings	-	-	574,623	574,623
	<u>-</u>	<u>-</u>	<u>574,623</u>	<u>574,623</u>

17. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
17,926 A Ordinary shares of £1 each	17,926	17,926
3,817 B Ordinary shares of £1 each	3,817	3,817
3,817 C Ordinary shares of £1 each	3,817	3,817
3,817 D Ordinary shares of £1 each	3,817	3,817
3,816 E Ordinary shares of £1 each	3,816	3,816
	<u>33,193</u>	<u>33,193</u>

All shares rank pari passu in respect of dividends and voting rights

18 Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
At 1 April 2011	-	2,659,970
Profit for the year	-	17,017
Dividends Equity capital	-	(95,043)
Surplus on revaluation of investment property	1,330,045	-
	<u>1,330,045</u>	<u>2,581,944</u>
At 31 March 2012	<u>1,330,045</u>	<u>2,581,944</u>

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

18. Reserves (continued)

Company	Revaluation reserve £	Profit and loss account £
At 1 April 2011	-	2,214,158
Profit for the year	-	87,709
Dividends Equity capital	-	(95,043)
Surplus on revaluation of investment property	1,330,045	-
	<u>1,330,045</u>	<u>2,206,824</u>
At 31 March 2012	<u>1,330,045</u>	<u>2,206,824</u>

19. Reconciliation of movement in shareholders' funds

Group	2012 £	2011 £
Opening shareholders' funds	2,693,163	2,694,748
Profit for the year	17,017	75,485
Dividends (Note 20)	(95,043)	(77,070)
Other recognised gains and losses during the year	1,330,045	-
	<u>3,945,182</u>	<u>2,693,163</u>
Closing shareholders' funds	<u>3,945,182</u>	<u>2,693,163</u>

Company	2012 £	2011 £
Opening shareholders' funds	2,247,351	2,178,244
Profit for the year	87,709	146,177
Dividends (Note 20)	(95,043)	(77,070)
Other recognised gains and losses during the year	1,330,045	-
	<u>3,570,062</u>	<u>2,247,351</u>
Closing shareholders' funds	<u>3,570,062</u>	<u>2,247,351</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

20. Dividends

	2012 £	2011 £
Dividends paid on equity capital	<u>95,043</u>	<u>77,070</u>

Post year end, the directors have proposed and paid dividends of £51,300

SANDWOOD SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

21 Net cash flow from operating activities

	2012	2011
	£	£
Operating profit	59,592	74,980
Amortisation of intangible fixed assets	70,692	70,692
Depreciation of tangible fixed assets	2,219	25,200
Profit on disposal of tangible fixed assets	(34,201)	-
Decrease in stocks	731,009	144,107
Decrease in debtors	138,799	49,982
Decrease in creditors	(137,879)	(138,131)
Net cash inflow from operating activities	830,231	226,830

22 Analysis of cash flows for headings netted in cash flow statement

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	741	639
Interest paid	(21,849)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	(21,108)	639

	2012	2011
	£	£
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(4,862)
Sale of tangible fixed assets	49,982	-
Purchase of investment properties	(1,116,986)	-
Net cash outflow from capital expenditure	(1,067,004)	(4,862)

	2012	2011
	£	£
Financing		
Repayment of other loans	(100,000)	(100,000)

23 Analysis of changes in net debt

	1 April	Cash flow	31 March
	2011		2012
	£	£	£
Cash at bank and in hand	695,834	(453,058)	242,776
Debt			
Debts due within one year	(900,000)	100,000	(800,000)
Net debt	(204,166)	(353,058)	(557,224)

SANDWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

24 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £5,313 (2011 £10,793).

The group also made contributions to personal pension schemes of employees totalling £69,578 (2011 £20,700).

Contributions totalling £Nil (2011 £7,200) were payable to the fund at the balance sheet date and are included in creditors.

25 Related party transactions

The following directors received the following dividends in the year

	2012 £	2011 £
C B Willoughby	45,003	40,401
S W Willoughby	45,002	36,669
S Clarke	2,519	-
J Howarth	2,519	-
	<u>95,043</u>	<u>77,070</u>

The following loans from shareholders (included within other loans) are outstanding at 31 March 2012

	2012 £	2011 £
C B Willoughby	200,000	225,000
S W Willoughby	200,000	225,000
S C Clarke	200,000	225,000
J H Howarth	200,000	225,000
	<u>800,000</u>	<u>900,000</u>

During the year a repayment of £25,000 was made to each shareholder. Interest is payable on the loans at 2% above base rate. Interest of £21,849 (2011 £Nil) was paid during the year.

In accordance with Financial Reporting Standard 8 the group claims exemption from the disclosure of related party transactions between group companies on the basis that these are fully excluded on consolidation.

26. Controlling party

The group is controlled by C B Willoughby and S W Willoughby, as directors and shareholders.