

Registered number: 01190834

Candlelight Products Limited

**Annual Report
and Financial Statements**

For the year ended 31 May 2011

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CANDLELIGHT PRODUCTS LIMITED

Company Information

Directors	M Winch M Crosthwaite S Mayo C Maxfield M Freedman L Liptrott B Winch
Company secretary	C Maxfield
Company number	01190834
Registered office	Ustun House Waddington Way Aldwarke Rotherham S65 3SH
Auditors	CLB Coopers Ship Canal House 98 King Street Manchester M2 4WU
Bankers	HSBC Bank Plc HSBC House 1 Bond Court Leeds LS1 2JZ

CANDLELIGHT PRODUCTS LIMITED

Contents

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 20

CANDLELIGHT PRODUCTS LIMITED

Directors' report For the year ended 31 May 2011

The directors present their report and the financial statements for the year ended 31 May 2011

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company is the design and distribution of housewares, giftware, lighting and soft furnishings.

Business review

The directors are pleased to report on a successful trading performance in the year to 31 May 2011 in a time of difficult market conditions and uncertainty in the economy.

Sales for the year increased by 1% on the previous year to a value of £21.4m, and with tight control remaining over all overheads, the result for the year is a profit on ordinary activities before tax of £1,264,000.

Results and dividends

The profit for the year, after taxation, amounted to £920,000 (2010: £1,044,000).

Particulars of dividends paid are detailed in note 23 to the financial statements.

The financial highlights are

	2011 £000	2010 £000
Turnover	21,421	21,154
Profit/ (loss) on ordinary activities before taxation	1,264	1,403
Profit available for distribution	920	1,044
Equity dividends paid	450	400

CANDLELIGHT PRODUCTS LIMITED

Directors' report For the year ended 31 May 2011

Directors

The directors who served during the year were as follows

M Winch
M Crosthwaite
S Mayo
C Maxfield
M Freedman
L Liptrott
B Winch (appointed 1 October 2010)

Future developments

Candlelight continues to focus on in house design, own brand products for major customers and customer service with all its customers. The directors still believe that the retail environment will remain challenging in the forthcoming financial year but that the company is well established to build on and improve the profitability achieved in the year to 31 May 2011

Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance,
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Interest rate risk

The company is exposed to interest rate risk on its bank accounts and bank borrowings

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Currency risk

The company's principal foreign currency exposure arises from trading with and purchasing from overseas companies

The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of third party foreign exchange instruments

CANDLELIGHT PRODUCTS LIMITED

Directors' report For the year ended 31 May 2011

Provision of information to auditor

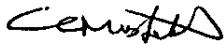
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company'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's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, CLB Coopers, will be proposed for reappointment in accordance with section 385 of the Companies Act 2006

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



C Maxfield
Company secretary

Date 30 January 2012

CANDLELIGHT PRODUCTS LIMITED

Independent auditor's report to the shareholders of Candlelight Products Limited

We have audited the financial statements of Candlelight Products Limited for the year ended 31 May 2011, set out on pages 6 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 shareholders, 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 shareholders 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 shareholders 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 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 company's affairs as at 31 May 2011 and of its 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.

CANDLELIGHT PRODUCTS LIMITED

Independent auditor's report to the shareholders of Candlelight Products 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Travis (Senior statutory auditor)

For and on behalf of
CLB Coopers

Chartered Accountants & Statutory Auditors

Ship Canal House
98 King Street
Manchester
M2 4WU

30 January 2012

CANDLELIGHT PRODUCTS LIMITED

Profit and loss account For the year ended 31 May 2011

	Note	2011 £000	2010 £000
Turnover	1	21,421	21,154
Change in stocks of finished goods		21	2,521
Raw materials and consumables		(11,869)	(14,257)
Other external charges		(1,987)	(1,119)
Staff costs		(2,775)	(3,087)
Depreciation written off fixed assets		(34)	(53)
Other operating charges		(3,424)	(3,663)
Operating profit	3	1,353	1,496
Profit on disposal of fixed assets	8	-	2
Profit on ordinary activities before interest		1,353	1,498
Interest receivable and similar income	6	-	1
Interest payable and similar charges	7	(89)	(96)
Profit on ordinary activities before taxation		1,264	1,403
Tax on profit on ordinary activities	9	(344)	(359)
Profit for the financial year		920	1,044

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 9 to 20 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Registered number. 01190834

Balance sheet

As at 31 May 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Tangible assets	10		193		84
Investments	11		16		16
			<u>209</u>		<u>100</u>
Current assets					
Stocks	12	5,694		5,673	
Debtors amounts falling due after more than one year	13	1,303		1,375	
Debtors amounts falling due within one year	13	2,578		3,592	
Cash at bank and in hand		540		405	
		<u>10,115</u>		<u>11,045</u>	
Creditors: amounts falling due within one year	14	<u>(4,911)</u>		<u>(6,194)</u>	
Net current assets			<u>5,204</u>		<u>4,851</u>
Total assets less current liabilities			<u>5,413</u>		<u>4,951</u>
Creditors: amounts falling due after more than one year	15		(11)		(33)
Provisions for liabilities					
Deferred tax	16		(8)		-
Net assets			<u>5,394</u>		<u>4,918</u>
Capital and reserves					
Called up equity share capital	21		128		122
Share premium account	22		400		400
Other reserves	22		162		162
Profit and loss account	22		4,704		4,234
Shareholders' funds	24		<u>5,394</u>		<u>4,918</u>

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

M Winch
Director

Date 30 January 2012

The notes on pages 9 to 20 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Cash flow statement For the year ended 31 May 2011

	Note	2011 £000	2010 £000
Net cash inflow/ (outflow) from operating activities	25	1,988	(899)
Returns on investments and servicing of finance	26	(88)	(95)
Taxation		(376)	20
Capital expenditure and financial investment	26	(143)	(32)
Equity dividends paid		(450)	(400)
Cash inflow/(outflow) before financing		931	(1,406)
Financing	26	(796)	1,755
Increase in cash in the year		135	349

Reconciliation of net cash flow to movement in net funds/debt For the year ended 31 May 2011

	2011 £000	2010 £000
Increase in cash in the year	135	349
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	796	(1,755)
Change in net debt resulting from cash flows	931	(1,406)
New hire purchase contracts	-	(47)
Transfer of shares classed as financial liabilities from debt to equity	6	-
Movement in net debt in the year	937	(1,453)
Net debt at 1 June 2010	(1,995)	(542)
Net debt at 31 May 2011	(1,058)	(1,995)

The notes on pages 9 to 20 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 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 Turnover

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

1.3 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

Short leasehold land and buildings	-	10% pa straight line
Plant, equipment and vehicles	-	20% to 33% pa straight line

Included within plant, equipment and vehicles are motor vehicles, depreciated at 25% per annum straight line

1.4 Stocks

Stock and work in progress are stated at the lower of cost and net realisable value. Cost represents purchase price calculated on a first in first out basis, together with directly attributable overheads

Net realisable value represents estimated selling price less all costs anticipated to be incurred in marketing, selling and distribution

1.5 Hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating lease agreements

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

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

1. Accounting policies (continued)

1.7 Deferred taxation

Deferred taxation has been calculated on the full provision method as required by FRS 19. Deferred taxation is provided on timing differences which have originated but not reversed at the balance sheet date, at the rates of tax likely to be in force at the time of the reversal. Timing differences arise due to including gains and losses in tax assessments in periods different from the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

1.8 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.

1.9 Financial instruments

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

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2011 £000	2010 £000
United Kingdom	20,218	20,454
Europe	649	543
Rest of the World	554	157
	<u>21,421</u>	<u>21,154</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

3 Operating profit

The operating profit is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	22	50
- held under hire purchase agreements	12	3
Auditor's remuneration - as auditor	20	20
Operating lease - plant and equipment	166	143
Operating lease - other	336	455
Net loss/ (profit) on foreign exchange	3	(600)

4. Particulars of employees

Staff costs, including directors' remuneration, were as follows

	2011 £000	2010 £000
Wages and salaries	2,565	2,824
Social security costs	210	263
	<u>2,775</u>	<u>3,087</u>

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

	2011 No.	2010 No
Warehouse and distribution	47	35
Sales and administration	57	56
	<u>104</u>	<u>91</u>

5. Directors' remuneration

	2011 £000	2010 £000
Emoluments	686	1,139

Emoluments of highest paid director:

	2011 £000	2010 £000
Total emoluments (excluding pension contributions)	215	417

The number of directors who accrued benefits under company pension schemes was nil (2010 nil)

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

6. Interest receivable and similar income

	2011 £000	2010 £000
Bank interest receivable	-	1

7. Interest payable and similar charges

	2011 £000	2010 £000
Interest payable on bank borrowing	62	95
Finance charges on hire purchase agreements	2	1
Finance charges on invoice discounting advances	25	-
	89	96

8. Profit on disposal of fixed assets

	2011 £000	2010 £000
Profit on disposal of fixed assets	-	2

9. Taxation

	2011 £000	2010 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	318	380
Adjustments in respect of prior periods	(3)	-
Total current tax	315	380
Deferred tax (see note 16)		
Origination and reversal of timing differences	29	(21)
Tax on profit on ordinary activities	344	359

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2011 £000	2010 £000
Profit on ordinary activities before tax	1,264	1,403
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 28%)	329	393
Effects of:		
Expenses not deductible for tax purposes	4	4
Difference between depreciation and capital allowances	(28)	(6)
Adjustments to tax charge in respect of prior periods	(3)	-
Group relief claimed	(1)	(11)
Difference in tax rates	14	-
Current tax charge for the year (see note above)	315	380

10 Tangible assets

	Short leasehold land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost			
At 1 June 2010	43	1,043	1,086
Additions	-	143	143
At 31 May 2011	43	1,186	1,229
Depreciation			
At 1 June 2010	43	959	1,002
Charge for the year	-	34	34
At 31 May 2011	43	993	1,036
Net book value			
At 31 May 2011	-	193	193
At 31 May 2010	-	84	84

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

10. Tangible assets (continued)

The net book value of assets held under hire purchase contracts, included above, are as follows

	2011	2010
	£000	£000
Plant, equipment and vehicles	32	44

11. Fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 June 2010 and 31 May 2011	16
Net book value	
At 31 May 2011	16
At 31 May 2010	16

The principal subsidiary is Candlelight Far East Limited, a wholly owned subsidiary incorporated in Hong Kong. Candlelight Far East Limited did not trade during the year. The issued share capital is HK\$2 and the authorised share capital is HK\$10,000.

All other subsidiaries are wholly owned, registered in England and Wales and are dormant. The authorised and issued share capital of each is 100 Ordinary shares of £1, all of which have nil reserves.

12. Stocks

	2011	2010
	£000	£000
Finished goods	5,694	5,673

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

13. Debtors

	2011 £000	2010 £000
Due after more than one year		
Amounts owed by group undertakings	1,303	1,375
	<u>1,303</u>	<u>1,375</u>
Due within one year		
Trade debtors	2,149	3,191
Other debtors	1	78
Prepayments and accrued income	428	302
Deferred tax asset (see note 16)	-	21
	<u>2,578</u>	<u>3,592</u>

14. Creditors:

Amounts falling due within one year

	2011 £000	2010 £000
Advance against the security of book debts	997	981
Import loan facility	575	1,372
Hire purchase agreements	16	14
Trade creditors	1,773	1,744
Corporation tax	319	379
Social security and other taxes	94	62
Other creditors	16	205
Accruals and deferred income	1,121	1,437
	<u>4,911</u>	<u>6,194</u>

The advance against the security of book debts is secured by a fixed and floating charge over all the assets of the company and a deed of priority over the book debts

The import loan facility is secured by a debenture and an intercompany guarantee with the company's parent undertaking, One Flight Limited

The hire purchase liability is secured upon the assets to which the liability relates

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

15 Creditors: Amounts falling due after more than one year

	2011 £000	2010 £000
Hire purchase agreements	11	27
Shares classed as financial liabilities (Note21)	-	6
	<u>11</u>	<u>33</u>

On the 21 July 2010, the shares classed as financial liabilities were converted into ordinary share capital and have been transferred to equity share capital accordingly

Obligations under hire purchase contracts, included above, are payable as follows

	2011 £000	2010 £000
Between one and five years	<u>11</u>	<u>27</u>

16. Deferred taxation

	2011 £000	2010 £000
At beginning of year	21	-
Recognised during year	(29)	21
At end of year	<u>(8)</u>	<u>21</u>

The deferred taxation balance is made up as follows

	2011 £000	2010 £000
Accelerated capital allowances	<u>(8)</u>	<u>21</u>

17 Commitments under operating leases

At 31 May 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011 £000	2010 £000	2011 £000	2010 £000
Expiry date:				
Within 1 year	99	9	45	34
Between 2 and 5 years	-	46	87	47
After more than 5 years	434	434	16	64
Total	<u>533</u>	<u>489</u>	<u>148</u>	<u>145</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

18. Guarantees and financial commitments

	2011 £000	2010 £000
Outstanding forward exchange contracts	3,864	-

The above forward exchange contracts to purchase US\$ were contracted for at rates between US\$1 5/£1 and US\$1 66/£1 and expire between 8 June 2011 and 26 October 2011

HM Revenue and Customs duty deferment bond	200	200
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The company is party to a joint guarantee with the parent company, One Flight Limited, in relation to all liabilities due to the Royal Bank of Scotland plc and National Westminster Bank plc. At the balance sheet date the net liability due by One Flight Limited amounted to £nil (2010 £nil)

19. Contingent liabilities

At the balance sheet date the company's bankers have provided letters of credit, underwritten by the company, amounting to

	2011 £000	2010 £000
Letters of credit	259	800

20. Related party transactions

In preparing these financial statements, advantage has been taken of the provision under Financial Reporting Standard 8, which states that disclosure is not required of transactions which are part of the group, provided that consolidated financial statements in which the company is included, are publicly available

21. Share capital

	2011 £000	2010 £000
Shares classified as capital		
Allotted, called up and fully paid		
128,663 (2010 89,261) ordinary shares of £1 each	128	89
Nil(2010 33,333) 'A' ordinary shares of £1 each	-	33
	128	122

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

21. Share capital (continued)

Shares classified as debt

Allotted, called up and fully paid

Nil(2010 5,933) 'B' ordinary shares of £1 each	-	6
Nil(2010 13,529)'C' ordinary shares of £0 01 each	-	-
	<u>-</u>	<u>6</u>

On 21 July 2010 a written resolution was passed authorising the following

- (i) 71 ordinary 'C' shares of £0 01 each were issued at par value
- (ii) 13,600 ordinary 'C' shares of £0 01 each were consolidated into 136 ordinary 'C' shares of £1 each
- (iii) All ordinary 'A', 'B' and 'C' shares were reclassified as ordinary shares of £1 each

22 Reserves

	Share premium account £000	Capital redempt'n reserve £000	Profit and loss account £000
At 1 June 2010	400	162	4,234
Profit for the year	-	-	920
Equity dividends paid	-	-	(450)
At 31 May 2011	<u>400</u>	<u>162</u>	<u>4,704</u>

23. Dividends

	2011 £000	2010 £000
Equity dividends paid	<u>450</u>	<u>400</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

24. Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Opening shareholders' funds	4,918	4,274
Profit for the year	920	1,044
Equity dividends paid (Note 23)	(450)	(400)
Shares classed as financial liabilities transferred to ordinary share capital	6	-
Closing shareholders' funds	5,394	4,918

25. Net cash flow from operating activities

	2011 £000	2010 £000
Operating profit	1,353	1,496
Depreciation of tangible fixed assets	34	53
Increase in stocks	(21)	(2,521)
Decrease/(increase) in debtors	1,065	(1,657)
(Decrease)/increase in creditors	(443)	1,730
Net cash inflow/(outflow) from operating activities	1,988	(899)

26. Analysis of cash flows for headings netted in cash flow statement

	2011 £000	2010 £000
Returns on investments and servicing of finance		
Interest received	-	1
Bank interest paid	(61)	(95)
Finance charges on invoice discounting advances	(25)	-
Hire purchase interest	(2)	(1)
Net cash outflow from returns on investments and servicing of finance	(88)	(95)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(143)	(34)
Sale of tangible fixed assets	-	2
Net cash outflow from capital expenditure	(143)	(32)

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2011

26. Analysis of cash flows for headings netted in cash flow statement (continued)

	2011 £000	2010 £000
Financing		
Net advances against the security of book debts	16	920
Net import loan facility movements	(798)	842
Capital element of hire purchase contracts	(14)	(7)
Net cash (outflow)/inflow from financing	(796)	1,755

27. Analysis of changes in net debt

	1 June 2010 £000	Cash flow £000	Other non-cash changes £000	31 May 2011 £000
Cash at bank and in hand	405	135	-	540
Debt:				
Hire purchase agreements	(41)	14	-	(27)
Debts due within one year	(2,353)	782	-	(1,571)
Debts falling due after more than one year	(6)	-	6	-
Net debt	(1,995)	931	6	(1,058)

28. Controlling party

The company is a wholly owned subsidiary of One Flight Limited

There was no individual ultimate controlling party of One Flight Limited during the current or preceeding period