

Registered number: 01190834

Candlelight Products Limited

**Annual Report
and Financial Statements**

For the year ended 31 May 2012

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COMPANIES HOUSE

CLB
coopers
Chartered Accountants
Delivering solutions through excellence

CANDLELIGHT PRODUCTS LIMITED

Company Information

Directors

M Winch
M Crosthwaite
S Mayo
C Maxfield
M Freedman
L Liptrott
B Winch
T Boyle (appointed 1 June 2012)

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

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CANDLELIGHT PRODUCTS LIMITED

Directors' report For the year ended 31 May 2012

The directors present their report and the financial statements for the year ended 31 May 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 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activities

The company is a market leading designer, importer and wholesale supplier of design-led giftware and home accessories.

Business review

The directors are pleased to report a successful trading performance in the year to 31 May 2012 in a time of difficult market conditions and uncertainty in the economy. Sales in the year declined marginally but with continuing tight control of costs, profitability has been maintained resulting in a net profit on ordinary activities before tax of £1,307,000.

Results and dividends

The profit for the year, after taxation, amounted to £1,021,000 (2011: £731,000).

Particulars of dividends paid are detailed in note 22 to the financial statements.

The financial highlights are

	2012 £000	As restated 2011 £000
Turnover	20,262	21,421
Profit on ordinary activities before taxation	1,307	1,075
Profits available for distribution	1,021	731
Equity dividends paid	600	450

CANDLELIGHT PRODUCTS LIMITED

Directors' report For the year ended 31 May 2012

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

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 2012

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 2012

Provision of information to auditor

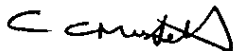
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- 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 485 of the Companies Act 2006

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



C Maxfield
Company secretary

Date 12 November 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 2012, set out on pages 6 to 21. 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 2012 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

CLB Coopers.

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

12 November 2012

CANDLELIGHT PRODUCTS LIMITED

Profit and loss account For the year ended 31 May 2012

	Note	2012 £000	As restated 2011 £000
Turnover		20,262	21,421
Change in stocks of finished goods		1,170	21
Raw materials and consumables		(11,650)	(11,869)
Other external charges		(1,397)	(1,987)
Staff costs		(2,977)	(2,775)
Depreciation written off fixed assets		(71)	(34)
Other operating charges		(3,949)	(3,613)
Operating profit	3	1,388	1,164
Interest payable and similar charges	6	(81)	(89)
Profit on ordinary activities before taxation		1,307	1,075
Tax on profit on ordinary activities	7	(286)	(344)
Profit for the financial year	21	1,021	731

All amounts relate to continuing operations

The notes on pages 10 to 21 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Statement of total recognised gains and losses For the year ended 31 May 2012

	Note	2012 £000	As restated 2011 £000
Profit for the financial year		1,021	731
Total recognised gains and losses relating to the year		1,021	731
Prior year adjustment	23	(194)	
Total gains and losses recognised since last financial statements		827	

The notes on pages 10 to 21 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

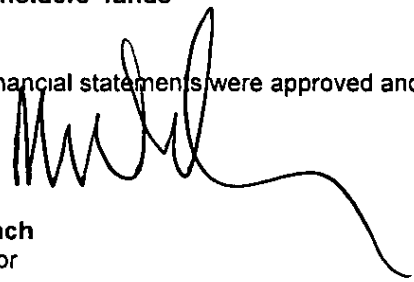
Registered number 01190834

Balance sheet

As at 31 May 2012

	Note	£000	2012 £000	As restated 2011 £000
Fixed assets				
Tangible assets	8		305	193
Investments	9		16	16
			<u>321</u>	<u>209</u>
Current assets				
Stocks	10	6,864		5,694
Debtors amounts falling due after more than one year	11	1,206		1,303
Debtors amounts falling due within one year	11	3,020		2,578
Cash at bank and in hand		680		540
		<u>11,770</u>		<u>10,115</u>
Creditors' amounts falling due within one year	12	(6,441)		(5,105)
Net current assets			<u>5,329</u>	<u>5,010</u>
Total assets less current liabilities			<u>5,650</u>	<u>5,219</u>
Creditors' amounts falling due after more than one year	13		(7)	(11)
Provisions for liabilities				
Deferred tax	14		(22)	(8)
Net assets			<u>5,621</u>	<u>5,200</u>
Capital and reserves				
Called up equity share capital	20		128	128
Share premium account	21		400	400
Other reserves	21		162	162
Profit and loss account	21		4,931	4,510
Shareholders' funds	24		<u>5,621</u>	<u>5,200</u>

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


M Winch
 Director

Date 12 November 2012

The notes on pages 10 to 21 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Cash flow statement For the year ended 31 May 2012

	Note	2012 £000	2011 £000
Net cash inflow/ (outflow) from operating activities	25	389	1,988
Returns on investments and servicing of finance	26	(81)	(88)
Taxation		(319)	(376)
Capital expenditure and financial investment	26	(174)	(143)
Equity dividends paid		(600)	(450)
Cash (outflow)/inflow before financing		(785)	931
Financing	26	925	(796)
Increase in cash in the year		140	135

Reconciliation of net cash flow to movement in net debt For the year ended 31 May 2012

	2012 £000	2011 £000
Increase in cash in the year	140	135
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(925)	796
Change in net debt resulting from cash flows	(785)	931
New hire purchase contracts	(9)	-
Transfer of shares classed as financial liabilities from debt to equity	-	6
Movement in net debt in the year	(794)	937
Net debt at 1 June 2011	(1,058)	(1,995)
Net debt at 31 May 2012	(1,852)	(1,058)

The notes on pages 10 to 21 form part of these financial statements

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

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 are capitalised as tangible fixed assets and are depreciated over their useful lives. 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

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

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

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:

	2012 £000	2011 £000
United Kingdom	19,644	20,218
Europe	560	649
Rest of the World	58	554
	<u>20,262</u>	<u>21,421</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

3 Operating profit

The operating profit is stated after charging

	2012 £000	2011 £000
Depreciation of tangible fixed assets		
- owned by the company	58	22
- held under hire purchase agreements	13	12
Auditor's remuneration - as auditor	21	20
Operating lease - plant and equipment	162	166
Operating lease - other	488	336
	<u> </u>	<u> </u>

4. Particulars of employees

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	2,743	2,565
Social security costs	234	210
	<u> </u>	<u> </u>
	2,977	2,775
	<u> </u>	<u> </u>

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

	2012 No.	2011 No.
Warehouse and distribution	57	47
Sales and administration	62	57
	<u> </u>	<u> </u>
	119	104
	<u> </u>	<u> </u>

5. Directors' remuneration

	2012 £000	2011 £000
Emoluments	753	686
	<u> </u>	<u> </u>

Emoluments of highest paid director:

	2012 £000	2011 £000
Total emoluments (excluding pension contributions)	257	215
	<u> </u>	<u> </u>

The number of directors who accrued benefits under company pension schemes was nil (2011 nil)

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

6. Interest payable and similar charges

	2012 £000	2011 £000
Interest payable on bank borrowing	51	62
Finance charges on hire purchase agreements	2	2
Finance charges on invoice discounting advances	28	25
	<u>81</u>	<u>89</u>

7. Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	221	318
Adjustments in respect of prior periods	51	(3)
Total current tax	<u>272</u>	<u>315</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	14	29
Tax on profit on ordinary activities	<u>286</u>	<u>344</u>

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 24% (2011 26%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>1,307</u>	<u>1,075</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 26%)	314	280
Effects of		
Expenses not deductible for tax purposes	2	4
Difference between depreciation and capital allowances	(15)	(28)
Adjustments to tax charge in respect of prior periods	(46)	(3)
Group relief claimed	(1)	(1)
Difference in tax rates	18	13
Prior year adjustment - change in accounting policy	-	50
Current tax charge for the year (see note above)	<u>272</u>	<u>315</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

8. Tangible assets

	Short leasehold land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost			
At 1 June 2011	43	1,186	1,229
Additions	-	183	183
At 31 May 2012	43	1,369	1,412
Depreciation			
At 1 June 2011	43	993	1,036
Charge for the year	-	71	71
At 31 May 2012	43	1,064	1,107
Net book value			
At 31 May 2012	-	305	305
At 31 May 2011	-	193	193

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

	2012 £000	2011 £000
Plant, equipment and vehicles	28	32

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

9. Fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 June 2011 and 31 May 2012	16
Net book value	
At 31 May 2012	16
At 31 May 2011	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.

The 165 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.

10. Stocks

	2012 £000	2011 £000
Finished goods	6,864	5,694

11. Debtors

	2012 £000	2011 £000
Due after more than one year		
Amounts owed by group undertakings	1,206	1,303
Due within one year		
Trade debtors	2,429	2,149
Other debtors	105	1
Prepayments and accrued income	486	428
	3,020	2,578

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

12 Creditors: Amounts falling due within one year

	2012 £000	As restated 2011 £000
Advance against the security of book debts	325	997
Import loan facility	2,187	575
Hire purchase agreements	13	16
Trade creditors	2,280	1,773
Corporation tax	268	319
Social security and other taxes	191	94
Other creditors	27	16
Accruals and deferred income	1,150	1,315
	<u>6,441</u>	<u>5,105</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 fixed and floating charge over all the assets of the company, and all the assets of its parent undertaking, One Flight Limited by way of a cross guarantee

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

13. Creditors: Amounts falling due after more than one year

	2012 £000	2011 £000
Hire purchase agreements	<u>7</u>	<u>11</u>

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

	2012 £000	2011 £000
Between one and five years	<u>7</u>	<u>11</u>

14. Deferred taxation

	2012 £000	2011 £000
At beginning of year	8	(21)
Recognised during year	14	29
At end of year	<u>22</u>	<u>8</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	2012 £000	2011 £000
Accelerated capital allowances	(22)	(8)

15. Capital commitments

At 31 May 2012 the company had capital commitments as follows

	2012 £000	2011 £000
Contracted for but not provided in these financial statements	32	-

16. Commitments under operating leases

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £000	2011 £000	2012 £000	2011 £000
Expiry date:				
Within 1 year	45	99	67	45
Between 2 and 5 years	-	-	105	87
After more than 5 years	434	434	8	16
Total	479	533	180	148

17. Guarantees and financial commitments

	2012 £000	2011 £000
Outstanding forward exchange contracts	469	3,864

The above forward exchange contracts to purchase US\$ were contracted for at rates between US\$1 59/£1 and US\$1 61/£1 and expire between 6 June 2012 and 20 June 2012

	2012 £000	2011 £000
HM Revenue and Customs duty deferment bond	250	200

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

18. Contingent liabilities

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

	2012 £000	2011 £000
Letters of credit and other guarantees	<u>547</u>	<u>259</u>

19. 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

At the balance sheet date the company was owed £1,206,000 (2011 £1,303,000) by One Flight Limited

CPL Global Sourcing Limited, a company incorporated in Hong Kong is a related party by virtue of connected shareholders and directors. During the year the following transactions arose

	2012 £000	2011 £000
Cash received in respect of sales made by CPL Global Sourcing Limited	290	-
Expenses paid on behalf of CPL Global Sourcing Limited	<u>335</u>	<u>-</u>

At 31 May 2012 the company was owed £45,000 (2011 nil) by CPL Global Sourcing Limited

Included within contingent liabilities is a standby letter of credit in favour of Hong Kong and Shanghai Banking Corporation amounting to £324,000 provided on behalf of CPL Global Sourcing Limited

20. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
128,663 Ordinary shares of £1 each	<u>128</u>	<u>128</u>

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

21. Reserves

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 1 June 2011 (as previously stated)	400	162	4,704
Prior year adjustment (note 23)			(194)
At 1 June 2011 (as restated)			4,510
Profit for the year	-	-	1,021
Equity dividends paid	-	-	(600)
At 31 May 2012	400	162	4,931

22. Dividends

	2012 £000	2011 £000
Equity dividends paid	600	450

23. Prior year adjustment

The prior year financial statements have been restated to reflect the impact of a mid-term rent reduction received over a 12 month period which ended in the year to 31 May 2011

The comparative figures have been restated to reflect the revised accounting policy to spread the benefit of the rent reduction over the remaining minimum lease term

The profit and loss account for the year ended 31 May 2011 has been restated to reflect an increased rent charge of £189,000. This restatement, together with a further adjustment to opening reserves at 1 June 2010, results in a reduction to shareholders funds of £194,000 and a corresponding increase in accruals and deferred income at 31 May 2011

24 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	5,394	4,924
Prior year adjustments (note 23)	(194)	(5)
Opening shareholders' funds (as restated)	5,200	4,919
Profit for the year	1,021	731
Equity dividends paid (Note 22)	(600)	(450)
Closing shareholders' funds	5,621	5,200

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

25. Net cash flow from operating activities

	2012 £000	2011 £000
Operating profit	1,388	1,164
Depreciation of tangible fixed assets	71	34
Increase in stocks	(1,170)	(21)
(Increase)/decrease in debtors	(345)	1,065
Increase/(decrease) in creditors	445	(254)
Net cash inflow/(outflow) from operating activities	389	1,988

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

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Bank interest paid	(51)	(61)
Finance charges on invoice discounting advances	(28)	(25)
Hire purchase interest	(2)	(2)
Net cash outflow from returns on investments and servicing of finance	(81)	(88)
	2012 £000	2011 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(174)	(143)
	2012 £000	2011 £000
Financing		
Net advances against the security of book debts	(672)	16
Net import loan facility movements	1,613	(798)
Capital element of hire purchase contracts	(16)	(14)
Net cash inflow/(outflow) from financing	925	(796)

CANDLELIGHT PRODUCTS LIMITED

Notes to the financial statements For the year ended 31 May 2012

27. Analysis of changes in net debt

	1 June 2011 £000	Cash flow £000	Other non-cash changes £000	31 May 2012 £000
Cash at bank and in hand	540	140	-	680
Debt:				
Hire purchase agreements	(27)	16	(9)	(20)
Debts due within one year	(1,571)	(941)	-	(2,512)
Net debt	(1,058)	(785)	(9)	(1,852)

28. Ultimate parent undertaking and 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 preceding period