

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
FOR
FILMLIGHT LIMITED

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FOR THE YEAR ENDED 31 MARCH 2011

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FILMLIGHT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011

DIRECTORS

S Chapman
W Lempp
P Stothart
M Harris
C Williams

SECRETARY

M Harris

REGISTERED OFFICE

14-15 Manette Street
London
W1D 4AP

REGISTERED NUMBER

03917536

AUDITORS

Wilkins Kennedy
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report with the financial statements of the company for the year ended 31 March 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development, design, manufacture and supply of digital systems for the professional post-production of television and feature film projects

REVIEW OF BUSINESS

Continued growth of 8% in our core business contributed to the 60% increase in the company's profits, which were also assisted by lower cost of goods. Our domestic UK sales were a highlight of the year showing exceptional growth along with very positive results in Asia and North America. European sales continued to be subdued during the period, but showed signs of recovery during the last quarter - a trend that is strengthening in the current year.

The Directors were pleased to note that company's efforts to broaden its customer base beyond the post production community have begun to bear fruit, with increased business from production companies, equipment hire companies and broadcasters. A substantial portion of the research and development activities accompanied by a significant investment in Marketing and PR within the period were aimed at encouraging this diversification a trend we intend to continue.

The outlook for the year to come remains cautious. Global financial instability and lack of credit may attenuate the company's growth prospects in high value capital equipment. New product initiatives aimed at lower and mid market pricing will substantially broaden the company's customer base and take advantage of the company's strong professional brand position. This will provide the room for further growth once the economic uncertainty is behind us.

DIVIDENDS

The directors declared and paid a final dividend for the year of 92.34 pence. Total dividends paid for the year amounted to £499,908.

RESEARCH AND DEVELOPMENT

The Company continued its focus in the year on research and development, with considerable technical staff effort applied to developing the next generation systems. Costs in the year amounted to £1,773,485 (2010: £1,771,582).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

S Chapman
W Lempp
P Stothart
M Harris
C Williams

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

FINANCIAL INSTRUMENTS

The company's financial instruments at the balance sheet date comprised bank overdraft, finance leases and HP loans, cash and liquid resources. In addition, the company has other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's activities.

The main risks from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. In common with businesses of similar size, these risks are managed by the Board, who set the policies and circumstances for the use of financial instruments and which are monitored and reviewed on an ongoing basis.

The company has no exposure to publicly quoted equity securities as it holds no such financial assets.

Interest rate risk

The company's loans comprise both fixed and floating rate liabilities. Any exposure to interest rate fluctuations is managed in order that the company's operations are financed through retained profits.

Foreign currency risk

Some of the company's trade debtors and creditors are denominated in US dollars and Euro. Whilst the Company makes sufficient sales and purchases in foreign currency to possibly justify use of hedging instruments, given the cost of using such instruments, transactions are presently settled at spot rate.

Liquidity risk

Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash, overdraft and loan facilities are in place.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

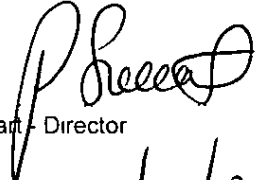
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD


P Stothart, Director

Date

04 / 11 / 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FILMLIGHT LIMITED**

We have audited the financial statements of FilmLight Limited for the year ended 31 March 2011 on pages six to seventeen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 financial statements 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 March 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.

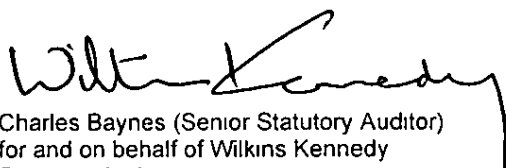
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Charles Baynes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy

Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

Date 4 November 2011

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	£	2010 £	£
TURNOVER			13,849,868		12,803,927
Cost of sales			<u>5,690,666</u>		<u>5,881,240</u>
GROSS PROFIT			8,159,202		6,922,687
Distribution costs		93,571		61,380	
Administrative expenses		<u>5,971,794</u>		<u>5,511,652</u>	
			6,065,365		5,573,032
			2,093,837		1,349,655
Other operating income			<u>12,851</u>		<u>8,941</u>
OPERATING PROFIT	3		2,106,688		1,358,596
Interest payable and similar charges	4		<u>40,931</u>		<u>68,151</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,065,757		1,290,445
Tax on profit on ordinary activities	5		<u>(5,929)</u>		<u>4,815</u>
PROFIT FOR THE FINANCIAL YEAR			<u>2,071,686</u>		<u>1,285,630</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

BALANCE SHEET
31 MARCH 2011

		2011	2010
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	104,500	114,000
Tangible assets	8	323,597	359,052
Investments	9	1	1
		<u>428,098</u>	<u>473,053</u>
CURRENT ASSETS			
Stocks	10	2,334,068	2,146,951
Debtors	11	1,525,922	3,342,279
Cash at bank and in hand		2,916,610	936,861
		<u>6,776,600</u>	<u>6,426,091</u>
CREDITORS			
Amounts falling due within one year	12	2,153,202	2,982,218
NET CURRENT ASSETS		<u>4,623,398</u>	<u>3,443,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,051,496</u>	<u>3,916,926</u>
CREDITORS			
Amounts falling due after more than one year	13	(32,810)	(187,144)
PROVISIONS FOR LIABILITIES	16	(76,581)	(82,510)
NET ASSETS		<u>4,942,105</u>	<u>3,647,272</u>
CAPITAL AND RESERVES			
Called up share capital	17	270,688	298,383
Share premium	18	136,617	136,617
Capital redemption reserve	18	27,695	-
Profit and loss account	18	4,507,105	3,212,272
SHAREHOLDERS' FUNDS	19	<u>4,942,105</u>	<u>3,647,272</u>

The financial statements were approved by the Board of Directors on its behalf by

and were signed on

P Stothart Director



**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

		2011		2010	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		3,274,980		1,720,767
Returns on investments and servicing of finance	2		(40,931)		(68,151)
Capital expenditure	2		(64,869)		(242,443)
Equity dividends paid			(499,908)		(297,000)
			<u>2,669,272</u>		<u>1,113,173</u>
Financing	2		(689,523)		(591,527)
Increase in cash in the period			<u><u>1,979,749</u></u>		<u><u>521,646</u></u>
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		1,979,749		521,646	
Cash outflow from decrease in debt and lease financing		<u>795,149</u>		<u>208,956</u>	
Change in net debt resulting from cash flows			<u>2,774,898</u>		<u>730,602</u>
Movement in net debt in the period			<u>2,774,898</u>		<u>730,602</u>
Net debt at 1 April			<u>(45,714)</u>		<u>(776,316)</u>
Net funds/(debt) at 31 March			<u><u>2,729,184</u></u>		<u><u>(45,714)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	2,106,688	1,358,596
Depreciation charges	109,825	130,047
(Increase)/Decrease in stocks	(187,117)	1,108,138
Decrease/(Increase) in debtors	1,816,357	(440,381)
Decrease in creditors	(570,773)	(435,633)
Net cash inflow from operating activities	<u>3,274,980</u>	<u>1,720,767</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(1,959)	(6,475)
Interest element of finance lease payments	(38,972)	(61,676)
Net cash outflow for returns on investments and servicing of finance	<u>(40,931)</u>	<u>(68,151)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(64,869)	(242,443)
Net cash outflow for capital expenditure	<u>(64,869)</u>	<u>(242,443)</u>
 Financing		
New loans in year	-	200,890
Capital repayments in year	(412,578)	(792,417)
Purchase of own shares	(276,945)	-
Net cash outflow from financing	<u>(689,523)</u>	<u>(591,527)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/10 £	Cash flow £	At 31/3/11 £
Net cash			
Cash at bank and in hand	936,861	1,979,749	2,916,610
	<u>936,861</u>	<u>1,979,749</u>	<u>2,916,610</u>
 Debt			
Finance leases	(600,004)	412,578	(187,426)
Debts falling due within one year	(382,571)	382,571	-
	<u>(982,575)</u>	<u>795,149</u>	<u>(187,426)</u>
 Total	<u>(45,714)</u>	<u>2,774,898</u>	<u>2,729,184</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Service contract income is recognised as invoiced

Hardware sales income equivalent to cost of sales is recognised when the ordered goods are substantially complete and ready for shipment. The margin is recognised after shipment and on acceptance.

Governments grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Grants received which relate to capitalised research and development costs are netted off against that expenditure.

Grants received in relation to capital expenditure are deferred and recognised over the period of the useful economic life of the assets.

Deferred income represents amounts invoiced for hardware not yet shipped or installed.

Goodwill

Knowhow, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of twenty years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net anticipated disposal proceeds, over the useful economic life of that asset as follows:

Knowhow - over 20 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold	- Over 4 years
Plant and machinery	- Straight line over 5 years
Fixtures and fittings	- Over 4 years
Computer equipment	- Over 4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Consolidation

In the opinion of the directors, the company and its subsidiary undertaking comprise a medium-sized group. All transactions and balances in relation to the sole subsidiary undertaking Filmlight Inc. are included within the accounts of the parent and any residual balances are not material for the purpose of giving a true and fair view as defined in Companies Act 2006 section 405 (2)

Employee share schemes

Share schemes are accounted for in line with UITF 17 Employee Share Schemes. The intrinsic value of the shares is charged to the profit and loss account over the vesting period

2 STAFF COSTS

	2011 £	2010 £
Wages and salaries	3,967,783	3,682,075
Social security costs	422,668	320,996
Other pension costs	61,133	65,033
	<u>4,451,584</u>	<u>4,068,104</u>

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

	2011	2010
Development staff	23	20
Production staff	8	6
Support staff	13	11
Finance staff	3	2
Sales staff	9	4
Admin staff	7	6
Management staff	5	5
	<u>68</u>	<u>54</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Hire of plant and machinery	2,611	2,063
Other operating leases	239,755	234,697
Depreciation - owned assets	100,325	120,547
Knowhow amortisation	9,500	9,500
Audit fee	15,749	15,813
Foreign exchange differences	65,984	49,495
	<u>441,060</u>	<u>517,816</u>
Directors' remuneration	61,133	65,033
Directors' pension contributions to money purchase schemes	<u>61,133</u>	<u>65,033</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

3 OPERATING PROFIT - continued

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2011	2010
	£	£
Emoluments etc	<u>132,767</u>	<u>123,250</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank loan interest	1,959	6,475
Hire purchase	<u>38,972</u>	<u>61,676</u>
	<u>40,931</u>	<u>68,151</u>

5 TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Deferred tax	<u>(5,929)</u>	<u>4,815</u>
Tax on profit on ordinary activities	<u>(5,929)</u>	<u>4,815</u>

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>2,065,757</u>	<u>1,290,445</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	578,412	361,325
Effects of Disallowed expenses adjustment	11,905	3,585
Losses (utilised)/carried forward prior year	(96,873)	134,677
Additional allowances for R&D credits	(496,043)	(496,043)
Accelerated capital allowances	<u>2,599</u>	<u>(3,544)</u>
Current tax (credit)/charge	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

6 DIVIDENDS

	2011 £	2010 £
Ordinary shares shares of £0.50 each		
Final	499,908	-
Interim	-	297,000
	<u>499,908</u>	<u>297,000</u>

7 INTANGIBLE FIXED ASSETS

	Knowhow £	Research and development costs £	Totals £
COST			
At 1 April 2010 and 31 March 2011	<u>190,000</u>	<u>65,026</u>	<u>255,026</u>
AMORTISATION			
At 1 April 2010	76,000	65,026	141,026
Amortisation for year	<u>9,500</u>	<u>-</u>	<u>9,500</u>
At 31 March 2011	<u>85,500</u>	<u>65,026</u>	<u>150,526</u>
NET BOOK VALUE			
At 31 March 2011	<u>104,500</u>	<u>-</u>	<u>104,500</u>
At 31 March 2010	<u>114,000</u>	<u>-</u>	<u>114,000</u>

The £190,000 relates to technical knowhow acquired with the employees of Filmlight and is being amortised over twenty years

The £65,026 relates to the precursor stage of development in Baselight and Truelight products. The asset is now fully written down

8 TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2010	26,400	726,325	76,539
Additions	-	1,656	8,255
Disposals	-	(383,464)	(48,455)
At 31 March 2011	<u>26,400</u>	<u>344,517</u>	<u>36,339</u>
DEPRECIATION			
At 1 April 2010	26,400	479,245	45,588
Charge for year	-	51,264	7,194
Eliminated on disposal	-	(383,464)	(48,455)
At 31 March 2011	<u>26,400</u>	<u>147,045</u>	<u>4,327</u>
NET BOOK VALUE			
At 31 March 2011	<u>-</u>	<u>197,472</u>	<u>32,012</u>
At 31 March 2010	<u>-</u>	<u>247,080</u>	<u>30,951</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

8 TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2010	9,736	295,068	1,134,068
Additions	-	54,958	64,869
Disposals	-	(88,706)	(520,625)
At 31 March 2011	9,736	261,320	678,312
DEPRECIATION			
At 1 April 2010	9,736	214,046	775,015
Charge for year	-	41,867	100,325
Eliminated on disposal	-	(88,706)	(520,625)
At 31 March 2011	9,736	167,207	354,715
NET BOOK VALUE			
At 31 March 2011	-	94,113	323,597
At 31 March 2010	-	81,022	359,053

Tangible fixed assets include £65,000 of assets which were acquired at no cost but have been valued at £65,000 as an estimate of their value to the business

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2010 and 31 March 2011	1
NET BOOK VALUE	
At 31 March 2011	1
At 31 March 2010	1

The company's investments at the balance sheet date in the share capital of companies include the following

FilmLight Incorporated
Country of incorporation USA
Nature of business Film equipment

	% holding
Class of shares	100.00
Ordinary	

FilmLight Inc was set up as a legal entity in order for FilmLight Limited to trade in the US. The company effectively is a sales branch and all of its balances have been included in the accounts of FilmLight Limited.

10 STOCKS

	2011 £	2010 £
Stocks	2,138,348	1,930,250
Finished goods	195,720	216,701
	<u>2,334,068</u>	<u>2,146,951</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	1,379,738	3,176,450
Other debtors	59,904	57,996
VAT	18,827	85,159
Prepayments and accrued income	67,453	22,674
	<u>1,525,922</u>	<u>3,342,279</u>

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 14)	-	382,571
Finance leases (see note 15)	154,616	412,860
Trade creditors	683,697	668,520
Social security and other taxes	102,633	91,440
Other creditors	136,758	353,316
Accruals and deferred income	1,075,498	1,073,511
	<u>2,153,202</u>	<u>2,982,218</u>

13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Finance leases (see note 15)	<u>32,810</u>	<u>187,144</u>

14 LOANS

The bank overdraft is secured by debenture including a fixed charge over leasehold property, a first fixed charge over book and other debts, chattels and goodwill, and a first floating charge over all assets and undertakings both present and future dated 15 March 2006

15 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2011	2010
	£	£
Gross obligations repayable		
Within one year	160,816	454,387
Between one and five years	33,367	193,901
	<u>194,183</u>	<u>648,288</u>
Finance charges repayable		
Within one year	6,200	41,527
Between one and five years	557	6,757
	<u>6,757</u>	<u>48,284</u>
Net obligations repayable		
Within one year	154,616	412,860
Between one and five years	32,810	187,144
	<u>187,426</u>	<u>600,004</u>

Finance leases and HP contracts are secured on the assets to which they relate

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

15 OBLIGATIONS UNDER LEASING AGREEMENTS - continued

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring				
Within one year	5,438	197,958	1,785	-
Between one and five years	32,320	-	-	1,785
In more than five years	-	20,000	-	-
	<u>37,758</u>	<u>217,958</u>	<u>1,785</u>	<u>1,785</u>

16 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>76,581</u>	<u>82,510</u>
		Deferred tax £
Balance at 1 April 2010		82,510
Movement in deferred tax		<u>(5,929)</u>
Balance at 31 March 2011		<u>76,581</u>

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		2011 £	2010 £
Number Class	Nominal value		
541,377 Ordinary shares	£0 50	<u>270,688</u>	<u>298,383</u>
(2010 - 596,766)			

18 RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2010	3,212,272	136,617	-	3,348,889
Profit for the year	2,071,686			2,071,686
Dividends	(499,908)			(499,908)
Purchase of own shares	(276,945)	-	27,695	(249,250)
At 31 March 2011	<u>4,507,105</u>	<u>136,617</u>	<u>27,695</u>	<u>4,671,417</u>

19 RELATED PARTY DISCLOSURES

During the year dividends were paid to shareholder directors and their immediate family amounting to £486,084

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	2,071,686	1,285,630
Dividends	(499,908)	(297,000)
	<u>1,571,778</u>	<u>988,630</u>
Purchase of own shares (inc nominal)	(276,945)	-
	<u>1,294,833</u>	<u>988,630</u>
Net addition to shareholders' funds		
Opening shareholders' funds	3,647,272	2,658,642
	<u>4,942,105</u>	<u>3,647,272</u>
Closing shareholders' funds		

20 PENSION COSTS

The company also operates a defined contribution pension scheme for current directors. This scheme does not require an actuarial valuation under FRS17. The assets of the scheme are held separately from those of the company. The pension charge for the period to this scheme was £61,133 (2010 £65,033). There were no outstanding contributions payable to this scheme at the balance sheet date.