

Registered number. 04164708

G K R Logistics Limited

Directors' report and financial statements

for the year ended 31 October 2011

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G K R Logistics Limited

Company Information

Directors	G Rowswell L Rowswell N Rowswell
Company secretary	C Rowswell
Company number	04164708
Registered office	94A High Street Sevenoaks Kent TN13 1LP
Auditors	Reeves & Co LLP Chartered Accountants & Registered Auditors Third Floor 24 Chiswell Street London EC1Y 4YX
Accountants	Thain Osborne & Co Chartered Accountants 94A High Street Sevenoaks Kent TN13 1LP

G K R Logistics Limited

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**Directors' report
for the year ended 31 October 2011**

The directors present their report and the financial statements for the year ended 31 October 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 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 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 was that of vehicle and transport suppliers.

Business review

In the year ended 31 October 2011, sales increased by 49.7%, to £9,515,569. Gross profit margins have been maintained, whilst at the same time distribution costs decreased, reflecting the centralisation of these group costs. The group made a profit after tax of £857,355 (2010 - £243,135).

Principal Risks

Commercial Risks

The principal risks facing the business arise from non payment of work completed, due to companies going into liquidation. Vigorous checks are carried out on new contracts and there is a policy to only tender for work with larger established contractors.

The group continues to abide by all areas of legislation which remains a major burden on organisations.

Financial Risks

Maintaining margins whilst containing operating costs are the major risks. New customers are assessed for credit risk and credit limits apply where necessary. Sales for 2012 are expected to remain similar. The group is fortunate in that it has no long term commitments for the supply of labour or distribution and can access a pool of skilled unemployed labour as activity increases.

All risks are constantly monitored and appropriate action is taken where necessary. Cash flow is monitored daily and professional staff are employed to ensure new legislation is complied with.

G K R Logistics Limited

Directors' report for the year ended 31 October 2011

Development and Performance

The increase in activity has required the group to resume investing in scaffold plant, the hiring out of which is the group's principal activity. The increase in activity during 2011 is expected to be maintained in 2012 and the group is in a healthy position to weather the sluggish economic environment.

During the year the group was awarded the biannual National Safety Award by the National Association of Scaffold Contractors, in recognition of its high standards among companies with over 100 employees.

Key Performance Indicators

Key performance indicators for the group are turnover, gross margins, operating costs and profitability all of which are regularly reported on and reviewed.

Results

The profit for the year, after taxation, amounted to £857,355 (2010 - £243,135).

Directors

The directors who served during the year were

G Rowswell
L Rowswell
N Rowswell

Political and charitable contributions

During the year, the company made charitable contributions totalling £2,470 (2010 £4,729). These were made to various local and national charity organisations such as Somerville College of £1,000, Guide Dogs of £200 and Epilepsy Society of £200.

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.

Auditors

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 June 2012 and signed on its behalf



C Rowswell
Secretary

Independent auditors' report to the shareholders of G K R Logistics Limited

We have audited the financial statements of G K R Logistics Limited for the year ended 31 October 2011, set out on pages 5 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 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 October 2011 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.

G K R Logistics Limited

Independent auditors' report to the shareholders of G K R Logistics 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

Reeves & Co LLP

Michael Procter BSc FCA (Senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Chartered Accountants

Registered Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date *10 July 2012*

G K R Logistics Limited

**Consolidated profit and loss account
for the year ended 31 October 2011**

	Note	2011 £	2010 £
Turnover	1,2	9,515,569	6,355,535
Cost of sales		(5,768,630)	(3,953,245)
Gross profit		3,746,939	2,402,290
Distribution costs		(3,858)	(6,454)
Administrative expenses		(2,378,288)	(1,870,944)
Operating profit	3	1,364,793	524,892
Interest receivable and similar income		1,142	822
Interest payable and similar charges	6	(14,496)	(16,375)
Profit on ordinary activities before taxation		1,351,439	509,339
Tax on profit on ordinary activities	7	(494,084)	(266,204)
Profit for the financial year	18	857,355	243,135

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 21 form part of these financial statements

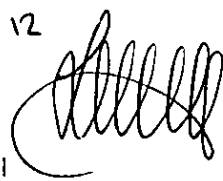
G K R Logistics Limited
Registered number: 04164708

Consolidated balance sheet
as at 31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	8		163,691		556,548
Tangible assets	9		2,548,046		1,914,275
			<u>2,711,737</u>		<u>2,470,823</u>
Current assets					
Stocks	12	500		2,900	
Debtors	13	2,548,348		2,077,058	
Cash at bank		1,093,174		1,015,859	
			<u>3,642,022</u>		<u>3,095,817</u>
Creditors: amounts falling due within one year	14		<u>(1,982,473)</u>		<u>(1,394,179)</u>
Net current assets			<u>1,659,549</u>		<u>1,701,638</u>
Total assets less current liabilities			<u>4,371,286</u>		<u>4,172,461</u>
Creditors: amounts falling due after more than one year	15		<u>(1,759,107)</u>		<u>(2,417,637)</u>
Net assets			<u><u>2,612,179</u></u>		<u><u>1,754,824</u></u>
Capital and reserves					
Called up share capital	17		222		222
Profit and loss account	18		2,611,957		1,754,602
Shareholders' funds	19		<u><u>2,612,179</u></u>		<u><u>1,754,824</u></u>

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

20-6-12


L Rowsell
Director

The notes on pages 9 to 21 form part of these financial statements

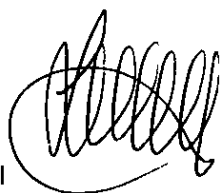
Company balance sheet
as at 31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Investments	10		1,800,220		1,800,220
Current assets					
Debtors	13	-		129,250	
Cash at bank		20,067		69,452	
		<u>20,067</u>		<u>198,702</u>	
Creditors: amounts falling due within one year	14	-		(50,328)	
Net current assets			<u>20,067</u>		<u>148,374</u>
Total assets less current liabilities			<u>1,820,287</u>		<u>1,948,594</u>
Creditors: amounts falling due after more than one year	15		(997,289)		(1,123,877)
Net assets			<u>822,998</u>		<u>824,717</u>
Capital and Reserves					
Called up share capital	17		222		222
Profit and loss account	18		822,776		824,495
Shareholders' funds	19		<u>822,998</u>		<u>824,717</u>

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

20 6 12

L Rowsell
Director



The notes on pages 9 to 21 form part of these financial statements

**Consolidated cash flow statement
for the year ended 31 October 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	20	2,413,218	(213,402)
Returns on investments and servicing of finance	21	(13,354)	(15,553)
Taxation		(369,731)	89,731
Capital expenditure and financial investment	21	(1,325,087)	(1,166,800)
Cash inflow/(outflow) before financing		705,046	(1,306,024)
Financing	21	(627,731)	1,652,634
Increase in cash in the year		77,315	346,610

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 October 2011**

	2011 £	2010 £
Increase in cash in the year	77,315	346,610
Cash outflow from decrease in debt and lease financing	627,731	(1,652,634)
Movement in net debt in the year	705,046	(1,306,024)
Net debt at 1 November 2010	(1,476,979)	(170,955)
Net debt at 31 October 2011	(771,933)	(1,476,979)

The notes on pages 9 to 21 form part of these financial statements

**Notes to the financial statements
for the year ended 31 October 2011**

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 freehold land and buildings and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of G K R Logistics Limited and all of its subsidiary undertakings ('subsidiaries')

The profit and loss account for the parent Company has not been included, as permitted by Section 408 of the Companies Act 2006

1.3 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

1.4 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

1.5 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:

Plant & machinery	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	33 33% reducing balance

Land and buildings are held in the balance sheet at a value confirmed by an independent qualified professional in June 2007 less any provisions for impairment. A depreciation charge has not been made on the grounds that the residual value is not materially different from the carrying amount of the asset. This will be reviewed in subsequent years.

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

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

**Notes to the financial statements
for the year ended 31 October 2011**

1. Accounting policies (continued)

1 8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1 9 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 10 Pensions

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

2 Turnover

The whole of the turnover for the group has been derived from its principal activity of scaffold suppliers.

All turnover arose within the United Kingdom.

3 Operating profit

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	392,857	397,173
Depreciation of tangible fixed assets		
- owned by the group	690,061	474,642
- held under finance leases	-	2,461
Auditors' remuneration	13,000	9,875
Operating lease rentals		
- plant and machinery	72,991	68,514
Net profit on sales of fixed assets	1,255	(3,451)

Auditors fees for the company were £NIL (2010 - £2,516)

**Notes to the financial statements
for the year ended 31 October 2011**

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	3,694,921	2,486,669
Social security costs	374,801	248,519
Other pension costs	5,208	5,208
	<u>4,074,930</u>	<u>2,740,396</u>

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

	2011 No	2010 No
Administration	14	14
Scaffolders & Drivers	90	58
	<u>104</u>	<u>72</u>

5. Directors' remuneration

	2011 £	2010 £
Emoluments	<u>170,768</u>	<u>170,768</u>

6 Interest payable

	2011 £	2010 £
On other loans	14,496	15,862
On finance leases and hire purchase contracts	-	513
	<u>14,496</u>	<u>16,375</u>

**Notes to the financial statements
for the year ended 31 October 2011**

7 Taxation

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	516,548	292,014
Adjustments in respect of prior periods	2,718	-
Total current tax	<u>519,266</u>	<u>292,014</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	(25,182)	(25,810)
Tax on profit on ordinary activities	<u>494,084</u>	<u>266,204</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - *higher than*) the standard rate of corporation tax in the UK of 26.52% (2010 - 26.5%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>1,351,439</u>	<u>509,339</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.52% (2010 - 26.5%)	358,355	139,260
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	104,172	108,593
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,146	20,611
Depreciation for year in excess of capital allowances	31,875	23,720
Adjustments to tax charge in respect of prior periods	2,718	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(170)
Current tax charge for the year (see note above)	<u>519,266</u>	<u>292,014</u>

**Notes to the financial statements
for the year ended 31 October 2011**

8 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 November 2010 and 31 October 2011	<u>994,711</u>
Amortisation	
At 1 November 2010	438,163
Charge for the year	<u>392,857</u>
At 31 October 2011	<u>831,020</u>
Net book value	
At 31 October 2011	<u>163,691</u>
At 31 October 2010	<u>556,548</u>

9. Tangible fixed assets

Group	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Cost or valuation				
At 1 November 2010	1,167,903	2,338,112	150,605	40,937
Additions	-	1,285,787	40,000	-
Disposals	-	(241,604)	(3,476)	-
At 31 October 2011	<u>1,167,903</u>	<u>3,382,295</u>	<u>187,129</u>	<u>40,937</u>
Depreciation				
At 1 November 2010	-	1,628,240	118,705	36,337
Charge for the year	-	670,553	17,975	1,533
On disposals	-	(241,604)	(1,521)	-
At 31 October 2011	<u>-</u>	<u>2,057,189</u>	<u>135,159</u>	<u>37,870</u>
Net book value				
At 31 October 2011	<u>1,167,903</u>	<u>1,325,106</u>	<u>51,970</u>	<u>3,067</u>
At 31 October 2010	<u>1,167,903</u>	<u>709,872</u>	<u>31,900</u>	<u>4,600</u>

**Notes to the financial statements
for the year ended 31 October 2011**

9. Tangible fixed assets (continued)

Group	Total £
Cost or valuation	
At 1 November 2010	3,697,557
Additions	1,325,787
Disposals	(245,080)
At 31 October 2011	<u>4,778,264</u>
Depreciation	
At 1 November 2010	1,783,282
Charge for the year	690,061
On disposals	(243,125)
At 31 October 2011	<u>2,230,218</u>
Net book value	
At 31 October 2011	<u>2,548,046</u>
<i>At 31 October 2010</i>	<u><u>1,914,275</u></u>

**Notes to the financial statements
for the year ended 31 October 2011**

9 Tangible fixed assets (continued)

The land and buildings were revalued in June 2007 by an independent qualified professional on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

Group

	2011 £	2010 £
Cost	774,385	774,385
Accumulated depreciation	-	-
Total	<u>774,385</u>	<u>774,385</u>

The land and buildings were revalued in June 2007 by an independent qualified professional on an open market existing use basis

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company

Company Cost or valuation	Investments in subsidiary companies £
At 1 November 2010 and 31 October 2011	<u>1,800,220</u>
Net book value	
At 31 October 2011	<u>1,800,220</u>
At 31 October 2010	<u>1,800,220</u>

11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Principle Activity
G K R Scaffolding Limited	England and Wales	100 Ordinary Shares	Scaffolding suppliers
Frindsbury Properties Limited	England and Wales	100 Ordinary Shares	Property owning company

**Notes to the financial statements
for the year ended 31 October 2011**

12 Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Finished goods and goods for resale	500	2,900	-	-

13 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,232,413	1,813,525	-	129,250
Other debtors	88,686	76,286	-	-
Prepayments and accrued income	97,642	82,822	-	-
Deferred tax asset (see note 16)	129,607	104,425	-	-
	2,548,348	2,077,058	-	129,250

14. Creditors
Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	106,000	75,201	-	-
Trade creditors	896,168	273,859	-	-
Corporation tax	441,548	292,014	-	22,978
Social security and other taxes	428,959	417,563	-	19,100
Other creditors	72,448	296,749	-	-
Accruals and deferred income	37,350	38,793	-	8,250
	1,982,473	1,394,179	-	50,328

**Notes to the financial statements
for the year ended 31 October 2011**

**15. Creditors:
Amounts falling due after more than one year**

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	565,766	687,342	-	-
Other loans	1,193,341	1,730,295	-	-
Amounts owed to group undertakings	-	-	997,289	1,123,877
	1,759,107	2,417,637	997,289	1,123,877

Included within the above are amounts falling due as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Between one and two years				
Bank loans	53,000	37,600	-	-
Other loans	1,193,341	1,730,295	-	-
Between two and five years				
Bank loans	159,000	57,033	-	-
Over five years				
Bank loans	353,766	592,709	-	-
Amounts owed to group undertakings	-	-	997,289	1,123,877

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Repayable other than by instalments	353,766	592,710	997,289	1,123,877

The bank loans disclosed above bear interest at 1.5% per annum over Barclays Bank Plc's base rate. The loan is repayable by instalments until it is due to mature on 31 March 2025.

There is a bank loan within the financial statements of G K R Scaffolding Limited and Frindsbury Properties Limited, both of equal amounts.

A guarantee was given by Frindsbury Properties Limited on behalf of G K R Scaffolding Limited to Barclays Bank Plc, supported by a charge over that company's property.

The bank loan in Frindsbury Properties Limited is secured by way of a first legal charge over this company's same property at Medway City Estate, Rochester, Kent.

**Notes to the financial statements
for the year ended 31 October 2011**

16 Deferred taxation

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
At beginning of year	104,425	78,615	-	395
Released during/(charge for) the year	25,182	25,810	-	(395)
At end of year	129,607	104,425	-	-

The deferred taxation balance is made up as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	129,607	104,425	-	-

17 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
222 Ordinary shares of £1 each	222	222

18 Reserves

	Profit and loss account £
Group	
At 1 November 2010	1,754,602
Profit for the year	857,355
At 31 October 2011	2,611,957
	Profit and loss account £
Company	
At 1 November 2010	824,495
Loss for the year	(1,719)
At 31 October 2011	822,776

**Notes to the financial statements
for the year ended 31 October 2011**

19 Reconciliation of movement in shareholders' funds

Group	2011 £	2010 £
Opening shareholders' funds	1,754,824	1,511,689
Profit for the year	857,355	243,135
Closing shareholders' funds	<u>2,612,179</u>	<u>1,754,824</u>
Company	2011 £	2010 £
Opening shareholders' funds	824,717	741,277
Profit for the year	(1,719)	83,440
Closing shareholders' funds	<u>822,998</u>	<u>824,717</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

The (loss)/profit for the year dealt with in the accounts of the company was £1,719 (2010 - £83,440)

20. Net cash flow from operating activities

	2011 £	2010 £
Operating profit	1,364,793	524,892
Amortisation of intangible fixed assets	392,857	397,173
Depreciation of tangible fixed assets	690,061	477,103
Loss/(profit) on disposal of tangible fixed assets	1,255	(3,451)
Decrease/(increase) in stocks	2,400	(900)
Increase in debtors	(446,108)	(816,172)
Increase/(decrease) in creditors	407,960	(792,047)
Net cash inflow/(outflow) from operating activities	<u>2,413,218</u>	<u>(213,402)</u>

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,142	822
Interest paid	(14,496)	(15,862)
Hire purchase interest	-	(513)
Net cash outflow from returns on investments and servicing of finance	<u>(13,354)</u>	<u>(15,553)</u>

**Notes to the financial statements
for the year ended 31 October 2011**

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

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(949,405)
Purchase of tangible fixed assets	(1,325,787)	(227,095)
Sale of tangible fixed assets	700	9,700
	<u>(1,325,087)</u>	<u>(1,166,800)</u>
Net cash outflow from capital expenditure	<u>(1,325,087)</u>	<u>(1,166,800)</u>
	2011 £	2010 £
Financing		
Repayment of loans	(90,777)	(75,199)
Other new loans	-	1,730,295
Repayment of other loans	(536,954)	-
Repayment of finance leases	-	(2,462)
	<u>(627,731)</u>	<u>1,652,634</u>
Net cash (outflow)/inflow from financing	<u>(627,731)</u>	<u>1,652,634</u>

22. Analysis of changes in net debt

	1 November 2010 £	Cash flow £	Other non-cash changes £	31 October 2011 £
Cash at bank and in hand	1,015,859	77,315	-	1,093,174
Debt				
Debts due within one year	(75,201)	627,731	(658,529)	(105,999)
Debts falling due after more than one year	(2,417,637)	-	658,529	(1,759,108)
Net debt	<u>(1,476,979)</u>	<u>705,046</u>	<u>-</u>	<u>(771,933)</u>

23 Pension commitments

The group operates a defined contributions pension scheme for two employees. 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 £5,208 (2010 £5,208).

**Notes to the financial statements
for the year ended 31 October 2011**

24 Operating lease commitments

At 31 October 2011 the Group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		Other	
	2011	2010	2011	2010
Expiry date	£	£	£	£
Within 1 year	-	-	26,065	2,279
Between 2 and 5 years	112,500	112,500	41,774	68,527

At 31 October 2011 the Company had annual commitments under non-cancellable operating leases as follows

Company

Expiry date:

Within 1 year	-	2,279
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25 Related party transactions

G Rowswell, L Rowswell and N Rowswell are partners in G K & Y Rowswell Partnership. The invoiced value of management costs to GKR Scaffolding, a subsidiary of GKR Logistics, supplied by the Partnership was £125,000 (2010 £5,000). In addition to this there was loan due to the Partnership from GKR Scaffolding resulting in a creditor at the year end of £1,193,341 (2010 £1,730,295).

26. Controlling party

The company is under the ultimate control of L Rowswell and N Rowswell by virtue of their 89.2% shareholding.