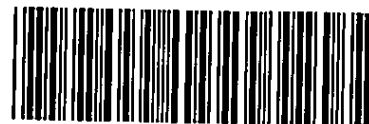


Audited Financial Statements Factor 21 Plc

For the Year Ended 30 June 2011
Company Registration No: 04206708



FACTOR 21 PLC

COMPANY INFORMATION

DIRECTORS	J G Ethelston N A Ethelston N Errington
COMPANY SECRETARY	J Burnett
COMPANY NUMBER	04206708
REGISTERED OFFICE	9 Thames Park Lester Way Wallingford Oxfordshire OX10 9TA
AUDITORS	HW, Chartered Accountants 7 - 11 Station Road Reading Berkshire RG1 1LG
BANKERS	Natwest Bank plc 13 Market Place Reading Berkshire RG1 2EP

FACTOR 21 PLC

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FACTOR 21 PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report and the financial statements for the year ended 30 June 2011

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of debt factoring

BUSINESS REVIEW

The directors consider the results for the year to be satisfactory, particularly in view of the uncertain financial climate and the effort which has been necessary to bring about important changes within the company

Factored turnover grew by 9% to £140 million and it was pleasing that this resulted in a 12.5% increase in revenues despite the continuing low base rate and competitive pressure on margins. An increase in client numbers of just 6% emphasises the policy of gradually increasing our average client size

During the year we were pleased to recruit Ralph Peedell as client director and Jeremy Ollenbuttel as office manager, both bring a wealth of relevant experience to the company and evidence of their input is already apparent

During the year the company purchased and refurbished a building on Thames Park, Wallingford which provides improved working conditions and can only benefit both staff and clients as well as giving ample capacity for growth. Other developments during the year include the acceptance of payments by debit or credit cards, the digital storage of copy invoices and the provision of an in-house litigation service

At the start of the current year there seemed to be grounds for optimism and after the first quarter which exceeded expectations those grounds still appear to be justified

RESULTS

The profit for the year, after taxation, amounted to £487,151 (2010 - £278,087)

DIRECTORS

The directors who served during the year were

J G Ethelston
N A Ethelston
N Errington

FACTOR 21 PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The company has a strict credit approval policy which is applied to all clients to minimise the risk of bad debts. All clients have a detailed contract to reduce the exposure of the company to credit risk.

Interest rate risk

The company uses financial instruments to facilitate onward lending which are subject to variable interest rates. The company minimises interest rate risk by passing on any increased rate costs to customers in accordance with their factoring agreement.

LAND AND BUILDINGS

In the opinion of the directors, the market value of land and buildings is not substantially different to the balance sheet value.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company pays all invoices in the month they are received unless the supplier offers fixed instalment settlement.

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

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

FACTOR 21 PLC

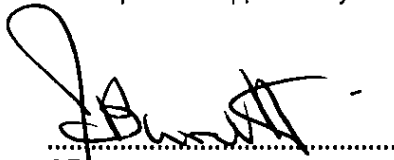
**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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.

AUDITORS

Under section 487(2) of the Companies Act 2006, HW, Chartered Accountants will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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


.....
J Burnett
Secretary

Date 28 October 2011

9 Thames Park
Lester Way
Wallingford
Oxfordshire
OX10 9TA

FACTOR 21 PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FACTOR 21 PLC

We have audited the financial statements of Factor 21 plc for the year ended 30 June 2011, set out on pages 6 to 19. 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 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 30 June 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.

FACTOR 21 PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FACTOR 21 PLC

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

HW, Chartered Accountants

John Bailey BSc FCA (Senior statutory auditor)

for and on behalf of

HW, Chartered Accountants

Statutory Auditors

7 - 11 Station Road

Reading

Berkshire

RG1 1LG

Date *2 November 2011*

FACTOR 21 PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	2,428,463	2,162,966
Administrative expenses		<u>(1,480,636)</u>	<u>(1,575,325)</u>
OPERATING PROFIT	3	947,827	587,641
Interest receivable and similar income		43	-
Interest payable and similar charges	7	<u>(294,207)</u>	<u>(237,475)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		653,663	350,166
Tax on profit on ordinary activities	8	<u>(166,512)</u>	<u>(72,079)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>487,151</u>	<u>278,087</u>

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

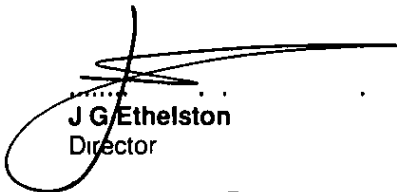
The notes on pages 9 to 19 form part of these financial statements

FACTOR 21 PLC
REGISTERED NUMBER: 04206708

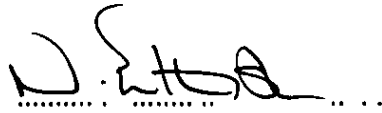
BALANCE SHEET
AS AT 30 JUNE 2011

	Note	£	2011 £	2010 £
FIXED ASSETS				
Tangible assets	9		525,377	39,343
CURRENT ASSETS				
Gross debts (after provision for charges)		20,708,370	19,940,045	
Less Due to clients		(9,029,170)	(8,173,661)	
		11,679,200	11,766,384	
Other debtors	10	51,529	39,128	
Cash in hand		200	200	
		11,730,929	11,805,712	
CREDITORS amounts falling due within one year	11	(9,165,427)	(9,389,646)	
NET CURRENT ASSETS			2,565,502	2,416,066
TOTAL ASSETS LESS CURRENT LIABILITIES			3,090,879	2,455,409
CREDITORS: amounts falling due after more than one year	12	(538,262)	(300,000)	
PROVISIONS FOR LIABILITIES				
Deferred tax	13	(12,057)	-	
NET ASSETS			2,540,560	2,155,409
CAPITAL AND RESERVES				
Called up share capital	14	60,000	60,000	
Profit and loss account	15	2,480,560	2,095,409	
SHAREHOLDERS' FUNDS	16	2,540,560	2,155,409	

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


J G Ethelston
Director

Date 28 October 2011


N A Ethelston
Director

Date 28th October 2011

The notes on pages 9 to 19 form part of these financial statements

FACTOR 21 PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	18	1,101,303	(2,543,472)
Returns on investments and servicing of finance	19	(294,164)	(237,475)
Taxation		(65,376)	(52,385)
Capital expenditure and financial investment	19	(524,083)	(36,993)
Equity dividends paid		(102,000)	(60,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		115,680	(2,930,325)
Financing	19	(102,371)	3,062,417
INCREASE IN CASH IN THE YEAR		13,309	132,092

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 £	2010 £
Increase in cash in the year	13,309	132,092
Cash outflow from decrease in debt and lease financing	102,371	(3,062,417)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	115,680	(2,930,325)
Other non-cash changes	-	2
MOVEMENT IN NET DEBT IN THE YEAR	115,680	(2,930,323)
Net debt at 1 July 2010	(9,434,603)	(6,504,280)
NET DEBT AT 30 JUNE 2011	(9,318,923)	(9,434,603)

The notes on pages 9 to 19 form part of these financial statements

FACTOR 21 PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 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

The turnover shown in the profit and loss account represents amounts charged 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

Freehold property	-	10 to 50 years straight line
Motor vehicles	-	4 years straight line
Office equipment	-	5 years straight line

1.4 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

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

1.5 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

1.6 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, either as 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

FACTOR 21 PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2. **TURNOVER**

The whole of the turnover is attributable to the company's principal activity of debt factoring

All turnover arose within the United Kingdom

3. **OPERATING PROFIT**

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	45,149	23,978

4. **AUDITORS' REMUNERATION**

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	8,750	8,750
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	11,000	2,500
All other services	2,400	1,500

5. **STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	645,575	545,575
Social security costs	62,713	51,909
Other pension costs	39,790	43,663
	748,078	641,147

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

	2011 No.	2010 No.
Management	16	14

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

6. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>152,038</u>	<u>156,150</u>
Company pension contributions to defined contribution pension schemes	<u>9,600</u>	<u>9,492</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	235,500	170,045
On other loans	35,861	53,030
Mortgage interest payable	8,446	-
Dividends paid on shares classed as debt	14,400	14,400
	<u>294,207</u>	<u>237,475</u>

8. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	156,776	75,263
Adjustments in respect of prior periods	(7,844)	(136)
Total current tax	<u>148,932</u>	<u>75,127</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	17,580	(3,048)
Tax on profit on ordinary activities	<u>166,512</u>	<u>72,079</u>

FACTOR 21 PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

8. 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 27.5% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	653,663	350,166
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.5% (2010 - 28%)	179,766	98,046
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,974	9,271
Capital allowances for year in excess of depreciation	(18,986)	1,437
Adjustments to tax charge in respect of prior periods	(7,844)	(136)
Short term timing difference leading to an increase (decrease) in taxation	809	788
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(14,000)
Marginal relief	(14,787)	(20,279)
Current tax charge for the year (see note above)	148,932	75,127

Factors that may affect future tax charges

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 26% became effective from 1 April 2011. The change does not have any effect on the company's assets or liabilities at the year end.

FACTOR 21 PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

9. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 July 2010	-	80,980	79,470	160,450
Additions	454,703	45,685	30,795	531,183
Disposals	-	(16,700)	(4,126)	(20,826)
At 30 June 2011	454,703	109,965	106,139	670,807
Depreciation				
At 1 July 2010	-	53,039	68,068	121,107
Charge for the year	9,869	27,262	8,018	45,149
On disposals	-	(16,700)	(4,126)	(20,826)
At 30 June 2011	9,869	63,601	71,960	145,430
Net book value				
At 30 June 2011	444,834	46,364	34,179	525,377
At 30 June 2010	-	27,941	11,402	39,343

10. DEBTORS

	2011 £	2010 £
Prepayments and accrued income	51,529	33,606
Deferred tax asset (see note 13)	-	5,522
	51,529	39,128
Gross factored debts outstanding at 30 June 2011	20,847,370	20,355,045
Due to clients relating to factored debts	(9,029,170)	(8,173,661)

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

**11 CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	8,147,333	8,134,834
Other loans	393,528	759,969
Trade creditors	20,692	15,210
Corporation tax	160,920	77,363
Social security and other taxes	93,325	67,476
Accruals and deferred income	109,629	94,794
Share capital treated as debt (Note 14)	240,000	240,000
	<u>9,165,427</u>	<u>9,389,646</u>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 14

The bank facility is secured by a fixed and floating charge over all current and future assets of the company. The commercial mortgage is secured on the company's freehold property.

The other loans all require 6 months written notice before repayment. As at the balance sheet date, no formal requests had been received.

**12. CREDITORS:
Amounts falling due after more than one year**

	2011 £	2010 £
Bank loans	238,262	-
Other loans	300,000	300,000
	<u>538,262</u>	<u>300,000</u>

Included within the above are amounts falling due as follows

	2011 £	2010 £
Between one and two years		
Bank loans	25,188	-
Other loans	300,000	300,000
	<u>325,188</u>	<u>300,000</u>
Between two and five years		
Bank loans	81,868	-
	<u>81,868</u>	<u>-</u>
Over five years		
Bank loans	131,206	-
	<u>131,206</u>	<u>-</u>

FACTOR 21 PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

12. **CREDITORS:**
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable by instalments	<u>131,206</u>	<u>-</u>

The commercial mortgage is repayable over ten years with interest charged at 3.5% over base

Other loans represents a formal loan made to the company by J G Ethelston

13. **DEFERRED TAXATION**

	2011 £	2010 £
At beginning of year	5,523	2,474
(Charge for)/released during year	<u>(17,580)</u>	<u>3,048</u>
At end of year	<u>(12,057)</u>	<u>5,522</u>

The deferred taxation balance is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>12,057</u>	<u>5,522</u>

14. **SHARE CAPITAL**

	2011 £	2010 £
Shares classified as capital		
Authorised		
760,000 Ordinary shares of £1 each	<u>760,000</u>	<u>760,000</u>
Allotted, called up and fully paid		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

14. SHARE CAPITAL (continued)

Shares classified as debt

Authorised

240,000 Preference shares of £1 each	240,000	240,000
--------------------------------------	----------------	----------------

Allotted, called up and fully paid

240,000 Preference shares of £1 each	240,000	240,000
--------------------------------------	----------------	----------------

The preference shares can be redeemed or converted at the request of either the company or the shareholder, with three months written notice required, with terms being agreed by the parties at the transaction date. The annual dividend entitlement is at a rate of 6%, payable at the discretion of the company and is non-cumulative. The dividends paid on preference shares are treated as an expense in the profit and loss account in accordance with FRS 25. The shares will not carry any voting right, but the shareholders will be informed, and can attend, all shareholder meetings. On any potential dissolution of the company, the shares will not participate in any surplus asset distribution.

15. RESERVES

	Profit and loss account £
At 1 July 2010	2,095,409
Profit for the year	487,151
Dividends Equity capital	(102,000)
At 30 June 2011	2,480,560

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	2,155,409	1,937,322
Profit for the year	487,151	278,087
Dividends (Note 17)	(102,000)	(60,000)
Closing shareholders' funds	2,540,560	2,155,409

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital		
Dividends paid on equity capital	<u>102,000</u>	<u>60,000</u>
Dividends paid on shares classed as debt		
Dividends paid on shares classed as debt	<u>14,400</u>	<u>14,400</u>
Total dividends paid	<u>116,400</u>	<u>74,400</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	947,827	587,641
Depreciation of tangible fixed assets	45,149	23,978
Profit on disposal of tangible fixed assets	(7,100)	-
Decrease/(increase) in debtors	69,262	(3,219,347)
Increase in creditors	46,165	64,256
Net cash inflow/(outflow) from operating activities	<u>1,101,303</u>	<u>(2,543,472)</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	43	-
Interest paid	(294,207)	(237,475)
Net cash outflow from returns on investments and servicing of finance	<u>(294,164)</u>	<u>(237,475)</u>
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(531,183)	(36,993)
Sale of tangible fixed assets	7,100	-
Net cash outflow from capital expenditure	<u>(524,083)</u>	<u>(36,993)</u>

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011 £	2010 £
Financing		
New secured loans	264,069	3,282,658
Repayment of other loans	(366,440)	(220,241)
Net cash (outflow)/inflow from financing	<u>(102,371)</u>	<u>3,062,417</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2010 £	Cash flow £	Other non-cash changes £	30 June 2011 £
Cash at bank and in hand	200	-	-	200
Bank overdraft	(52,176)	13,309	-	(38,867)
	<u>(51,976)</u>	<u>13,309</u>	<u>-</u>	<u>(38,667)</u>
Debt:				
Debts due within one year	(9,082,627)	102,371	238,262	(8,741,994)
Debts falling due after more than one year	(300,000)	-	(238,262)	(538,262)
Net debt	<u>(9,434,603)</u>	<u>115,680</u>	<u>-</u>	<u>(9,318,923)</u>

21. PENSION COMMITMENTS

The company makes contributions to employees individual personal pension plans. The total cost for the year amounted to £39,790 (2010 £34,171) for the general employees, together with payments in respect of directors of £9,600 (2010 £9,492). All amounts due had been paid by the balance sheet date.

22. OPERATING LEASE COMMITMENTS

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £	2010 £
Expiry date:		
Between 2 and 5 years	<u>-</u>	<u>28,250</u>

FACTOR 21 PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

23 DIRECTORS' BENEFITS ADVANCES, CREDIT AND GUARANTEES

During the current and previous year, loans have been provided to the company by J G Ethelston and N Errington, attracting interest at 2.5% above Natwest Bank base rate. The balances of these loans at the beginning and end of the year were £420,000 and £51,900, and £300,000 and £Nil respectively. The maximum amounts owing on these loans were £420,000 and £51,900 respectively.

A dividend on the ordinary share capital of the company was paid in the year in the sum of £51,000 (2010 £30,000) each to N A Ethelston and to J G Ethelston or his immediate family. In addition, dividends in respect of preference shares were also paid to J G Ethelston totalling £14,400 (2010 £14,400).

24. RELATED PARTY TRANSACTIONS

The company has received loans from close members of J G Ethelston's family. At the year end the amount owed to these family members was £97,107 (2010 £88,069).

25. CONTROLLING PARTY

The company was under the control of J G Ethelston and N A Ethelston, directors and shareholders, throughout the current and previous year.