

Register

COMPANY REGISTRATION NUMBER 04844708

A W CHAMPION TIMBER LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009



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A W CHAMPION TIMBER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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A W CHAMPION TIMBER LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P W A Champion M E Saunders S B L Lister
Company secretary	S P Bowden
Registered office	Champion House Burlington Road New Malden Surrey KT3 4NB
Auditor	Shipleys LLP Chartered Accountants & Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ

A W CHAMPION TIMBER LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group are as timber merchants, importers and sellers of allied products

The directors report that the activities of the company were affected by the rapidity of the change in economic conditions which has resulted in a reduction in both turnover and profit

Appropriate activities have and are being taken by the directors to maintain the continuing good health of the company

Key Performance Indicators

The directors consider the key performance indicators of the group are those which communicate the financial performance and strength of the group as a whole. These indicators comprise turnover, pre tax profit and shareholders funds -

- Turnover decreased by £2,917,023 (13.3%) to £18,999,787
- Gross profit margin has remained stable at 47%
- Pre tax profit decreased by £109,176 (21.4%) to £400,329
- Net current assets increased by 14.9% to £3,957,450
- Shareholders funds increased by £259,040 (4.5%) to £5,729,245 as a result of the profit earned during the year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £259,040. The directors have not recommended a dividend during the course of 2009.

DIRECTORS

The directors who served the company during the year were as follows

M G Jessop
P W A Champion
M E Saunders

M G Jessop retired as a director on 31 December 2009

Subsequent to the year end, on 4 January 2010 S B L Lister was appointed as a director of the company

A W CHAMPION TIMBER LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

FINANCIAL INSTRUMENTS

The principal financial instruments of the group comprise bank balances, bank overdrafts and loans, trade debtors, trade creditors and amounts due to related companies. The main purpose of these instruments is to raise funds for the group's operations and to finance the operations of the group.

Due to the nature of the financial instruments used by the group there is no exposure to price risk caused by financial instruments. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

For bank balances, overdrafts and loans the liquidity risk is managed by maintaining positive bank balances and only borrowing from the bank in order to help finance potential expansion plans.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts that are due for payment.

Amounts due to the related companies accrue interest in line with the base rate and are repayable on demand. The companies have common directors who are aware of the group's requirements for finance and hence will only require repayment of these loans, either in part or in full, provided it does not effect the liquidity situation.

DIRECTORS' RESPONSIBILITIES

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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A W CHAMPION TIMBER LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Registered office
Champion House
Burlington Road
New Malden
Surrey
KT3 4NB

Signed by order of the directors



S P BOWDEN
Company Secretary

Approved by the directors on 27 July 2010

A W CHAMPION TIMBER LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
A W CHAMPION TIMBER LIMITED
YEAR ENDED 31 DECEMBER 2009

We have audited the group and parent company financial statements ("the financial statements") of A W Champion Timber Limited for the year ended 31 December 2009. 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 Section 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 set out on pages 3 to 4, 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 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 (APB'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 circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 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 MATTERS 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.

A W CHAMPION TIMBER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A W CHAMPION TIMBER LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

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



SIMON ROBINSON
(Senior Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

2 August 2010

A W CHAMPION TIMBER LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
GROUP TURNOVER	2	18,999,787	21,916,810
Cost of sales		(9,940,635)	(11,539,507)
GROSS PROFIT		9,059,152	10,377,303
Administrative expenses		(8,655,458)	(9,925,375)
OPERATING PROFIT	3	403,694	451,928
Interest receivable and similar income		14,014	98,871
Interest payable and similar charges	6	(17,379)	(41,294)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		400,329	509,505
Tax on profit on ordinary activities	7	(141,289)	(165,866)
PROFIT FOR THE FINANCIAL YEAR	8	259,040	343,639

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 11 to 21 form part of these financial statements

A W CHAMPION TIMBER LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	10	2,534,261	2,877,922
CURRENT ASSETS			
Stocks	12	2,576,830	2,572,547
Debtors	13	966,552	969,342
Cash at bank and in hand		2,522,935	2,429,381
		<u>6,066,317</u>	<u>5,971,270</u>
CREDITORS: Amounts falling due within one year	14	<u>(2,108,867)</u>	<u>(2,527,854)</u>
NET CURRENT ASSETS		3,957,450	3,443,416
TOTAL ASSETS LESS CURRENT LIABILITIES		6,491,711	6,321,338
CREDITORS: Amounts falling due after more than one year	15	(716,666)	(783,333)
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	<u>(45,800)</u>	<u>(67,800)</u>
		<u>5,729,245</u>	<u>5,470,205</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	652	652
Share premium account	20	32,255	32,255
Other reserves	20	3,500,255	3,500,255
Profit and loss account	20	2,196,083	1,937,043
SHAREHOLDERS' FUNDS	21	<u>5,729,245</u>	<u>5,470,205</u>

These financial statements were approved by the directors and authorised for issue on 27 July 2010, and are signed on their behalf by


P W A CHAMPION


S B L LISTER

The notes on pages 11 to 21 form part of these financial statements

A W CHAMPION TIMBER LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Investments	11		32,581		32,581
CURRENT ASSETS					
Debtors	13	114		114	
Cash at bank		<u>212</u>		<u>212</u>	
			326		326
TOTAL ASSETS			<u>32,907</u>		<u>32,907</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		652		652
Share premium account	20		<u>32,255</u>		<u>32,255</u>
SHAREHOLDERS' FUNDS			<u>32,907</u>		<u>32,907</u>

These financial statements were approved by the directors and authorised for issue on 27 July 2010, and are signed on their behalf by


PWA CHAMPION


S B LISTER

Company Registration Number 04844708

The notes on pages 11 to 21 form part of these financial statements.

A W CHAMPION TIMBER LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	300,501	692,443
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(3,365)	57,577
TAXATION	22	(50,567)	(293,046)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	(86,348)	(239,171)
EQUITY DIVIDENDS PAID		-	(200,000)
CASH INFLOW BEFORE FINANCING		<u>160,221</u>	<u>17,803</u>
FINANCING	22	(66,667)	(66,667)
INCREASE/(DECREASE) IN CASH	22	<u>93,554</u>	<u>(48,864)</u>

The notes on pages 11 to 21 form part of these financial statements

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary company. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold and long leasehold buildings - 2% straight line
Freehold garages - 10% straight line
Improvements to premises - 10% straight line
Plant and machinery - 10% straight line
Computer software and equipment - 14% and 33% straight line respectively

Fixtures and fittings - 25% straight line
Motor vehicles - 25% straight line
Yard vehicles - 10% straight line

Stocks

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

Cost is determined on a first in first out basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of 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.

Pension costs

The company operates defined contribution pension schemes. Contributions payable to these schemes are charged to the Profit and Loss Account in the period to which they relate. These contributions are invested separately from the company's assets.

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group and all the turnover arises in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	434,354	469,536
Profit on disposal of fixed assets	(4,345)	(9,850)
Auditor's remuneration		
- as auditor	28,000	28,000
- for other services	1,600	2,135
Operating lease costs		
- Other	940,699	1,017,594

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2009 No	2008 No
Number of production and sales staff	129	140
Number of office and management staff	54	61
	<u>183</u>	<u>201</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	4,321,348	4,727,508
Social security costs	418,610	445,602
Other pension costs	194,199	194,421
	<u>4,934,157</u>	<u>5,367,531</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009 £	2008 £
Remuneration receivable	161,146	170,568
Value of company pension contributions to money purchase schemes	53,324	51,879
	<u>214,470</u>	<u>222,447</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on bank borrowing	<u>17,379</u>	<u>41,294</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 28 5%)	163,289	192,566
Total current tax	163,289	192,566
Deferred tax		
Origination and reversal of timing differences	(22,000)	(26,700)
Tax on profit on ordinary activities	141,289	165,866

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 28 5%)

	2009 £	2008 £
Profit on ordinary activities before taxation	400,329	509,505
Profit on ordinary activities by rate of tax	112,092	145,209
Expenses not deductible for tax purposes	952	5,430
Capital allowances for period in excess of depreciation	50,245	43,274
Tax chargeable at lower rates	-	(1,347)
Total current tax (note 7(a))	163,289	192,566

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £Nil (2008 - £200,000)

9. DIVIDENDS

Equity dividends

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares	-	200,000

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

10 TANGIBLE FIXED ASSETS

Group	Freehold Property £	Leasehold Improve ments £	Plant & Equip ment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST						
At 1 Jan 2009	1,672,915	705,771	1,933,223	729,715	570,839	5,612,463
Additions	–	37,786	9,700	32,398	10,809	90,693
Disposals	–	–	–	–	(10,500)	(10,500)
At 31 Dec 2009	<u>1,672,915</u>	<u>743,557</u>	<u>1,942,923</u>	<u>762,113</u>	<u>571,148</u>	<u>5,692,656</u>
DEPRECIATION						
At 1 Jan 2009	210,425	336,191	1,306,213	555,918	325,794	2,734,541
Charge for the year	48,037	55,487	148,674	116,864	65,292	434,354
On disposals	–	–	–	–	(10,500)	(10,500)
At 31 Dec 2009	<u>258,462</u>	<u>391,678</u>	<u>1,454,887</u>	<u>672,782</u>	<u>380,586</u>	<u>3,158,395</u>
NET BOOK VALUE						
At 31 Dec 2009	<u>1,414,453</u>	<u>351,879</u>	<u>488,036</u>	<u>89,331</u>	<u>190,562</u>	<u>2,534,261</u>
At 31 Dec 2008	<u>1,462,490</u>	<u>369,580</u>	<u>627,010</u>	<u>173,797</u>	<u>245,045</u>	<u>2,877,922</u>

11. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2009 and 31 December 2009	<u>32,581</u>
NET BOOK VALUE	
At 31 December 2009 and 31 December 2008	<u>32,581</u>

The company owns 100% of the issued share capital of A W Champion Limited a company incorporated in England A W Champion Limited carries on the business of timber merchants, importers and sellers of allied products

12. STOCKS

	Group 2009 £	2008 £	Company 2009 £	2008 £
Stock	<u>2,576,830</u>	<u>2,572,547</u>	<u>–</u>	<u>–</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

13. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	839,882	864,090	—	—
Amounts owed by group undertakings	—	—	114	114
Other debtors	15,352	—	—	—
Prepayments and accrued income	111,318	105,252	—	—
	<u>966,552</u>	<u>969,342</u>	<u>114</u>	<u>114</u>

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans	66,667	66,667	—	—
Trade creditors	792,189	1,065,570	—	—
Other creditors including taxation				
Corporation tax	163,289	50,567	—	—
Other taxation	573,330	549,239	—	—
Other creditors	61,896	292,533	—	—
Accruals and deferred income	451,496	503,278	—	—
	<u>2,108,867</u>	<u>2,527,854</u>	<u>—</u>	<u>—</u>

15. CREDITORS. Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans	<u>716,666</u>	<u>783,333</u>	<u>—</u>	<u>—</u>

Long term creditors are in respect of a bank loan secured by a legal charge over assets of the group, a guarantee, and cross guarantee and debentures between A W Champion Ltd and A W Champion Timber Ltd. The interest charged on the loan is a margin of 1.4% over Barclays Base rate. Repayment will be in equal quarterly instalments of £16,667 and all or part of the loan may be repaid at any time with no early repayment penalties.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Due in 2 - 5 years	266,666	266,667	—	—
Due in over 5 years	450,000	516,666	—	—
	<u>716,666</u>	<u>783,333</u>	<u>—</u>	<u>—</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Provision brought forward	67,800	94,500	-	-
Decrease in provision	(22,000)	(26,700)	-	-
Provision carried forward	<u>45,800</u>	<u>67,800</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>45,800</u>	<u>-</u>	<u>67,800</u>	<u>-</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	2009		2008	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	13,032	-	8,940
Within 2 to 5 years	-	204,516	-	297,564
After more than 5 years	613,308	-	613,064	-
	<u>613,308</u>	<u>217,548</u>	<u>613,064</u>	<u>306,504</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. RELATED PARTY TRANSACTIONS

The subsidiary company, A W Champion Limited, rents a property from C S B Champion, the major shareholder of the parent undertaking. The rent during the year amounted to £114,750 (2008: £114,750).

During the year payments for consultancy of £9,625 (2008: £9,625) were made by A W Champion Limited to Mr M G Jessop who was a director of the company.

The subsidiary company, A W Champion Limited, rents property from A W Champion Properties Limited, who has common directors with A W Champion Limited and A W Champion Timber Limited. P W A Champion continues to be a director of these three companies but M G Jessop resigned as a director of the companies on 31 December 2009. The amount charged by A W Champion Properties Limited in respect of the year was £428,050 (2008: £428,050), which has been paid in full. The amount due from A W Champion Properties Limited to A W Champion Limited at the end of the year was £15,238 (2008: amount owed to A W W Champion Properties of £256,619) and interest was earned on the amounts due of £1,912 (2008: £15,993).

19. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
65,162 Ordinary shares of £0.01 each	<u>65,162</u>	<u>652</u>	<u>65,162</u>	<u>652</u>

20. RESERVES

Group	Share premium account £	Reserve on consolidation £	Profit and loss account £
Balance brought forward	32,255	3,500,255	1,937,043
Profit for the year	—	—	259,040
Balance carried forward	<u>32,255</u>	<u>3,500,255</u>	<u>2,196,083</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

20. RESERVES *(continued)*

Company	Share premium account £	Profit and loss account £	Total share-holder s' funds £
Balance brought forward	<u>32,255</u>	<u>—</u>	<u>32,255</u>
Balance carried forward	<u>32,255</u>	<u>—</u>	<u>32,255</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	259,040	343,639
Equity dividends	—	(200,000)
Net addition to shareholders' funds	<u>259,040</u>	<u>143,639</u>
Opening shareholders' funds	5,470,205	5,326,566
Closing shareholders' funds	<u>5,729,245</u>	<u>5,470,205</u>

22. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	403,694	451,928
Depreciation	434,354	469,536
Profit on disposal of fixed assets	(4,345)	(9,850)
(Increase)/decrease in stocks	(4,283)	69,634
Decrease in debtors	2,790	509,956
Decrease in creditors	(531,709)	(798,761)
Net cash inflow from operating activities	<u>300,501</u>	<u>692,443</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009 £	2008 £
Interest received	14,014	98,871
Interest paid	(17,379)	(41,294)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(3,365)</u>	<u>57,577</u>

TAXATION

	2009 £	2008 £
Taxation	<u>(50,567)</u>	<u>(293,046)</u>

A W CHAMPION TIMBER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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22. NOTES TO THE CASH FLOW STATEMENT *(continued)*

CAPITAL EXPENDITURE

	2009 £	2008 £
Payments to acquire tangible fixed assets	(90,693)	(249,021)
Receipts from sale of fixed assets	4,345	9,850
Net cash outflow from capital expenditure	<u>(86,348)</u>	<u>(239,171)</u>

FINANCING

	2009 £	2008 £
Repayment of bank loans	(66,667)	(66,667)
Net cash outflow from financing	<u>(66,667)</u>	<u>(66,667)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £	2008 £
Increase/(decrease) in cash in the period	93,554	(48,864)
Net cash outflow from bank loans	<u>66,667</u>	<u>66,667</u>
	160,221	17,803
Change in net funds	160,221	17,803
Net funds at 1 January 2009	1,579,381	1,561,578
Net funds at 31 December 2009	<u>1,739,602</u>	<u>1,579,381</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	2,429,381	93,554	2,522,935
Debt			
Debt due within 1 year	(66,667)	—	(66,667)
Debt due after 1 year	(783,333)	66,667	(716,666)
	<u>(850,000)</u>	<u>66,667</u>	<u>(783,333)</u>
Net funds	<u>1,579,381</u>	<u>160,221</u>	<u>1,739,602</u>

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23. CONTROLLING PARTY

The company was under the control of Mr C S B Champion who is the major shareholder