

COUNTERLINE HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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COUNTERLINE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S Dutton T J C Flood A Perry M Campey (resigned 27 April 2012)
Company secretary	S Dutton
Company number	05896721
Registered office	Unit 12 Randles Road Knowsley Business Park Merseyside L34 9HZ
Auditors	PKF (UK) LLP 5 Temple Square Temple Street Liverpool L2 5RH
Bankers	National Westminster Bank Plc 28 Castle Street Liverpool L2 0UP

COUNTERLINE HOLDINGS LIMITED

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COUNTERLINE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements for the year ended 30 June 2012

Principal activities

The principal activity of the group and its subsidiary in the year under review was that of the manufacture of food service counters and displays

Business review

Sales turnover reached £11,091,436 in the year to 30 June 2012, an increase of 13% compared with £9,826,271 in the financial year to 30 June 2011. This increase is primarily the result of identifying new sales markets and the development of new products. Pre-tax profit also increased in the year to £233,878 compared to £125,902 prior year.

Results and dividends

The profit for the year, after taxation, amounted to £136,717 (2011 - £81,426)

No dividends will be distributed for the year ended 30 June 2012

Directors

The directors who served during the year were

S Dutton
T J C Flood
A Perry
M Campey (resigned 27 April 2012)

Future developments

Since the balance sheet date the directors continue to be confident about the increasing strength of the business, its strategic direction and market leading position.

Financial instruments

The group's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the company's operations.

Price risk

The group manufactures food service display equipment and bespoke food service food counters. In the current global recession the market has inevitably shrunk and the company has operated in an increasingly price sensitive environment. This risk is managed by careful assessment of competitive advantage, added value, diversification and keeping internal costs to a managed minimum so as to remain competitive.

Liquidity risk

The group's liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and the board of directors does not consider that liquidity poses a significant risk.

Interest rate and cashflow

The group maintains favourable cash balances and the board does not consider that interest rate variations or cashflow poses a significant risk.

COUNTERLINE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

Credit risk

Credit control is maintained to ensure that debtors pay within agreed terms. Continual assessment is made with regard to customer financial strength and amounts outstanding for credit time and limit. Although the company has not experienced significant bad debt, careful credit control will remain in place to limit future exposure.

Research and development activities

The group will continue its policy of investment in research and development in order to retain a competitive position in the market.

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.

This report was approved by the board on 5th March 2013 and signed on its behalf



S Dutton
Secretary

COUNTERLINE HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

COUNTERLINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTERLINE HOLDINGS LIMITED

We have audited the financial statements of Counterline Holdings Limited for the year ended 30 June 2012 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 annual 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 30 June 2012 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.

COUNTERLINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTERLINE HOLDINGS 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

PKF (UK) LLP

Brian Ricketts (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Liverpool, UK

11 March 2013

COUNTERLINE HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	11,091,436	9,826,271
Cost of sales		<u>(7,562,598)</u>	<u>(6,515,568)</u>
GROSS PROFIT		3,528,838	3,310,703
Distribution costs		(152,446)	(171,548)
Administrative expenses		<u>(3,013,598)</u>	<u>(2,890,637)</u>
OPERATING PROFIT	3	362,794	248,518
Interest payable and similar charges	6	<u>(128,916)</u>	<u>(122,616)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		233,878	125,902
Tax on profit on ordinary activities	7	<u>(97,161)</u>	<u>(44,476)</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u>136,717</u>	<u>81,426</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 11 to 24 form part of these financial statements

COUNTERLINE HOLDINGS LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 £	2011 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	233,878	125,902
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	12,296	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	246,174	125,902
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	149,013	81,426

The notes on pages 11 to 24 form part of these financial statements

COUNTERLINE HOLDINGS LIMITED
REGISTERED NUMBER: 05896721

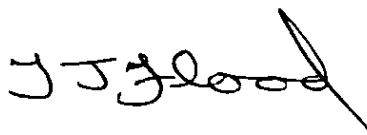
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	8		1,428,666		1,536,821
Tangible assets	9		1,303,486		1,383,369
			<u>2,732,152</u>		<u>2,920,190</u>
CURRENT ASSETS					
Stocks	11	1,179,958		1,116,040	
Debtors	12	2,658,191		2,166,072	
Cash at bank		163,171		12,288	
		<u>4,001,320</u>		<u>3,294,400</u>	
CREDITORS amounts falling due within one year	13	(4,058,337)		(3,548,316)	
NET CURRENT LIABILITIES			(57,017)		(253,916)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,675,135</u>		<u>2,666,274</u>
CREDITORS amounts falling due after more than one year	14		(940,484)		(1,076,737)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(90,584)		(82,187)
NET ASSETS			<u>1,644,067</u>		<u>1,507,350</u>
CAPITAL AND RESERVES					
Called up share capital	16		160,000		160,000
Revaluation reserve	17		192,638		204,934
Capital redemption reserve	17		17,777		17,777
Profit and loss account	17		1,273,652		1,124,639
SHAREHOLDERS' FUNDS	18		<u>1,644,067</u>		<u>1,507,350</u>

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

5 March 2013


S Dutton
Director


T J C Flood
Director

The notes on pages 11 to 24 form part of these financial statements

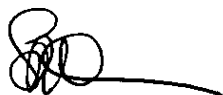
COUNTERLINE HOLDINGS LIMITED
REGISTERED NUMBER: 05896721

COMPANY BALANCE SHEET
AS AT 30 JUNE 2012

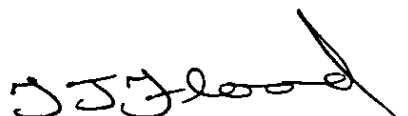
	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	10		2,302,065		2,302,065
CURRENT ASSETS					
Cash at bank		2,230		-	
CREDITORS amounts falling due within one year	13	(1,753,656)		(1,727,332)	
NET CURRENT LIABILITIES			(1,751,426)		(1,727,332)
TOTAL ASSETS LESS CURRENT LIABILITIES			550,639		574,733
CREDITORS amounts falling due after more than one year	14		(297,200)		(390,950)
NET ASSETS			253,439		183,783
CAPITAL AND RESERVES					
Called up share capital	16		160,000		160,000
Capital redemption reserve	17		17,777		17,777
Profit and loss account	17		75,662		6,006
SHAREHOLDERS' FUNDS	18		253,439		183,783

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

5 March 2013



S Dutton
Director



T J C Flood
Director

The notes on pages 11 to 24 form part of these financial statements

COUNTERLINE HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	19	542,583	441,893
Returns on investments and servicing of finance	20	(128,916)	(122,616)
Taxation	20	(2,286)	(123,396)
Capital expenditure and financial investment	20	19,727	(27,085)
CASH INFLOW BEFORE FINANCING		431,108	168,796
Financing	20	(272,810)	(231,582)
INCREASE/(DECREASE) IN CASH IN THE YEAR		158,298	(62,786)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 £	As restated 2011 £
Increase/(Decrease) in cash in the year	158,298	(62,786)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	158,298	(62,786)
Other non-cash changes	(273,612)	(203,291)
MOVEMENT IN NET DEBT IN THE YEAR	(115,314)	(266,077)
Net debt at 1 July 2011	(2,835,960)	(2,569,883)
NET DEBT AT 30 JUNE 2012	(2,951,274)	(2,835,960)

The notes on pages 11 to 24 form part of these financial statements

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 certain assets and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Counterline Holdings Limited and its subsidiary undertaking, Counterline Limited

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 brought forward, being the amount paid in connection with the acquisition of a business in 2005 by Counterline Limited, is being amortised evenly over its estimated useful life of ten years

Goodwill additions is consolidated goodwill, being the amount paid in connection with the acquisition of Counterline Limited in December 2006 and is being amortised evenly over its useful life of twenty years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

L/Term Leasehold Property	-	2% on cost and not provided
Plant & machinery	-	10% on reducing balance
Motor vehicles	-	25% on reducing balance
Computer equipment	-	33% on cost

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1 ACCOUNTING POLICIES (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Stocks

Stocks and work in progress 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 expenditure and an appropriate proportion of fixed and variable overheads.

1.10 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.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.12 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES (continued)

1 13 Pensions

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

2. TURNOVER

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	10,018,041	8,923,060
Rest of European Union	843,478	823,397
Rest of world	229,917	79,814
	<u>11,091,436</u>	<u>9,826,271</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	105,894	105,894
Depreciation of tangible fixed assets		
- owned by the group	53,652	69,147
- held under finance leases	96,745	95,613
Auditor's remuneration	12,750	6,900
Difference on foreign exchange	(61)	-
Amortisation of deferred research and development expenditure	2,261	2,261
Loss on disposal of fixed assets	22,101	13,362
Hire of plant and machinery	13,724	22,719
	<u>11,091,436</u>	<u>9,826,271</u>

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	3,505,477	3,321,685
Social security costs	357,416	342,005
Other pension costs	19,761	21,867
	<u>3,882,654</u>	<u>3,685,557</u>

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

	2012 No.	2011 No.
Directors	4	4
Office	44	43
Production	100	101
	<u>148</u>	<u>148</u>

5 DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>263,742</u>	<u>258,986</u>

The highest paid director received remuneration of £88,985 (2011 - £73,167)

6 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	8,945	8,473
On other loans	32,465	27,929
On finance leases and hire purchase contracts	25,584	26,343
Other interest payable	61,922	59,871
	<u>128,916</u>	<u>122,616</u>

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	108,000	2,286
Adjustments in respect of prior periods	(19,236)	-
Total current tax	88,764	2,286
Deferred tax (see note 15)		
Origination and reversal of timing differences	8,397	42,190
Tax on profit on ordinary activities	97,161	44,476
Factors affecting tax charge for the year		
The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 20 75%) The differences are explained below		
	2012 £	2011 £
Profit on ordinary activities before tax	233,878	125,902
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 20 75%)	60,808	26,125
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	24,932	(2,544)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,660	11,725
Capital allowances for year in excess of depreciation	16,800	(39,479)
Rollover relief on profit on disposal of fixed assets	-	2,773
Adjustments to tax charge in respect of prior periods	(19,236)	-
Short term timing difference leading to an increase (decrease) in taxation	3,901	-
Non-taxable income	(3,127)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(16,212)
Timing difference between effective and actual rate	(5,259)	-
Other differences leading to an increase (decrease) in the tax charge	469	3,054
Group relief	-	16,844
Marginal relief	(5,184)	-
Current tax charge for the year (see note above)	88,764	2,286

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. INTANGIBLE FIXED ASSETS

Group	Develop- ment £	Goodwill £	Total £
Cost			
At 1 July 2011 and 30 June 2012	22,612	2,017,870	2,040,482
Amortisation			
At 1 July 2011	11,305	492,356	503,661
Charge for the year	2,261	105,894	108,155
At 30 June 2012	13,566	598,250	611,816
Net book value			
At 30 June 2012	9,046	1,419,620	1,428,666
At 30 June 2011	11,307	1,525,514	1,536,821

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

9. TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2011	822,560	367,740	552,119	148,221	1,890,640
Additions	4,271	1,995	102,074	7,975	116,315
Disposals	-	-	(109,568)	-	(109,568)
At 30 June 2012	<u>826,831</u>	<u>369,735</u>	<u>544,625</u>	<u>156,196</u>	<u>1,897,387</u>
Depreciation					
At 1 July 2011	75,461	113,879	193,917	124,014	507,271
Charge for the year	16,524	27,432	91,892	14,549	150,397
On disposals	-	-	(63,767)	-	(63,767)
At 30 June 2012	<u>91,985</u>	<u>141,311</u>	<u>222,042</u>	<u>138,563</u>	<u>593,901</u>
Net book value					
At 30 June 2012	<u>734,846</u>	<u>228,424</u>	<u>322,583</u>	<u>17,633</u>	<u>1,303,486</u>
At 30 June 2011	<u>747,099</u>	<u>253,861</u>	<u>358,202</u>	<u>24,207</u>	<u>1,383,369</u>

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

Group	2012 £	2011 £
Plant and machinery	108,426	133,859
Motor vehicles	308,807	337,843
	<u>417,233</u>	<u>471,702</u>

Cost and valuation at 30 June 2012 is as follows

Group	Land and buildings £
At cost	621,897
At valuation:	
Open market freehold valuation on the 6 April 2009 by Mason Owen and Partners Limited	204,934
	<u>826,831</u>

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

9 TANGIBLE FIXED ASSETS (continued)

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

Group	2012 £	2011 £
Cost	621,897	617,626
Accumulated depreciation	(79,659)	(67,264)
Net book value	542,238	550,362

10 FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost	
At 1 July 2011 and 30 June 2012	2,302,065
Net book value	
At 30 June 2012	2,302,065
At 30 June 2011	2,302,065

11 STOCKS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Raw materials	466,368	574,076	-	-
Work in progress	535,909	356,380	-	-
Finished goods and goods for resale	177,681	185,584	-	-
	1,179,958	1,116,040	-	-

12. DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	2,578,593	2,043,171	-	-
Other debtors	16,699	-	-	-
Prepayments and accrued income	62,899	122,901	-	-
	2,658,191	2,166,072	-	-

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

13. CREDITORS.

Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	108,271	115,686	71,875	79,290
Net obligations under finance leases and hire purchase contracts	114,825	139,040	-	-
Trade creditors	1,340,092	1,271,498	-	-
Amounts owed to group undertakings	-	-	1,660,690	1,642,956
Corporation tax	108,000	21,522	18,000	2,286
Social security and other taxes	231,426	367,502	-	-
Proceeds of factored debts	1,950,864	1,516,785	-	-
Other creditors	48,000	48,000	-	-
Accruals and deferred income	156,859	68,283	3,091	2,800
	4,058,337	3,548,316	1,753,656	1,727,332

The bank loan, invoice finance facility and the bank guaranteed loan notes are secured by way of a debenture creating a first legal charge over the company's and its subsidiary's current and future assets

The proceeds of factored debts relate to a facility with RBS Invoice Finance Limited which is secured against trade debtors of £2,578,592 (2011 £2,043,171) disclosed in note 12 to the financial statements

The hire purchase liability is secured against the relevant assets of the company

14. CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	606,571	703,354	100,000	193,750
Net obligations under finance leases and hire purchase contracts	136,713	176,183	-	-
Directors current accounts	197,200	197,200	197,200	197,200
	940,484	1,076,737	297,200	390,950

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Repayable by instalments	360,987	364,020	-	-

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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

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

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	136,713	176,183	-	-

The finance lease creditor is secured on those assets to which it relates

15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	82,187	82,187	-	-
Charge for the year	8,397	-	-	-
At end of year	90,584	82,187	-	-

The provision for deferred taxation is made up as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	90,584	82,187	-	-

16. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
160,000 Called up Share Capital shares of £1 each	160,000	160,000

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

17. RESERVES

Group	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 July 2011	17,777	204,934	1,124,639
Profit for the year			136,717
Transfer between Revaluation reserve and P/L account		(12,296)	12,296
At 30 June 2012	<u>17,777</u>	<u>192,638</u>	<u>1,273,652</u>

Company	Capital redempt'n reserve £	Profit and loss account £
At 1 July 2011	17,777	6,006
Profit for the year		69,656
At 30 June 2012	<u>17,777</u>	<u>75,662</u>

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2012 £	2011 £
Opening shareholders' funds	1,507,350	1,526,637
Profit for the year	136,717	81,426
Shares issued during the year	-	54,287
Shares redeemed/cancelled during the year	-	(155,000)
Closing shareholders' funds	<u>1,644,067</u>	<u>1,507,350</u>

Company	2012 £	2011 £
Opening shareholders' funds	183,783	71,100
Profit for the year	69,656	89,906
Shares issued during the year	-	177,777
Shares redeemed/cancelled during the year	-	(155,000)
Closing shareholders' funds	<u>253,439</u>	<u>183,783</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 profit for the year dealt with in the accounts of the company was £69,656 (2011 - £89,906)

COUNTERLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	362,794	248,518
Amortisation of intangible fixed assets	108,155	108,155
Depreciation of tangible fixed assets	150,397	164,760
Profit on disposal of tangible fixed assets	22,101	13,362
Increase in stocks	(63,918)	(224,622)
Increase in debtors	(492,122)	(171,061)
Increase in creditors	455,176	302,781
Net cash inflow from operating activities	542,583	441,893

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest paid	(103,332)	(96,273)
Hire purchase interest	(25,584)	(26,343)
Net cash outflow from returns on investments and servicing of finance	(128,916)	(122,616)
	2012	2011
	£	£
Taxation		
Corporation tax	(2,286)	(123,396)
	2012	2011
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,973)	(47,713)
Sale of tangible fixed assets	23,700	20,628
Net cash inflow/(outflow) from capital expenditure	19,727	(27,085)
	2012	2011
	£	£
Financing		
Purchase of own shares	-	(155,000)
Repayment of loans	(96,783)	136,759
Repayment of other loans	(176,027)	(213,341)
Net cash outflow from financing	(272,810)	(231,582)

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

21. ANALYSIS OF CHANGES IN NET DEBT

	As restated 1 July 2011 £	Cash flow £	Other non-cash changes £	30 June 2012 £
Cash at bank and in hand	12,288	150,883	-	163,171
Bank overdraft	(7,415)	7,415	-	-
	<u>4,873</u>	<u>158,298</u>	<u>-</u>	<u>163,171</u>
Finance leases	(315,223)	176,027	(112,343)	(251,539)
Debts due within one year	(1,625,056)	96,783	(530,862)	(2,059,135)
Debts falling due after more than one year	(900,554)	-	96,783	(803,771)
	<u>(2,835,960)</u>	<u>431,108</u>	<u>(546,422)</u>	<u>(2,951,274)</u>
Net debt				

22. CONTINGENT LIABILITIES

There is an unlimited intercompany guarantee dated 24 February 2010 in favour of National Westminster Bank plc between Counterline Holdings Limited and Counterline Limited

National Westminster Bank plc holds a legal charge dated 26 February 2010 over the property of the company, Unit 12, Randles Road, Knowsley Business Park, Prescot, Merseyside, L34 9HZ

National Westminster Bank plc hold a debenture dated 24 February 2010 over all the assets of the company

23. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the group to the fund and amounted to £19,761 (2011 - £21,867). Contributions totalling £nil (2011 - £nil) were payable to the fund at the balance sheet date.

24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with wholly owned subsidiary undertakings.

Mr M Campey was a director during the year and is a director of Minstergate Hull Limited. All transactions undertaken with this company were done at commercial rates.

Consultancy services from Minstergate Hull Limited throughout the year amounted to £Nil (2011 - £1,580), all being fully paid up at the year end.

25. CONTROLLING PARTY

On the 20 December 2006, Counterline Holdings Limited acquired 100% of the share capital of Counterline Limited, a company registered in England and Wales.

During the year the company was controlled by Mr T Flood, Mr A Perry, Mr S Dutton and Mr M Campey.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

26. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Counterline Limited	England and Wales	100	The principal activity of the company is that of the manufacture of food service counters and displays