

C & O HOLDINGS LIMITED
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

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FOR THE YEAR ENDED 31 MARCH 2012**

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C & O HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012**

DIRECTOR: A G Coles

REGISTERED OFFICE: Blandford Heights
Blandford
Dorset
DT11 7TF

REGISTERED NUMBER 06339657 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** Geoffrey Rhodes FCCA

AUDITORS Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2012**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the buying and retailing of agricultural machinery and associated parts

REVIEW OF BUSINESS

The results for the group show turnover of £30,563,699 (2011 £30,893,730) and a profit before tax of £330,647 (2011 £301,105) for the year

The group has net assets of £1,988,175 (2011 £1,753,770)

Development and performance of the group

The group has performed strongly during the year. Although turnover decreased by 1%, profit before tax has increased by 9.8% compared to the prior year, meaning a strong financial result has again been achieved.

Future outlook

The director is confident that the group will consolidate its position. The group's performance has remained strong during the current financial year to date. There is however evidence in the market place that overall demand for the group's services will level or slightly decline this year as a result of decreases in capital expenditure and the world-wide recession.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to relationships with key suppliers and customers, the retention of key staff and the wider economic climate.

Key performance indicators ("KPIs")

Given the complexity of the business, the group's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the group.

DIVIDENDS

An interim dividend of £3 per share was paid on the Ordinary B £1 shares on 31 March 2012. No dividends were paid on any other classes of shares.

The total distribution of dividends for the year ended 31 March 2012 will be £30,000.

FIXED ASSETS

In the opinion of the director the book value of land shown in the balance sheet is lower than the market value at the balance sheet date by approximately £1m.

DIRECTOR

A G Coles held office during the whole of the period from 1 April 2011 to the date of this report.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2012**

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:



A G Coles - Director

Date

29 11 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
C & O HOLDINGS LIMITED**

We have audited the financial statements of C & O Holdings Limited for the year ended 31 March 2012 on pages six to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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 of the parent company's affairs as at 31 March 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
C & O 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Hopper Williams & Bell

~~Geoffrey Rhodes FCCA (Senior Statutory Auditor)~~
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Date

29th Jan

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
TURNOVER		30,563,699	30,893,730
Cost of sales		<u>(28,375,949)</u>	<u>(28,868,533)</u>
GROSS PROFIT		2,187,750	2,025,197
Distribution costs		(72,592)	(81,327)
Administrative expenses		<u>(1,753,996)</u>	<u>(1,597,543)</u>
		361,162	346,327
Other operating income		<u>12,759</u>	<u>8,274</u>
OPERATING PROFIT	3	373,921	354,601
Interest receivable and similar income		<u>-</u>	<u>1,000</u>
		373,921	355,601
Interest payable and similar charges	4	<u>(43,273)</u>	<u>(54,496)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		330,648	301,105
Tax on profit on ordinary activities	5	<u>(66,242)</u>	<u>(65,306)</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>264,406</u>	<u>235,799</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

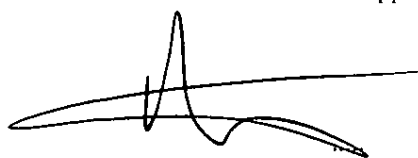
CONSOLIDATED BALANCE SHEET
31 MARCH 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	1,149,861	1,118,450
Investments	9	-	-
		<u>1,149,861</u>	<u>1,118,450</u>
CURRENT ASSETS			
Stocks	10	6,103,003	3,001,760
Debtors	11	15,116,126	9,936,825
Cash in hand		2,262	1,143
		<u>21,221,391</u>	<u>12,939,728</u>
CREDITORS			
Amounts falling due within one year	12	(19,840,286)	(12,007,310)
NET CURRENT ASSETS		<u>1,381,105</u>	<u>932,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,530,966</u>	<u>2,050,868</u>
CREDITORS			
Amounts falling due after more than one year	13	(512,536)	(273,320)
PROVISIONS FOR LIABILITIES	17	<u>(30,254)</u>	<u>(23,778)</u>
NET ASSETS		<u><u>1,988,176</u></u>	<u><u>1,753,770</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	270,000	270,000
Profit and loss account	19	<u>1,718,176</u>	<u>1,483,770</u>
SHAREHOLDERS' FUNDS	22	<u><u>1,988,176</u></u>	<u><u>1,753,770</u></u>

The financial statements were approved by the director on

29.11.2012

and were signed by



A G Coles - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	861,013	878,585
Investments	9	270,000	270,000
		<u>1,131,013</u>	<u>1,148,585</u>
CREDITORS			
Amounts falling due within one year	12	<u>(878,586)</u>	<u>(878,585)</u>
NET CURRENT LIABILITIES		<u>(878,586)</u>	<u>(878,585)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>252,427</u>	<u>270,000</u>
CAPITAL AND RESERVES			
Called up share capital	18	270,000	270,000
Profit and loss account	19	<u>(17,573)</u>	<u>-</u>
SHAREHOLDERS' FUNDS	22	<u>252,427</u>	<u>270,000</u>

The financial statements were approved by the director on 29.11.12 and were signed by



A G Coles - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	1	69,922	(209,413)
Returns on investments and servicing of finance	2	(43,273)	(53,496)
Taxation		(44,889)	(83,701)
Capital expenditure	2	(126,367)	(40,609)
Equity dividends paid		(30,000)	(30,000)
		<u>(174,607)</u>	<u>(417,219)</u>
Financing	2	335,722	(113,897)
Increase/(decrease) in cash in the period		<u>161,115</u>	<u>(531,116)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		161,115	(531,116)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(328,522)</u>	<u>109,602</u>
Change in net debt resulting from cash flows		<u>(167,407)</u>	<u>(421,514)</u>
Movement in net debt in the period		<u>(167,407)</u>	<u>(421,514)</u>
Net debt at 1 April		<u>(849,820)</u>	<u>(428,306)</u>
Net debt at 31 March		<u>(1,017,227)</u>	<u>(849,820)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	373,921	354,601
Depreciation charges	117,875	126,404
Profit on disposal of fixed assets	(22,919)	(5,603)
(Increase)/decrease in stocks	(3,101,243)	1,073,690
Increase in debtors	(5,179,301)	(384,691)
Increase/(decrease) in creditors	7,881,589	(1,373,814)
Net cash inflow/(outflow) from operating activities	69,922	(209,413)

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	-	1,000
Interest paid	(34,209)	(44,419)
Interest element of hire purchase payments	(9,064)	(10,077)
Net cash outflow for returns on investments and servicing of finance	(43,273)	(53,496)
Capital expenditure		
Purchase of tangible fixed assets	(156,342)	(55,463)
Sale of tangible fixed assets	29,975	14,854
Net cash outflow for capital expenditure	(126,367)	(40,609)
Financing		
New loans in year	400,000	-
Loan repayments in year	(65,745)	(53,192)
Hire purchase repayments in year	(5,733)	(74,310)
Amount introduced by directors	7,200	13,605
Net cash inflow/(outflow) from financing	335,722	(113,897)

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.11 £	Cash flow £	At 31.3.12 £
Net cash			
Cash at bank and in hand	1,143	1,119	2,262
Bank overdraft	(449,072)	159,996	(289,076)
	<u>(447,929)</u>	<u>161,115</u>	<u>(286,814)</u>
Debt			
Hire purchase	(103,502)	5,733	(97,769)
Debts falling due within one year	(64,899)	(81,627)	(146,526)
Debts falling due after one year	(233,490)	(252,628)	(486,118)
	<u>(401,891)</u>	<u>(328,522)</u>	<u>(730,413)</u>
Total	<u>(849,820)</u>	<u>(167,407)</u>	<u>(1,017,227)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the results of C & O Holdings Limited and all of its subsidiary undertakings as at 31 March 2011 using the acquisition method of accounting from the date of acquisition

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised when the goods are physically delivered to the customer

The turnover is attributable to the one principal activity of the company and is all generated from the United Kingdom

Tangible fixed assets

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

Freehold property	- 2% Straight line
Plant and machinery	- 10 year straight line
Fixtures and fittings	- 6 years straight line
Motor vehicles	- 33% Reducing balance
Computer equipment	- 3 years straight line

No depreciation is provided on freehold land

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	1,968,211	1,805,597
Social security costs	180,206	178,767
Other pension costs	41,279	31,107
	<u>2,189,696</u>	<u>2,015,471</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

2 STAFF COSTS - continued

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

	2012	2011
Production	58	74
Administrative	13	12
Directors	4	4
	<u>75</u>	<u>90</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Other operating leases	141,378	125,758
Depreciation - owned assets	117,873	126,404
Profit on disposal of fixed assets	(22,919)	(5,603)
Auditors' remuneration	20,140	17,980
Auditors remuneration - non audit work	15,320	22,285
	<u>177,086</u>	<u>91,007</u>
Director's remuneration	3,630	7,245
Director's pension contributions to money purchase schemes		

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

Money purchase schemes	<u>3</u>	<u>3</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	9,355	19,249
Other interest	6,551	2,800
Loan interest	18,303	22,370
Hire purchase	9,064	10,077
	<u>43,273</u>	<u>54,496</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

5 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	59,766	44,889
Deferred tax	6,476	20,417
Tax on profit on ordinary activities	<u>66,242</u>	<u>65,306</u>

Factors affecting the tax charge

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

	2012 £	2011 £
Profit on ordinary activities before tax	<u>330,648</u>	<u>301,105</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 21%)	66,130	63,232
Effects of Capital allowances less than depreciation	(7,380)	2,392
Disallowable expenses	1,304	265
Other timing differences provision	(288)	(21,000)
Current tax charge	<u>59,766</u>	<u>44,889</u>

6 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £12,427 (2011 - £30,000)

7 DIVIDENDS

	2012 £	2011 £
Ordinary B shares of £1 each		
Interim	<u>30,000</u>	<u>30,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

8 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2011	1,073,813	199,318	51,548
Additions	-	7,351	37,744
Disposals	-	(1,869)	(6,598)
At 31 March 2012	1,073,813	204,800	82,694
DEPRECIATION			
At 1 April 2011	195,228	131,091	41,137
Charge for year	21,476	17,146	3,656
Eliminated on disposal	-	-	(5,799)
At 31 March 2012	216,704	148,237	38,994
NET BOOK VALUE			
At 31 March 2012	857,109	56,563	43,700
At 31 March 2011	878,585	68,227	10,411
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2011	462,415	65,141	1,852,235
Additions	110,471	774	156,340
Disposals	(125,968)	(731)	(135,166)
At 31 March 2012	446,918	65,184	1,873,409
DEPRECIATION			
At 1 April 2011	308,247	58,082	733,785
Charge for year	70,305	5,290	117,873
Eliminated on disposal	(122,311)	-	(128,110)
At 31 March 2012	256,241	63,372	723,548
NET BOOK VALUE			
At 31 March 2012	190,677	1,812	1,149,861
At 31 March 2011	154,168	7,059	1,118,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued --
FOR THE YEAR ENDED 31 MARCH 2012

8 TANGIBLE FIXED ASSETS - continued

Company

Freehold
property
£

COST

At 1 April 2011
and 31 March 2012

878,585

DEPRECIATION

Charge for year

17,572

At 31 March 2012

17,572

NET BOOK VALUE

At 31 March 2012

861,013

At 31 March 2011

878,585

9 FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 April 2011
and 31 March 2012

270,000

NET BOOK VALUE

At 31 March 2012

270,000

At 31 March 2011

270,000

The company's investments in shares in group undertakings comprises 100% of the issued ordinary share capital of the following companies, all of which are registered in England & Wales

C & O Tractors Limited
C & O Garden Machinery Limited
C & O Groundcare Limited
C & O Hire Limited
Vugot Limited

The principal activity of C & O Tractors Limited is the retail of agricultural machinery and parts. The other companies are dormant. All of the above companies are included in the consolidated accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

10 STOCKS

	Group	
	2012	2011
	£	£
Stocks	<u>6,103,003</u>	<u>3,001,760</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2012	2011
	£	£
Trade debtors	14,665,369	9,773,587
Other debtors	683	13,512
VAT	106,256	-
Prepayments and accrued income	343,818	149,726
	<u>15,116,126</u>	<u>9,936,825</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 14)	393,935	472,304	-	-
Other loans (see note 14)	41,667	41,667	-	-
Hire purchase contracts (see note 15)	71,351	63,672	-	-
Trade creditors	18,881,005	10,167,138	-	-
Amounts owed to group undertakings	-	-	878,586	878,585
Tax	59,766	44,889	-	-
Social security and other taxes	55,524	53,711	-	-
VAT	-	804,979	-	-
Other creditors	175,408	104,350	-	-
Directors' current accounts	28,448	21,248	-	-
Accruals and deferred income	133,182	233,352	-	-
	<u>19,840,286</u>	<u>12,007,310</u>	<u>878,586</u>	<u>878,585</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2012	2011
	£	£
Bank loans (see note 14)	390,850	96,555
Other loans (see note 14)	95,268	136,935
Hire purchase contracts (see note 15)	26,418	39,830
	<u>512,536</u>	<u>273,320</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

14 LOANS

An analysis of the maturity of loans is given below

	Group	
	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	289,076	449,072
Bank loans	104,859	23,232
Other loans	41,667	41,667
	<u>435,602</u>	<u>513,971</u>
Amounts falling due between one and two years		
Bank loans	106,600	24,859
Other loans	41,667	41,667
	<u>148,267</u>	<u>66,526</u>
Amounts falling due between two and five years		
Bank loans	284,250	71,696
Other loans	53,601	95,268
	<u>337,851</u>	<u>166,964</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued -
 FOR THE YEAR ENDED 31 MARCH 2012

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012 £	2011 £
Gross obligations repayable		
Within one year	75,003	69,189
Between one and five years	29,517	41,828
	<u>104,520</u>	<u>111,017</u>
Finance charges repayable		
Within one year	3,652	5,517
Between one and five years	3,099	1,998
	<u>6,751</u>	<u>7,515</u>
Net obligations repayable		
Within one year	71,351	63,672
Between one and five years	26,418	39,830
	<u>97,769</u>	<u>103,502</u>

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

Group

	Land and buildings	
	2012 £	2011 £
Expiring		
Within one year	<u>124,587</u>	<u>124,580</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

16 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	2012	2011
	£	£
Bank overdrafts	289,076	449,072
Bank loans	495,709	119,787
Hire purchase contracts	97,769	103,502
Other loan	136,935	178,602
	<u>1,019,489</u>	<u>850,963</u>

The other loan is repayable by annual instalments of £55,000, the final payment being due in May 2014. The interest rate on this loan is fixed at 2.5% per annum. The loan is secured by way of a fixed charge over a group freehold property.

The bank overdraft and loan are secured by way of debenture over the assets of the group and a legal charge over the land at Landshire Lane, Henstridge.

The bank loan is repayable by monthly instalments, the final payment being due in December 2015. The interest rate on this loan is fixed at base rate plus 2% per annum.

Amounts payable under hire purchase contracts are secured by way of fixed charges over the individual assets acquired.

17 PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	<u>30,254</u>	<u>23,778</u>
Group		
		Deferred tax
		£
Balance at 1 April 2011		23,778
Accelerated capital allowances		6,476
Other timing differences		
Change in tax rate		
Balance at 31 March 2012		<u>30,254</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 MARCH 2012

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
260,000	Ordinary A	£1	260,000	260,000
10,000	Ordinary B	£1	10,000	10,000
			<u>270,000</u>	<u>270,000</u>

The A and B shares rank pari passu in all respects, except that the directors may declare a dividend on one class and not the other or of differing amounts for each type of share

Should a bona fide, independent offer be made for the shares of the company that is acceptable to the holders of the A shares, then such an offer shall also be deemed to be binding on the B shareholders

19 RESERVES

Group

	Profit and loss account £
At 1 April 2011	1,483,770
Profit for the year	264,406
Dividends	(30,000)
At 31 March 2012	<u>1,718,176</u>

Company

	Profit and loss account £
Profit for the year	12,427
Dividends	(30,000)
At 31 March 2012	<u>(17,573)</u>

20 PENSION COMMITMENTS

The group operates a defined contribution pension scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions made to the scheme amounted to £41,279 (2011 £31,106). There were no outstanding contributions at the year end (2011 £nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

21 RELATED PARTY DISCLOSURES

The group is controlled by Mr E G Coles and Mr A G Coles (director), each of whom is interested in 50% of the company's issued share capital

At the balance sheet date the group owed £28,448 to Mr A G Coles, a director (2011 £21,248)

During the year consultancy fees of £nil (2011 - £33,552) were paid to Mr E G Coles (father of Mr A G Coles)
At the balance sheet date, Mr E G Coles was owed £142,408 by the group (2011 - £74,326)

During the year under review the following transactions took place between the group and the E G Coles & Son partnership, of which, Mr E G Coles and Mr A G Coles are partners

	2012 £	2011 £
Sales to and management charges receivable from the partnership	450,246	501,289
Amount due from the partnership at the balance sheet date	<u>457,921</u>	<u>377,106</u>
Purchases from and expenses reimbursed to the partnership	38,162	158,044
Amount due to the partnership at the balance sheet date	<u>150,109</u>	<u>170,115</u>

During the year, the company paid dividends of £30,000 (2011 £30,000) to Mrs L R Coles (wife of Mr A G Coles)

The company has taken advantage of the exemption within Financial Reporting Standard Number 8 "Related Party Transactions" from the disclosure of transactions entered into between two members of a group as the company is a subsidiary undertaking which is wholly owned by its parent company

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 £	2011 £
Profit for the financial year	264,406	235,799
Dividends	(30,000)	(30,000)
Net addition to shareholders' funds	<u>234,406</u>	205,799
Opening shareholders' funds	1,753,770	1,547,971
Closing shareholders' funds	<u>1,988,176</u>	<u>1,753,770</u>

Company

	2012 £	2011 £
Profit for the financial year	12,427	30,000
Dividends	(30,000)	(30,000)
Net (reduction)/addition to shareholders' funds	<u>(17,573)</u>	-
Opening shareholders' funds	270,000	270,000
Closing shareholders' funds	<u>252,427</u>	<u>270,000</u>