

REGISTERED NUMBER: 6647621 (England and Wales)

Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2011

for
RSL Holdings Limited

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for the Year Ended 31 December 2011

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RSL Holdings Limited
Company Information
for the Year Ended 31 December 2011

DIRECTORS:	P J Simpson P C Jenkins
SECRETARY:	P J Simpson
REGISTERED OFFICE:	Simpsons Subaru Blackworth Industrial Estate Highworth Swindon Wiltshire SN6 7NA
REGISTERED NUMBER:	6647621 (England and Wales)
AUDITORS:	Monahans Statutory Auditors 38-42 Newport Street Swindon Wiltshire SN1 3DR

Report of the Directors
for the Year Ended 31 December 2011

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of garage proprietors

REVIEW OF BUSINESS

The group operates from two premises in Highworth on the North Wiltshire / Gloucestershire border

The Swindon Road site is responsible for the sale of Shell petrol and diesel with an ancillary forecourt shop for Subaru franchised new vehicle sales and used vehicle sales

The Blackworth site is the location for all of the vehicle preparation and after sales activities (servicing, parts and accessories) of the business, together with MOT testing and tyre supply / fitment

This year saw a decrease in turnover from the previous year and a loss made for the first time since 2008. This is a reflection of the difficult trading conditions due to the current economic climate. The effect of the recession on consumerism is considered to be the principle risk facing the group.

Key performance indicators for the service, parts and forecourt departments were maintained at reasonable levels when compared with industry peers. Increased general overheads combined with decreased profitability in our Forecourt, Service and Parts departments and a small loss on Vehicle sales has resulted in an overall loss in the year.

Since the year end the group restructured its debt and is beginning to see improved results. The directors remain cautiously optimistic for the medium to longer term and believe that they have taken the necessary steps for the group to return to profitability in the future.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

P J Simpson
P C Jenkins

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations totalling £1,005 (2010 - £500)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make 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

RSL Holdings Limited (Registered number 6647621)

Report of the Directors
for the Year Ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are 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 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.

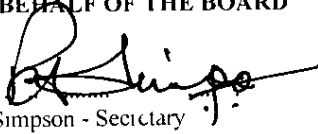
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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.

AUDITORS

The auditors, Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD


P J Simpson - Secretary

Date

21.09.2012

Report of the Independent Auditors to the Members of
RSL Holdings Limited

We have audited the financial statements of RSL Holdings Limited for the year ended 31 December 2011 on pages five to twenty. 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 Report of the Directors 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 December 2011 and of the group's loss 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.

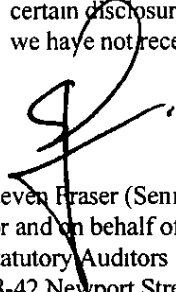
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.


Steven Fraser (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date

27th September 2012

RSL Holdings Limited (Registered number: 6647621)

Consolidated Profit and Loss Account
for the Year Ended 31 December 2011

	Notes	2011 £	£	2010 £	£
TURNOVER			9,038,326		9,928,496
Cost of sales			8,390,394		9,135,210
GROSS PROFIT			647,932		793,286
Distribution costs		366,080		377,612	
Administrative expenses		351,377		333,484	
			717,457		711,096
OPERATING (LOSS)/PROFIT	3		(69,525)		82,190
Interest receivable and similar income			1,207		2,446
			(68,318)		84,636
Interest payable and similar charges	4		81,528		77,771
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(149,846)		6,865
Tax on (loss)/profit on ordinary activities	5		(19,966)		6,857
(LOSS)/PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			(129,880)		8

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 loss for the current year and the profit for the previous year

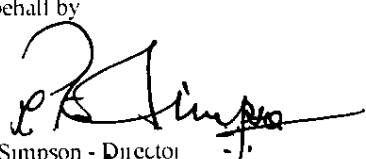
RSL Holdings Limited (Registered number 6647621)

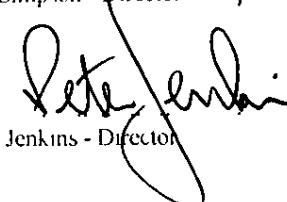
Consolidated Balance Sheet
31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	2 063 919	2 099 381
Investments	8	-	-
		<u>2 063 919</u>	<u>2 099 381</u>
CURRENT ASSETS			
Stocks	9	714 774	1 008 010
Debtors	10	124 564	143 108
Cash at bank and in hand		3 381	3 521
		<u>842 719</u>	<u>1 154 639</u>
CREDITORS			
Amounts falling due within one year	11	<u>1 273 138</u>	<u>1 394 740</u>
NET CURRENT LIABILITIES		<u>(430 419)</u>	<u>(240 101)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1 633 500</u>	<u>1,859 280</u>
CREDITORS			
Amounts falling due after more than one year	12	(476 866)	(561 194)
PROVISIONS FOR LIABILITIES	16	<u>(5 174)</u>	<u>(16 746)</u>
NET ASSETS		<u><u>1 151,460</u></u>	<u><u>1 281 340</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	998	998
Share premium	18	1 295 192	1 295 192
Profit and loss account	18	<u>(144 730)</u>	<u>(14 850)</u>
SHAREHOLDERS' FUNDS	21	<u><u>1 151 460</u></u>	<u><u>1 281 340</u></u>

The financial statements were approved by the Board of Directors on its behalf by

21.09.2012 and were signed on


P J Simpson - Director


P C Jenkins - Director

The notes form part of these financial statements

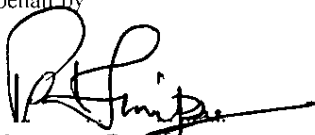
RSL Holdings Limited (Registered number 6647621)

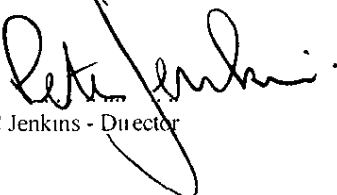
Company Balance Sheet
31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	-	-
Investments	8	1 696 190	1 696 190
		<u>1 696 190</u>	<u>1 696 190</u>
CREDITORS			
Amounts falling due within one year	11	75 980	55 980
NET CURRENT LIABILITIES		<u>(75 980)</u>	<u>(55 980)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1 620 210	1 640 210
CREDITORS			
Amounts falling due after more than one year	12	400 000	400 000
NET ASSETS		<u>1 220 210</u>	<u>1 240 210</u>
CAPITAL AND RESERVES			
Called up share capital	17	998	998
Share premium	18	1 295 192	1 295 192
Profit and loss account	18	(75 980)	(55 980)
SHAREHOLDERS' FUNDS	21	<u>1 220 210</u>	<u>1 240 210</u>

The financial statements were approved by the Board of Directors on its behalf by

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P I Simpson - Director


P C Jenkins - Director

The notes form part of these financial statements

RSL Holdings Limited (Registered number: 6647621)**Consolidated Cash Flow Statement**
for the Year Ended 31 December 2011

	Notes	2011 £	£	2010 £	£
Net cash (outflow)/inflow from operating activities	1		(32,328)		190,238
Returns on investments and servicing of finance	2		(80,321)		(75,325)
Taxation			5,938		(11,631)
Capital expenditure	2		(12,990)		(8,022)
			(119,701)		95,260
Financing	2		(80,501)		(76,670)
(Decrease)/increase in cash in the period			(200,202)		18,590
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period		(200,202)		18,590	
Cash outflow from decrease in debt		80,505		76,669	
Change in net debt resulting from cash flows			(119,697)		95,259
Movement in net debt in the period			(119,697)		95,259
Net debt at 1 January			(823,324)		(918,583)
Net debt at 31 December			(943,021)		(823,324)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2011

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

	2011	2010
	£	£
Operating (loss)/profit	(69,525)	82,190
Depreciation charges	48,452	51,112
Decrease/(increase) in stocks	293,236	(233,716)
Decrease in debtors	18,544	104,956
(Decrease)/increase in creditors	(323,035)	185,696
Net cash (outflow)/inflow from operating activities	(32,328)	190,238

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

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	1,207	2,446
Interest paid	(43,811)	(43,148)
Interest element of hire purchase or finance lease rentals payments	(37,717)	(34,623)
Net cash outflow for returns on investments and servicing of finance	(80,321)	(75,325)
 Capital expenditure		
Purchase of tangible fixed assets	(12,990)	(8,022)
Net cash outflow for capital expenditure	(12,990)	(8,022)
 Financing		
Loan repayments in year	(80,501)	(76,670)
Net cash outflow from financing	(80,501)	(76,670)

RSL Holdings Limited (Registered number: 6647621)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 11 £	Cash flow £	At 31 12 11 £
Net cash			
Cash at bank and in hand	3,521	(140)	3,381
Bank overdraft	(184,826)	(200,062)	(384,888)
	<u>(181,305)</u>	<u>(200,202)</u>	<u>(381,507)</u>
Debt			
Debts falling due within one year	(80,825)	(3,823)	(84,648)
Debts falling due after one year	(561,194)	84,328	(476,866)
	<u>(642,019)</u>	<u>80,505</u>	<u>(561,514)</u>
Total	<u>(823,324)</u>	<u>(119,697)</u>	<u>(943,021)</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Consolidation has been performed on the acquisition basis of accounting

Turnover

Turnover represents net invoiced sales of new and used cars, vehicle parts and servicing and forecourt sales, excluding value added tax

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% on straight line basis
Garage & w'shop equipment	- 20% on reducing balance
Office fixtures & equip't	- 10% on reducing balance
Motor vehicles	- 33% on straight line basis and 25% on reducing balance

Stocks

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

Under supply agreements the group has access to 'consignment stock' during the consignment period. Where the nature of this supply agreement transfers risks and rewards to the group which in substance gives the group control over the stock during the consignment period and liabilities in respect of holding costs the group recognises this stock in the balance sheet together with an equivalent liability

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

Revaluation of properties

A full valuation of all freehold properties is carried out every five years and interim valuations are carried out as required. Surpluses arising from the professional valuations of properties are taken directly to the revaluation reserve

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	403,614	418,479
Social security costs	35,627	36,535
Other pension costs	1,360	1,355
	<u>440,601</u>	<u>456,369</u>

RSL Holdings Limited (Registered number 6647621)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

2 STAFF COSTS - continued

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

	2011	2010
Sales	3	3
Forecourt, parts and workshop	21	25
Administration	2	2
	<u>26</u>	<u>30</u>

3 OPERATING (LOSS)/PROFIT

The operating loss (2010 - operating profit) is stated after charging

	2011	2010
	£	£
Hire of plant and machinery	8,790	11,185
Depreciation - owned assets	48,452	51,111
Auditing of accounts	9,700	9,400
Other services	6,570	5,670
	<u>73,512</u>	<u>77,366</u>
Directors' remuneration	30,931	38,223
Directors' pension contributions to money purchase schemes	1,360	1,355
	<u>32,291</u>	<u>39,578</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	10,931	6,104
Bank loan interest	4,082	4,963
Mortgage interest	8,798	12,081
Debenture interest	20,000	20,000
Stocking charges	37,717	34,623
	<u>81,528</u>	<u>77,771</u>

5 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	(8,390)	8,390
Deferred tax	(11,576)	(1,533)
Tax on (loss)/profit on ordinary activities	<u>(19,966)</u>	<u>6,857</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011**

5 TAXATION - continued

Factors affecting the tax (credit)/charge

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

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	<u>(149,846)</u>	<u>6,865</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2010 - 21%)	(30,344)	1,442
Effects of		
Expenses not deductible for tax purposes	218	451
Depreciation in excess of capital allowances	7,805	6,497
Utilisation of tax losses	(244)	-
Tax losses carried forward	14,231	-
Effect of change of tax rate on losses carried back	(56)	-
	<u>(8,390)</u>	<u>8,390</u>

6 LOSS 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 loss for the financial year was £(20,000) (2010 - £(20,000)).

7 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Garage & w'shop equipment £	Office fixtures & equip't £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2011	2,050,000	138,797	310,813	13,459	2,513,069
Additions	-	720	842	11,428	12,990
	<u>2,050,000</u>	<u>139,517</u>	<u>311,655</u>	<u>24,887</u>	<u>2,526,059</u>
At 31 December 2011	2,050,000	139,517	311,655	24,887	2,526,059
DEPRECIATION					
At 1 January 2011	63,600	117,913	222,602	9,573	413,688
Charge for year	31,800	4,347	9,205	3,100	48,452
	<u>95,400</u>	<u>122,260</u>	<u>231,807</u>	<u>12,673</u>	<u>462,140</u>
At 31 December 2011	95,400	122,260	231,807	12,673	462,140
NET BOOK VALUE					
At 31 December 2011	<u>1,954,600</u>	<u>17,257</u>	<u>79,848</u>	<u>12,214</u>	<u>2,063,919</u>
At 31 December 2010	<u>1,986,400</u>	<u>20,884</u>	<u>88,211</u>	<u>3,886</u>	<u>2,099,381</u>

Included in cost or valuation of land and buildings is freehold land of £475,000 (2010 - £475,000) which is not depreciated.

RSL Holdings Limited (Registered number: 6647621)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

7 TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 December 2011 is represented by

	Freehold property £	Garage & w'shop equipment £	Office fixtures & equip't £	Motor vehicles £	Totals £
Valuation in 2003	716,734	-	-	-	716,734
Valuation in 2009	150,000	-	-	-	150,000
Cost	1,183,266	139,517	311,655	24,887	1,659,325
	<u>2,050,000</u>	<u>139,517</u>	<u>311,655</u>	<u>24,887</u>	<u>2,526,059</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2011 £	2010 £
Cost	<u>1,183,266</u>	<u>1,183,266</u>
Aggregate depreciation	<u>247,155</u>	<u>229,595</u>

Freehold land and buildings were valued on an open market basis on 12 June 2009 by Hinton Newport - Chartered Surveyors

8 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2011 and 31 December 2011	<u>1,696,190</u>
NET BOOK VALUE	
At 31 December 2011	<u>1,696,190</u>
At 31 December 2010	<u>1,696,190</u>

RSL Holdings Limited (Registered number: 6647621)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

8 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Roger Simpson Limited

Nature of business Motor dealership

Class of shares	% holding	2011	2010
Ordinary £1	100 00	£	£
Aggregate capital and reserves		1,627,440	1,737,320
(Loss)/profit for the year		(109,880)	20,008
		<u> </u>	<u> </u>

This subsidiary is included in the consolidated accounts

9 STOCKS

	Group	
	2011	2010
	£	£
Vehicles	411,803	600,008
Petrol, oil, spares etc	221,869	240,660
Consignment stock	81,102	167,342
	<u>714,774</u>	<u>1,008,010</u>

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2011	2010
	£	£
Trade debtors	75,949	91,056
Other debtors	14,328	23,725
Prepayments and accrued income	34,287	28,327
	<u>124,564</u>	<u>143,108</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011**

11 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 13)	469,536	265,651	-	-
Trade creditors	500,614	738,560	-	-
Amounts owed to group undertakings	-	-	75,980	55,980
Corporation tax	-	2,452	-	-
Social security and other taxes	45,172	47,210	-	-
Other creditors	6,428	8,610	-	-
Consignment stock	81,102	167,342	-	-
Directors' current accounts	100,442	100,442	-	-
Accrued expenses	69,844	64,473	-	-
	<u>1,273,138</u>	<u>1,394,740</u>	<u>75,980</u>	<u>55,980</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans (see note 13)	76,866	161,194	-	-
Other loans (see note 13)	400,000	400,000	400,000	400,000
	<u>476,866</u>	<u>561,194</u>	<u>400,000</u>	<u>400,000</u>

13 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	384,888	184,826	-	-
Bank loans	84,648	80,825	-	-
	<u>469,536</u>	<u>265,651</u>	<u>-</u>	<u>-</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	76,866	84,328	-	-
	<u>76,866</u>	<u>84,328</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	-	76,866	-	-
	<u>-</u>	<u>76,866</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years				
Repayable otherwise than by instalments				
Debenture more 5yrs non-inst	400,000	400,000	400,000	400,000
	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

13 LOANS - continued

The group has two bank loans. The first is repayable over 15 years ending December 2013. The second is repayable over a 5 year period ending April 2014.

Both loans are being charged interest at a rate of 2.5% above the bank base rate.

Since the year end the group has renegotiated its bank debt.

14 OPERATING LEASE COMMITMENTS

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

Group

	Other operating leases	
	2011 £	2010 £
Expiring		
Between one and five years	-	11,190

15 SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank overdrafts	384,888	184,826	-	-
Bank loans	161,514	242,019	-	-
Other loans	400,000	400,000	400,000	400,000
	<u>946,402</u>	<u>826,845</u>	<u>400,000</u>	<u>400,000</u>

The bank loans and overdraft are secured by a mortgage over the group's freehold land and buildings.

The directors' current account and the debenture are secured by a legal charge over the group's freehold land and buildings.

16 PROVISIONS FOR LIABILITIES

	Group	
	2011 £	2010 £
Deferred tax		
Accelerated capital allowances	5,174	16,746

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011**

16 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 January 2011	16,746
(Released)/Provided in year	<u>(11,572)</u>
Balance at 31 December 2011	<u><u>5,174</u></u>

In accordance with Financial Reporting Standard 19 deferred tax has not been provided on the revalued properties. If the properties were sold for their revalued amount a tax liability of £14,445 (2010 - £45,824) would be payable.

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid
Number Class

	Nominal value £1	2011 £ 998	2010 £ 998
998 Ordinary		<u>998</u>	<u>998</u>

18 RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 January 2011	(14,850)	1,295,192	1,280,342
Deficit for the year	<u>(129,880)</u>		<u>(129,880)</u>
At 31 December 2011	<u><u>(144,730)</u></u>	<u><u>1,295,192</u></u>	<u><u>1,150,462</u></u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 January 2011	(55,980)	1,295,192	1,239,212
Deficit for the year	<u>(20,000)</u>		<u>(20,000)</u>
At 31 December 2011	<u><u>(75,980)</u></u>	<u><u>1,295,192</u></u>	<u><u>1,219,212</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

19 PENSION COMMITMENTS

The group operates two pension schemes, the assets of which are held separately from those of the company. The first is a defined contribution scheme which is independently administered and the second is a self administered scheme. The pension costs for both schemes represent contributions payable by the company as follows -

	2011	2010
	£	£
Defined contribution scheme	1,360	1,355
Self administered scheme	Nil	Nil

Both schemes are defined contribution schemes and therefore the benefits from the schemes will depend upon the assets available at any particular time. The self administered scheme was established in 1992 and requires an actuarial valuation every three years. Fees of £752 (2010 - £610) were paid on behalf of the pension scheme in the year.

The members of the self administered scheme are P J Simpson, P C Jenkins and R J Simpson.

20 TRANSACTIONS WITH DIRECTORS

Interest is paid on the directors' current accounts at the Bank of England base rate plus 2.5%. During the year interest of £3,028 (2010 - £2,891) was paid to P J Simpson.

Interest has been paid by the Group on the £400,000 Debenture held by P J Simpson of £20,000 (2010 - £20,000) during the period.

The directors' current account and debenture are secured by a first legal charge over the group's freehold land and buildings.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011	2010
	£	£
(Loss)/profit for the financial year	(129,880)	8
Share for share exchange		
Net (reduction)/addition to shareholders' funds	(129,880)	8
Opening shareholders' funds	1,281,340	1,281,332
Closing shareholders' funds	1,151,460	1,281,340

Company

	2011	2010
	£	£
Loss for the financial year	(20,000)	(20,000)
Share for share exchange		
Net reduction of shareholders' funds	(20,000)	(20,000)
Opening shareholders' funds	1,240,210	1,260,210
Closing shareholders' funds	1,220,210	1,240,210

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

22 CONSIGNMENT STOCK

In accordance with Financial Reporting Standard 5, the group's consignment stock has been included in the balance sheet. The consignment stock as at 31 December 2011 was £81,102 (2010 - £167,342)