



**WHITEMEADOW GROUP HOLDINGS LIMITED
(FORMERLY SPH13910 LIMITED)**

Report and Financial Statements

For the Year ended 31 December 2012

Company number: 07375021

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WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

COMPANY INFORMATION

Director	D J E Scully
Company secretary	D J E Scully
Registered number	07375021
Registered office	Unit 3D Export Drive Huthwaite Nottinghamshire NG17 6AF
Independent auditor	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

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WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The director presents his report and the financial statements for the year ended 31 December 2012

On 5 May 2013 the company changed its name from SPH13910 Limited to Whitemeadow Group Holdings Limited

Principal activities

The principal activity of the group is the design, manufacture and sale of upholstered furniture. The principal activity of the company is to act as a holding company.

Business review

The group's trading performance has been challenging in light of the difficult and turbulent economic environment. The directors are satisfied with the performance of the business having managed the ongoing pressure from customers to maintain competitive sales prices.

Principal risks and uncertainties

The impact on the market sector relevant to the group as a consequence of the poor economic climate is an ongoing risk to the business.

The directors continue to work hard to maintain strong relationships with both customers and suppliers to minimize any significant negative changes to the group's performance.

Financial instruments

The group's objective regarding financial risk management is to keep exposure of price risk, credit risk, liquidity risk and cash flow risk to a minimum.

The group makes sales on normal credit terms and manages the related risks through its credit control procedure. In the opinion of the directors the exposure of such risk has been assessed and at present deemed to be low and at acceptable level for the company to continue to operate.

In consideration of benefits against cost the group hedges interest on its borrowings when the directors consider that this is appropriate.

Due to a growth of imported materials the group has entered into foreign currency forward contracts to manage its exposure to foreign currency exchange variances.

Results

The profit for the year, after taxation, amounted to £106,578 (2011 - £733,916).

The directors do not recommend the payment of a dividend (2011 - £Nil).

Director

The director who served during the year was

D J E Scully

Qualifying third party indemnity provisions

Qualifying third party indemnity provision was in force during the financial year and up to the date of this report for the benefit of the director of the company.

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

Political and charitable contributions

During the year the group made charitable donations amounting to £300 (2011 - £525)

Employee involvement

The group ensures that all employees are aware of company activity and direction through regular communication. Training and support are available for all employees, and consideration is given to applications for vacancies at the company from all persons, including disabled persons.

Disabled employees

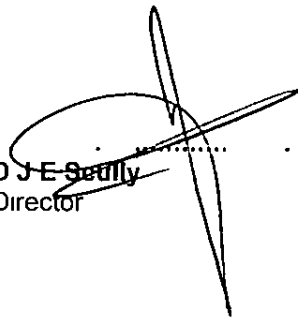
The policy is and has been to encourage the employment, training and promotion of disabled persons wherever practicable. Should an employee become disabled during the course of employment, suitable alternative employment would, if possible, be found.

Provision of information to auditor

The director at the time when this director's 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 auditor is 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 auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

This report was approved by the board on 12 June 2013 and signed on its behalf


D J E Seilly
Director

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 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 the group and of the profit or loss of the company and 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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.

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

We have audited the financial statements of Whitemeadow Group Holdings Limited (formerly SPH13910 Limited) for the year ended 31 December 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 statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate.

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 31 December 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.

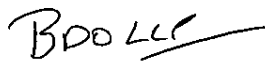
WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF WHITEMEADOW GROUP HOLDINGS
LIMITED (FORMERLY SPH13910 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



Gareth Singleton (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Nottingham
United Kingdom

12 June 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

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

		31 December 2012	15 months ended 31 December 2011
	Note	£	£
TURNOVER	1	19,781,294	6,010,512
Cost of sales		<u>(14,204,875)</u>	<u>(4,996,087)</u>
GROSS PROFIT		5,576,419	1,014,425
Distribution costs		<u>(76,224)</u>	-
Administrative expenses		<u>(5,140,838)</u>	<u>(9,288)</u>
OPERATING PROFIT	3	359,357	1,005,137
Interest receivable and similar income		51	-
Interest payable and similar charges	6	<u>(60,020)</u>	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		299,388	1,005,137
Tax on profit on ordinary activities	7	<u>(192,810)</u>	<u>(271,221)</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u>106,578</u>	<u>733,916</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 10 to 25 form part of these financial statements

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)
REGISTERED NUMBER: 07375021

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	8		2,372,263		2,609,491
Tangible assets	9		375,738		498,357
			<u>2,748,001</u>		<u>3,107,848</u>
CURRENT ASSETS					
Stocks	11	1,040,850		1,477,889	
Debtors	12	4,382,135		4,508,945	
Cash at bank		117,147		468,092	
		<u>5,540,132</u>		<u>6,454,926</u>	
CREDITORS: amounts falling due within one year	13	(5,186,149)		(6,279,082)	
NET CURRENT ASSETS			<u>353,983</u>		<u>175,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,101,984</u>		<u>3,283,692</u>
CREDITORS: amounts falling due after more than one year	14		(88,449)		(367,951)
PROVISIONS FOR LIABILITIES					
Other provisions	16		(311,118)		(320,203)
NET ASSETS			<u>2,702,417</u>		<u>2,595,538</u>
CAPITAL AND RESERVES					
Called up share capital	17		28,874		28,573
Merger reserve	18		1,833,049		1,833,049
Profit and loss account	18		840,494		733,916
SHAREHOLDERS' FUNDS	19		<u>2,702,417</u>		<u>2,595,538</u>

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


D. E. Scully
 Director

Date 12 June 2013

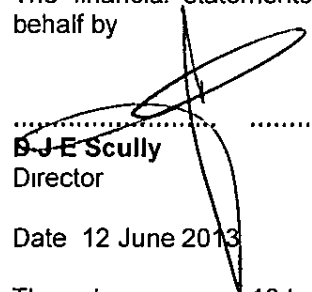
The notes on pages 10 to 25 form part of these financial statements

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)
REGISTERED NUMBER 07375021

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	10		1,861,621		1,861,621
CURRENT ASSETS					
Debtors	12	1,021,016		1,409,349	
Cash at bank		-		10,617	
		1,021,016		1,419,966	
CREDITORS: amounts falling due within one year	13	(286,798)		(686,049)	
NET CURRENT ASSETS			734,218		733,917
NET ASSETS			2,595,839		2,595,538
CAPITAL AND RESERVES					
Called up share capital	17		28,874		28,573
Merger reserve	18		1,833,049		1,833,049
Profit and loss account	18		733,916		733,916
SHAREHOLDERS' FUNDS	19		2,595,839		2,595,538

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


B-J-E Scully
 Director

Date 12 June 2013

The notes on pages 10 to 25 form part of these financial statements

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

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

		31 December 2012	15 months ended 31 December 2011
	Note	£	£
Net cash flow from operating activities	20	817,884	10,616
Returns on investments and servicing of finance	21	(59,969)	-
Taxation		(325,111)	-
Capital expenditure and financial investment	21	(60,933)	-
Acquisitions and disposals	21	-	457,475
CASH INFLOW BEFORE FINANCING		371,871	468,091
Financing	21	(348,922)	1
INCREASE IN CASH IN THE YEAR		22,949	468,092

**CONSOLIDATED RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	31 December 2012	15 months ended 31 December 2011
	£	£
Increase in cash in the year	22,949	468,092
Cash outflow from decrease in debt and lease financing	348,922	-
MOVEMENT IN NET DEBT IN THE YEAR	371,871	468,092
Net debt at 1 January 2012	(1,802,600)	(2,270,692)
NET DEBT AT 31 DECEMBER 2012	(1,430,729)	(1,802,600)

The notes on pages 10 to 25 form part of these financial statements

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Whitemeadow Group Holdings Limited (formerly SPH13910 Limited) and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover is recognised when goods are dispatched

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates

Goodwill	-	11 years straight line
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1.5 Tangible fixed assets and depreciation

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

Plant & machinery	-	15-25% straight line
Motor vehicles	-	33% straight line
Furniture, fittings and equipment	-	15-30% straight line
Sewing machines	-	15% straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.9 Stocks and work in progress

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 costs 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

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 Pensions

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

1.13 Provisions

A provision is recognised when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision is recognised

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2. TURNOVER

The whole of the turnover and profit before taxation from continuing activities is attributable to the principal activity disclosed in the directors report

A geographical analysis of turnover is as follows

	31 December 2012 £	15 months ended 31 December 2011 £
United Kingdom	19,233,878	6,010,512
Rest of European Union	547,416	-
	<u>19,781,294</u>	<u>6,010,512</u>

3. OPERATING PROFIT

The operating profit is stated after charging

	31 December 2012 £	15 months ended 31 December 2011 £
Amortisation - intangible fixed assets	237,228	-
Depreciation of tangible fixed assets		
- owned by the group	170,586	-
- held under finance leases	30,753	-
Auditor's remuneration	19,500	22,000
Operating lease rentals		
- plant and machinery	14,219	-
- other operating leases	430,761	-
Difference on foreign exchange	160,774	-
	<u>160,774</u>	<u>-</u>

The auditor's remuneration for the audit of the financial statements of the company was £1,500 (2011 - £1,500)

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4. STAFF COSTS

Staff costs, including director's remuneration, were as follows

	31 December 2012 £	15 months ended 31 December 2011 £
Wages and salaries	5,222,101	-
Social security costs	471,047	-
Other pension costs	179,634	-
	<u>5,872,782</u>	<u>-</u>

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

	31 December 2012 No.	15 months ended 31 December 2011 No
Production	232	0
Selling and Administration	25	0
	<u>257</u>	<u>0</u>

5. DIRECTOR'S REMUNERATION

	31 December 2012 £	15 months ended 31 December 2011 £
Emoluments	95,361	-
Company pension contributions to defined contribution pension schemes	16,000	-

During the year retirement benefits were accruing to 1 director (2011 - NIL) in respect of defined contribution pension schemes

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

6. INTEREST PAYABLE

	31 December 2012 £	15 months ended 31 December 2011 £
On bank loans and overdrafts	31,726	-
On other loans	11,023	-
On finance leases and hire purchase contracts	17,271	-
	60,020	-

7 TAXATION

	31 December 2012 £	15 months ended 31 December 2011 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	197,451	271,221
Deferred tax		
Origination and reversal of timing differences	(11,452)	-
Effect of reduced tax rate on opening asset	1,799	-
Tax losses carried forward	5,012	-
	(4,641)	-
Total deferred tax (see note 15)	(4,641)	-
Tax on profit on ordinary activities	192,810	271,221

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26%). The differences are explained below

	31 December 2012 £	15 months ended 31 December 2011 £
Profit on ordinary activities before tax	299,388	1,005,137
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26%)	73,350	261,336
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	58,121	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,350	-
Capital allowances for year/period in excess of depreciation	19,456	-
Utilisation of tax losses	(5,012)	-
Non-taxable income	(4,358)	-
Changes in provisions leading to an increase (decrease) in the tax charge	49,544	-
Effect of change in rate of tax	-	9,885
Current tax charge for the year/period (see note above)	197,451	271,221

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates expected to be effective at the time the timing differences which give rise to the provision are expected to reverse. The Chancellor of Exchequer has announced that the main rate of corporation tax will be reduced by 1 percentage point to 23% in April 2013, by a further 2 percentage points to 21% in April 2014 and then to 20% in April 2015 where it will remain at 20%. These new rates are expected to affect future tax charges and are therefore disclosed.

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2012 and 31 December 2012	<u>2,609,491</u>
Amortisation	
Charge for the year	<u>237,228</u>
At 31 December 2012	<u>237,228</u>
Net book value	
At 31 December 2012	<u><u>2,372,263</u></u>
At 31 December 2011	<u><u>2,609,491</u></u>

9 TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Furniture, fittings and equipment £	Sewing machines £	Total £
Group					
Cost					
At 1 January 2012	614,193	349,436	395,612	255,688	1,614,929
Additions	-	20,995	63,673	-	84,668
Disposals	-	(127,485)	-	-	(127,485)
At 31 December 2012	<u>614,193</u>	<u>242,946</u>	<u>459,285</u>	<u>255,688</u>	<u>1,572,112</u>
Depreciation					
At 1 January 2012	354,793	245,142	295,403	221,234	1,116,572
Charge for the year	89,434	53,310	52,361	6,234	201,339
On disposals	-	(121,537)	-	-	(121,537)
At 31 December 2012	<u>444,227</u>	<u>176,915</u>	<u>347,764</u>	<u>227,468</u>	<u>1,196,374</u>
Net book value					
At 31 December 2012	<u><u>169,966</u></u>	<u><u>66,031</u></u>	<u><u>111,521</u></u>	<u><u>28,220</u></u>	<u><u>375,738</u></u>
At 31 December 2011	<u><u>259,400</u></u>	<u><u>104,294</u></u>	<u><u>100,209</u></u>	<u><u>34,454</u></u>	<u><u>498,357</u></u>

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

	2012 £	2011 £
Group		
Plant and machinery	106,735	125,786
Motor vehicles	16,135	27,837
	<u><u>122,870</u></u>	<u><u>153,623</u></u>

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10 FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2012 and 31 December 2012	1,861,621
Net book value	
At 31 December 2012	1,861,621
At 31 December 2011	1,861,621

Details of the principal subsidiaries can be found under note number 27

11. STOCKS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials	905,826	1,371,638	-	-
Work in progress	112,902	59,525	-	-
Finished goods and goods for resale	22,122	46,726	-	-
	1,040,850	1,477,889	-	-

12 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	4,090,603	4,259,872	-	-
Amounts owed by group undertakings	-	-	1,019,182	1,409,349
Other debtors	85,821	8,984	1,834	-
Prepayments and accrued income	173,393	212,412	-	-
Deferred tax asset (see note 15)	32,318	27,677	-	-
	4,382,135	4,508,945	1,021,016	1,409,349

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

13 CREDITORS.

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	11,833	46,875	-	-
Other loans	227,500	222,500	-	-
Net obligations under finance leases and hire purchase contracts	58,203	85,748	-	-
Trade creditors	2,017,432	2,707,267	-	81,302
Amounts owed to group undertakings	-	-	286,798	322,673
Corporation tax	205,637	333,297	-	271,221
Social security and other taxes	655,688	637,164	-	10,853
Proceeds of factored debts	1,161,891	1,547,618	-	-
Other creditors	148,932	83,644	-	-
Accruals and deferred income	699,033	614,969	-	-
	<u>5,186,149</u>	<u>6,279,082</u>	<u>286,798</u>	<u>686,049</u>

The bank loan and overdrafts are secured by a fixed and floating charge over the assets of the group

Finance lease and hire purchase creditors are secured on the assets concerned

Proceeds of factored debts are secured on the trade debtors concerned

14 CREDITORS:

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Other loans	70,000	297,500	-	-
Net obligations under finance leases and hire purchase contracts	18,449	70,451	-	-
	<u>88,449</u>	<u>367,951</u>	<u>-</u>	<u>-</u>

Other loans are repayable over 3 years Interest is charged on other loans between 1 25% and 2% above the base rate

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	18,449	70,451	-	-

Finance lease and hire purchase creditors are secured on the assets concerned

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year/period	27,677	-	-	-
Movement in the period	4,641	27,677	-	-
At end of year/period	<u>32,318</u>	<u>27,677</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Depreciation in excess of capital allowances	28,983	18,574	-	-
Losses carried forward	-	5,012	-	-
Short term timing differences	3,335	4,091	-	-
	<u>32,318</u>	<u>27,677</u>	<u>-</u>	<u>-</u>

16 PROVISIONS

Group	Dilapidation provision £	Warranty provision £	Total £
At 1 January 2012	221,721	98,482	320,203
Utilised in the year	-	(9,085)	(9,085)
At 31 December 2012	<u>221,721</u>	<u>89,397</u>	<u>311,118</u>

Dilapidation provision

In accordance with the terms of the leases of the properties from which the group operates the group is contractually obliged to return the property into the condition it was in when the leases were entered into. Each year the directors assess, after taking professional advice as necessary, the extent of the costs which would be required to comply with the terms of the lease at the balance sheet date i.e. those arising as a result from operating from the building in the past and a provision is made to cover those costs. The provision is expected to be utilised over the next 3 - 7 years.

Warranty provision

Warranty provisions are made against specific product lines, the provision represents estimated costs to rectify production issues. The provisions are expected to be utilised over the next 1 - 2 years.

The provisions are not discounted as the directors do not consider the effect of discounting to be material to the financial statements.

Company

The Company has no provisions.

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17. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
28,573 Ordinary shares shares of £1 each	28,573	28,573
301 A Ordinary shares shares of £1 each	301	-
	28,874	28,573

Each ordinary shares entitles the holder to one vote and to participate in dividends declared by the company. Each ordinary A share entitles the shareholder to one vote but does not carry capital or dividend rights.

18. RESERVES

	Merger reserve £	Profit and loss account £
Group		
At 1 January 2012	1,833,049	733,916
Profit for the year	-	106,578
At 31 December 2012	1,833,049	840,494
Company		
At 1 January 2012 and 31 December 2012	1,833,049	733,916

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

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19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
Group	£	£
Opening shareholders' funds	2,595,538	-
Profit for the year/period	106,578	733,916
Shares issued during the year/period	301	28,573
Merger reserve arising on shares issued	-	1,833,049
Closing shareholders' funds	2,702,417	2,595,538
	2012	2011
Company	£	£
Opening shareholders' funds	2,595,538	-
Profit for the year/period	-	733,916
Shares issued during the year/period	301	28,573
Merger reserve arising on shares issued	-	1,833,049
Closing shareholders' funds	2,595,839	2,595,538

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/period dealt with in the accounts of the company was £NIL (2011 - £733,916)

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 December	15 months ended
	2012	31 December
	£	2011
Operating profit	359,357	1,005,137
Amortisation of intangible fixed assets	237,228	-
Depreciation of tangible fixed assets	201,339	-
Profit on disposal of tangible fixed assets	(17,787)	-
Decrease in stocks	437,039	-
Increase in debtors	131,751	414,828
Increase in creditors	(521,958)	(1,409,349)
Decrease in provisions	(9,085)	-
Net cash inflow from operating activities	817,884	10,616

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 December 2012 £	15 months ended 31 December 2011 £
Returns on investments and servicing of finance		
Interest received	51	-
Interest paid	(42,749)	-
Hire purchase interest	(17,271)	-
Net cash outflow from returns on investments and servicing of finance	(59,969)	-
	31 December 2012 £	15 months ended 31 December 2011 £
Corporation tax	(325,111)	-
	31 December 2012 £	15 months ended 31 December 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(84,668)	-
Sale of tangible fixed assets	23,735	-
Net cash outflow from capital expenditure	(60,933)	-
	31 December 2012 £	15 months ended 31 December 2011 £
Acquisitions and disposals		
Cash acquired on acquisition of subsidiaries	-	457,475

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

	31 December 2012 £	15 months ended 31 December 2011 £
Financing		
Issue of ordinary shares	-	1
Repayment of bank loans	(46,875)	-
Repayment of other loans	(222,500)	-
Repayment of finance leases	(79,547)	-
Net cash (outflow)/inflow from financing	(348,922)	1

22 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	468,092	(350,945)	-	117,147
Bank overdraft	-	(11,833)	-	(11,833)
Proceeds of factored debts	(1,547,618)	385,727	-	(1,161,891)
	<u>(1,079,526)</u>	<u>22,949</u>	<u>-</u>	<u>(1,056,577)</u>
Finance leases	(156,199)	79,547	-	(76,652)
Debts due within one year	(269,375)	269,375	(227,500)	(227,500)
Debts falling due after more than one year	(297,500)	-	227,500	(70,000)
Net debt	(1,802,600)	371,871	-	(1,430,729)

23 PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £179,634 (2011 - £Nil). Contributions totalling £6,501 (2011 - £8,366) were payable to the fund at the balance sheet date and are included in other creditors.

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

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24. OPERATING LEASE COMMITMENTS

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within 1 year	-	27,591
Between 2 and 5 years	205,250	120,186
After more than 5 years	160,140	203,000

25. RELATED PARTY TRANSACTIONS

Group related party transactions

Rental amounts were paid by the company to I R Oscroft's pension scheme, I R Oscroft is a director of Whitemeadow Group Holdings Limited (formerly SPH 13910 Limited) The annual rent paid to I R Oscroft's pension scheme is £41,140 (2011 - £41,140) There were no amounts outstanding at the year end (2011 - £nil)

The group entered into transactions with Momento Furniture Designs Limited, a company in which D J E Scully, a director of Whitemeadow Group Holdings Limited, is a director The group made sales of £624,616 (2011 - £NIL) to Momento Furniture Designs Limited, and at the year end was owed £55,060 (2011 - £70,473) which is included within trade debtors

Company related party transactions

On 31 December 2011 the company acquired 100% of the share capital of Whitemeadow Furniture Limited Accordingly, the company has taken advantage of the exemption in paragraph 3 of FRS 8 from disclosing transactions with other wholly owned members of the group from that date

Prior to the acquisition of 100% of Whitemeadow Furniture Limited's share capital by the company the companies were related through common control In the prior period, prior to the acquisition, the company made sales of £6,010,512 to Whitemeadow Furniture Limited, and purchases of £1,209,764 from W M Frames Limited, a wholly owned subsidiary of Whitemeadow Furniture Limited

26. CONTROLLING PARTY

In the opinion of the directors the controlling and ultimate controlling party is I R Oscroft by way of majority share ownership

WHITEMEADOW GROUP HOLDINGS LIMITED (FORMERLY SPH13910 LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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27. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Whitemeadow Furniture Limited	United Kingdom	100%	Ordinary
W M Frames Limited	United Kingdom	100%	Ordinary

W M Frames Limited is a 100% subsidiary undertaking of Whitemeadow Furniture Limited

The principal activity of Whitemeadow Furniture Limited is the design, manufacture and sale of upholstered furniture

The principal activity of WM Frames Limited is the manufacture of wooden frames for use by its immediate parent company, Whitemeadow Furniture Limited

The profit after tax in respect of Whitemeadow Furniture Limited and W M Frames Limited in the current accounting period was £105,920 and £357 respectively