

D M DESIGN BEDROOMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2012

Company Registration Number SC089938

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D M DESIGN BEDROOMS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

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D M DESIGN BEDROOMS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2012

The board of directors	D MacLeod E A MacLeod
Company secretary	E A MacLeod
Business address	1 Deerdykes Place Westfield Industrial Area Cumbernauld Glasgow G68 9HE
Registered office	1 Deerdykes Place Westfield Industrial Area Cumbernauld Glasgow G68 9HE
Auditor	RSM Tenon Audit Limited 48 St Vincent Street Glasgow G2 5TS
Accountants	RSM Tenon Limited Accountants and Business Advisers 48 St Vincent Street Glasgow G2 5TS
Bank	Bank of Scotland Gordon Street Glasgow G1 3RS
Solicitors	DWF Biggart Baillie 310 St Vincent Street Glasgow G2 5QR

D M DESIGN BEDROOMS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2012

The directors present their report and the financial statements of the company for the year ended 31 January 2012.

Principal activity and business review

The principal activity of the company during the year was that of designers, manufacturers and installers of kitchens, bedroom furniture and bathrooms.

The company's turnover for the year decreased by 4.6% to £17.6m. Pre-tax profits decreased compared to the prior year from £381,001 to £315,077.

At the year end the company had shareholders funds of £1,429,219 and distributable profits of £216,590.

The directors have assessed the main risk facing the company as being the downturn in the economy and subsequent reduction in sales. The directors believe that the sales and marketing strategies employed will help mitigate this risk and the directors hope to see future growth and satisfactory trading results in the forthcoming financial year.

Results and dividends

The profit for the year, after taxation, amounted to £229,859. Particulars of dividends paid are detailed in note 8 to the financial statements.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and other loans therefore its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

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

D MacLeod
E A MacLeod

Directors' responsibilities

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

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

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2012

Directors' responsibilities *(continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Donations

During the year the company made the following contributions:

	2012	2011
	£	£
Charitable	<u>11,660</u>	<u>15,471</u>

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirement of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has continued through regular meetings and consultation held between management and employees. This facilitates a free flow of information and ideas on matters of concern to the employees and allows the views and concerns of the employees to be taken into account when decisions are being made which are likely to affect their interests. Additionally, this encourages the involvement of the employees in the company's performance and achieves a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

D M DESIGN BEDROOMS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JANUARY 2012

Auditor

A resolution to reappoint RSM Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting.

Signed on behalf of the directors



.....
E A MacLeod
Company Secretary

Approved by the directors on 28/09/12

D M DESIGN BEDROOMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D M
DESIGN BEDROOMS LIMITED
YEAR ENDED 31 JANUARY 2012

We have audited the financial statements of D M Design Bedrooms Limited for the year ended 31 January 2012 on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

D M DESIGN BEDROOMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D M
DESIGN BEDROOMS LIMITED *(continued)*
YEAR ENDED 31 JANUARY 2012

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

David Holt, Senior Statutory Auditor
For and on behalf of



RSM Tenon Audit Limited
Statutory Auditor
48 St Vincent Street
Glasgow
G2 5TS

28/09/12

D M DESIGN BEDROOMS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2012

	Note	2012 £	2011 £
Turnover	2	17,561,456	18,409,989
Cost of sales		(13,351,551)	(14,237,748)
Gross profit		4,209,905	4,172,241
Administrative expenses		(3,883,113)	(3,771,766)
Operating profit	3	326,792	400,475
Interest payable and similar charges	6	(11,715)	(19,474)
Profit on ordinary activities before taxation		315,077	381,001
Tax on profit on ordinary activities	7	(85,218)	(58,664)
Profit for the financial year		<u>229,859</u>	<u>322,337</u>

All of the activities of the company are classed as continuing.

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

D M DESIGN BEDROOMS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 JANUARY 2012

	2012 £	2011 £
Profit for the financial year attributable to the shareholders	229,859	322,337
Unrealised profit on revaluation of certain fixed assets	—	632,912
Total gains and losses recognised since the last annual report	<u>229,859</u>	<u>955,249</u>

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

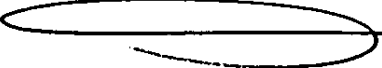
D M DESIGN BEDROOMS LIMITED

Registered Number SC089938

BALANCE SHEET**31 JANUARY 2012**

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	9	45,000	48,750
Tangible assets	10	3,044,339	2,472,517
		<u>3,089,339</u>	<u>2,521,267</u>
Current assets			
Stocks	11	513,509	279,998
Debtors	12	1,186,974	1,153,122
Cash at bank and in hand		330,077	452,543
		<u>2,030,560</u>	<u>1,885,663</u>
Creditors: Amounts falling due within one year	13	(3,258,502)	(2,731,031)
Net current liabilities		<u>(1,227,942)</u>	<u>(845,368)</u>
Total assets less current liabilities		<u>1,861,397</u>	<u>1,675,899</u>
Creditors: Amounts falling due after more than one year	14	(432,178)	(153,662)
		<u>1,429,219</u>	<u>1,522,237</u>
Capital and reserves			
Called-up share capital	19	10,000	10,000
Revaluation reserve	20	1,202,629	1,202,629
Profit and loss account	21	216,590	309,608
Shareholders' funds	22	<u>1,429,219</u>	<u>1,522,237</u>

These financial statements were approved by the directors and authorised for issue on 28/09/12 and are signed on their behalf by:


D MacLeod

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

D M DESIGN BEDROOMS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2012

	Note	2012		2011	
		£	£	£	£
Net cash inflow from operating activities	23		723,540		1,276,622
Returns on investments and servicing of finance					
Interest paid		—		(11,057)	
Interest element of hire purchase		(11,715)		(8,417)	
Net cash outflow from returns on investments and servicing of finance			(11,715)		(19,474)
Taxation			(7,437)		(131,584)
Capital expenditure					
Payments to acquire tangible fixed assets		(447,305)		(90,241)	
Receipts from sale of fixed assets		29,633		28,501	
Net cash outflow from capital expenditure			(417,672)		(61,740)
Equity dividends paid			(322,877)		(370,000)
Cash (outflow)/inflow before financing			(36,161)		693,824
Financing					
Net outflow from other loans		—		(500,000)	
Capital element of hire purchase		(86,305)		(114,237)	
Movement in director loans		—		(189,094)	
Net cash outflow from financing			(86,305)		(803,331)
Decrease in cash	23		(122,466)		(109,507)

During the year the company entered into hire purchase agreements with a capital value at inception of £519,278 (2011 - £209,150).

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, excluding Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the products have been transferred to the customer.

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition (being the cash paid and the fair value of other consideration given) over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life of 20 years.

Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit, and is reviewed on annual basis.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the estimated useful economic life of that asset as follows:

Goodwill	- over 20 years
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Fixed assets

Other than heritable property, tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

The company's heritable property is shown at market value in the financial statements with any surplus over the cost being transferred to a revaluation reserve; where revaluation is less than cost and is considered to be permanent in nature, the shortfall is charged to the profit and loss account. Where the fall in value is considered to be temporary, any adjustment is taken to the revaluation reserve.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset over the useful economic life of that asset as follows:

Heritable Property	- not provided
Plant and Machinery	- 15% on cost
Fixtures, Fittings and Equipment	- 15%-25% on cost
Motor Vehicles	- 25% on cost

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies *(continued)*

Depreciation is not provided on heritable property as it is the opinion of the directors that the residual value of the property is sufficiently high to make any depreciation charge immaterial. In accordance with Financial Reporting Standard 15 an annual impairment review under Financial Reporting Standard 11 will be performed.

Stocks

Stock is valued at lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the purchase price of raw materials and finished goods and includes the normal cost of transporting stock to its present location and condition.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

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

Deferred tax assets are recognised only to the extent that the directors consider it 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 recognised have not been discounted.

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

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	17,561,456	18,409,989

3. Operating profit

Operating profit is stated after charging/(crediting):

	2012 £	2011 £
Amortisation	3,750	3,750
Depreciation of owned fixed assets	165,799	201,355
Depreciation of assets held under hire purchase agreements	191,154	56,823
Loss/(profit) on disposal of fixed assets	8,175	(224)
Auditors remuneration	7,850	7,850
Operating lease costs: plant and machinery	299,670	245,174
: land and buildings	360,926	328,656

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

4. Particulars of employees

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

	2012 No	2011 No
Number of sales and distribution staff	547	650
Number of administrative staff	16	17
	<u>563</u>	<u>667</u>

The aggregate payroll costs of the above were:

	2012 £	2011 £
Wages and salaries	4,661,692	5,121,162
Social security costs	273,238	307,262
	<u>4,934,930</u>	<u>5,428,424</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2012 £	2011 £
Remuneration receivable	<u>56,089</u>	<u>53,862</u>

6. Interest payable and similar charges

	2012 £	2011 £
Finance charges	11,715	8,417
Other similar charges payable	—	11,057
	<u>11,715</u>	<u>19,474</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
UK Corporation tax	85,218	80,281
Over provision in prior year	—	(21,617)
	<u>85,218</u>	<u>58,664</u>

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011 - 28%).

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>315,077</u>	<u>381,001</u>
Profit on ordinary activities by rate of tax	81,920	106,680
Effects of:		
Expenses not deductible for tax purposes	12,913	525
Depreciation for period in excess of capital allowances	6,245	(6,940)
Tax chargeable at different rates	(15,860)	(19,984)
Adjustments to tax charge in respect of previous periods	-	(21,617)
Total current tax (note 7(a))	<u>85,218</u>	<u>58,664</u>

(c) Factors that may affect future tax charges

In accordance with the company's accounting policy, no provision has been made for deferred tax on gains recognised on revaluing property to its market value. The total amount unprovided is £225,000.

8. Dividends

Equity dividends

	2012	2011
	£	£
Paid during the year		
Equity dividends on ordinary shares	<u>322,877</u>	<u>370,000</u>

9. Intangible fixed assets

	Goodwill
	£
Cost	
At 1 February 2011 and 31 January 2012	<u>75,000</u>
Amortisation	
At 1 February 2011	26,250
Charge for the year	3,750
At 31 January 2012	<u>30,000</u>
Net book value	
At 31 January 2012	<u>45,000</u>
At 31 January 2011	<u>48,750</u>

Goodwill arose on the acquisition of a kitchen supplier in the north of England.

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

10. Tangible fixed assets

	Heritable Property £	Plant and Machinery £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost or valuation					
At 1 February 2011	1,850,000	763,565	1,002,833	329,562	3,945,960
Additions	219,995	119,354	51,961	575,273	966,583
Disposals	—	—	(222,649)	(189,395)	(412,044)
At 31 January 2012	<u>2,069,995</u>	<u>882,919</u>	<u>832,145</u>	<u>715,440</u>	<u>4,500,499</u>
Depreciation					
At 1 February 2011	—	457,512	757,407	258,524	1,473,443
Charge for the year	—	92,459	103,251	161,243	356,953
On disposals	—	—	(222,523)	(151,713)	(374,236)
At 31 January 2012	<u>—</u>	<u>549,971</u>	<u>638,135</u>	<u>268,054</u>	<u>1,456,160</u>
Net book value					
At 31 January 2012	<u>2,069,995</u>	<u>332,948</u>	<u>194,010</u>	<u>447,386</u>	<u>3,044,339</u>
At 31 January 2011	<u>1,850,000</u>	<u>306,053</u>	<u>245,426</u>	<u>71,038</u>	<u>2,472,517</u>

The factory and office buildings were valued on an open market basis in March 2011 by CAPA, a RICS firm of Property Advisers. Subsequent additions are included at cost. The directors are not aware of any other material change in the valuations. If this property was sold at valuation, a corporation tax liability of approximately £215,000 would arise.

An impairment review under Financial Reporting Standard 11 was carried out, with the result that there is no evidence that the value of the heritable property is impaired.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2012 £	2011 £
Net book value at end of year	<u>2,069,995</u>	<u>1,850,000</u>
Historical cost:		
At 1 February 2011	647,371	599,922
Cost of additions to revalued assets brought forward	219,995	47,449
At 31 January 2012	<u>867,366</u>	<u>647,371</u>

Hire purchase agreements

Included within the net book value of £3,044,339 is £673,522 (2011 - £241,050) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £191,154 (2011 - £56,823).

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

11. Stocks

	2012 £	2011 £
Raw materials	475,412	234,781
Work in progress	38,097	45,217
	<u>513,509</u>	<u>279,998</u>

12. Debtors

	2012 £	2011 £
Trade debtors	292,993	215,639
Other debtors	258,951	243,721
Directors loan account	243,659	273,413
Prepayments and accrued income	391,371	420,349
	<u>1,186,974</u>	<u>1,153,122</u>

13. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	892,409	860,644
Corporation tax	205,335	127,554
PAYE and social security	522,904	527,802
Hire purchase agreements	205,642	51,185
Other creditors	545,124	434,952
Accruals and deferred income	887,088	728,894
	<u>3,258,502</u>	<u>2,731,031</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2012 £	2011 £
Hire purchase agreements	<u>205,642</u>	<u>51,185</u>

Hire purchase agreements are secured over the assets to which they relate.

14. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Hire purchase agreements	<u>432,178</u>	<u>153,662</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2012 £	2011 £
Hire purchase agreements	<u>432,178</u>	<u>153,662</u>

Hire purchase agreements are secured over the assets to which they relate.

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	226,776	59,120
Amounts payable between 2 to 5 years	476,724	181,910
	<u>703,500</u>	<u>241,030</u>
Less interest and finance charges relating to future periods	(65,680)	(36,183)
	<u>637,820</u>	<u>204,847</u>
Hire purchase agreements are analysed as follows:		
Current obligations	205,642	51,185
Non-current obligations	432,178	153,662
	<u>637,820</u>	<u>204,847</u>

16. Commitments under operating leases

At 31 January 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	Land and buildings
	2012	2011
	£	£
Operating leases which expire:		
Within 1 year	61,585	158,446
Within 2 to 5 years	119,222	64,919
After more than 5 years	50,000	40,000
	<u>230,807</u>	<u>263,365</u>

17. Transactions with the directors

The amounts due from the directors and maximum overdrawn balance during the year were as follows:

	At 31 January 2012	At 31 January 2011	Maximum Balance
	£	£	£
D MacLeod	232,659	262,413	262,413
E A MacLeod	11,000	11,000	11,000
	<u>243,659</u>	<u>273,413</u>	<u>273,413</u>

During the year, cars were transferred into the business with a value of £30,000 which reduced the balance on D. MacLeod's director's account.

D M DESIGN BEDROOMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

18. Related party transactions

During the year the company was charged rent of £18,000 (2011 - £18,000) by the DM Design Bedrooms Limited FURBS in respect of premises in Edinburgh, additionally the company was charged rent of £49,167 (2011 - £40,000) by the DM Design Bedrooms Limited FURBS in respect of premises in Kirkcaldy.

During the year dividends of £32,333 (2011 - £10,000) were accrued to the DM Design Bedrooms Limited FURBS. Total accrued at the year end is £42,333 (2011 - £10,000).

Interest of £22,380 (2011 - £22,380) is payable to the Donald MacLeod Retirement Benefits Scheme and £22,380 (2011 - £22,380) to the Elizabeth Ann MacLeod Retirement Benefits Scheme for loans in previous years and has been accrued.

During the year dividends of £145,272 (2011 - £180,000) were paid to each of the directors.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

19. Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

20. Revaluation reserve

	2012	2011
	£	£
Balance brought forward	1,202,629	569,717
Revaluation of fixed assets	<u>-</u>	<u>632,912</u>
Balance carried forward	<u>1,202,629</u>	<u>1,202,629</u>

21. Profit and loss account

	2012	2011
	£	£
Balance brought forward	309,608	357,271
Profit for the financial year	229,859	322,337
Equity dividends	<u>(322,877)</u>	<u>(370,000)</u>
Balance carried forward	<u>216,590</u>	<u>309,608</u>

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22. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	229,859	322,337
Other net recognised gains and losses	—	632,912
Equity dividends	(322,877)	(370,000)
Net (reduction)/addition to shareholders' funds	(93,018)	585,249
Opening shareholders' funds	1,522,237	936,988
Closing shareholders' funds	<u>1,429,219</u>	<u>1,522,237</u>

23. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	326,792	400,475
Amortisation	3,750	3,750
Depreciation	356,953	258,178
Loss/(profit) on disposal of fixed assets	8,175	(224)
(Increase)/decrease in stocks	(233,511)	236,206
(Increase)/decrease in debtors	(33,852)	18,346
Increase in creditors	295,233	359,891
Net cash inflow from operating activities	<u>723,540</u>	<u>1,276,622</u>

Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Decrease in cash in the period	(122,466)	(109,507)
Net cash outflow from other loans	—	500,000
Cash outflow in respect of hire purchase	<u>86,305</u>	<u>114,237</u>
Change in net debt resulting from cash flows	(36,161)	504,730
New hire purchase agreements	(519,278)	(209,150)
Movement in net debt in the period	(555,439)	295,580
Net funds at 1 February 2011	247,696	(47,884)
Net debt at 31 January 2012	<u>(307,743)</u>	<u>247,696</u>

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23. Notes to the statement of cash flows (continued)

Analysis of changes in net debt

	At 1 February 2011 £	Cash flows £	Other changes £	At 31 January 2012 £
Net cash:				
Cash in hand and at bank	452,543	(122,466)	—	330,077
Debt:				
Hire purchase agreements	(204,847)	86,305	(519,278)	(637,820)
Net debt	<u>247,696</u>	<u>(36,161)</u>	<u>(519,278)</u>	<u>(307,743)</u>

During the year the company entered into hire purchase agreements with a capital value at inception of £519,278 (2011 - £209,150).

24. Ultimate controlling party

The company is controlled by its directors, by virtue of their shareholdings throughout the current and previous year.