



**R.H.Miller (Group) Limited
and its subsidiary undertakings**

Registered Number: SC232276

Report and Financial Statements

For the year ended 31 January 2012



R.H.Miller (Group) Limited
Financial Statements
For the year ended 31 January 2012

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R.H.Miller (Group) Limited

Group Information

As at 31 January 2012

Director

R H Miller

Secretary

D H Miller

Registered Office

Fordel
Lauder road
Dalkeith
EH22 2PH

Registered Number

SC232276

Auditors

Scott-Moncrieff
Chartered Accountants
Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Principal Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

R.H.Miller (Group) Limited

Director's Report

For the year ended 31 January 2012

The director presents his report and the audited financial statements of the company and group for the year ended 31 January 2012.

Principal activities

R.H.Miller (Group) Ltd is the parent holding company of a group of company's engaged in the business of selling and distributing a complete range of products and services for the Agricultural, Equestrian, Garden and Pet markets as well as petrol retailing.

Review of the business

The Director is able to report a profit before tax of £10k (2011: £23k) in the face of very difficult trading. Trade suffered in the Agricultural division due to an early spring and mild winter and the Leisure division was similarly affected by the mild weather and the continuing economic recession.

Turnover for the year was down £494k (5%), as we followed the national trend in declining fuel sales and felt the impact of subdued consumer confidence which is currently being felt across the whole retail sector. During the year we made a conscious effort to reduce stock holdings and this resulted in a reduction in our margins with Gross Profit falling by £148k (10%) on last year. We continue to focus the business on stock mix, pricing and the successful introduction of new product lines.

Group management focussed its efforts on ensuring value for money during the year which resulted in the identification of costs which were removed from the business and this will continue to be the case as the management team continue their efficiency drive throughout the company.

Capital expenditure during the year was mostly on replacing our fleet of vehicles which continue to provide a first class delivery service to our customer base. Throughout the year substantial progress was made in updating our IT infrastructure with upgrades to both the point of sale and the back office finance system. These went live in early February 2012.

Looking forward to 2012/2013, it looks like being another difficult year for most businesses. The banks will continue to squeeze facilities for small companies and look to refinance wherever possible, however we have started a review of our asset utilisation which we are hopeful will enable us to place less reliance on external funding and enable us to invest in our infrastructure and our people. We have improved our retail experience at Fordel by moving from temporary accommodation to Fordel Mill situated next door to our Petrol station. This has improved the visibility of our offering and now gives customers an opportunity to browse in more pleasant surroundings.

We have commenced a project, supported by Scottish Enterprise, which will focus on getting our online offering more established and are hopeful that this will bear fruit over the coming year.

R.H.Miller (Group) Limited
Director's Report - continued
For the year ended 31 January 2012

Future developments

The director has considered the future prospects of the company and group, and is optimistic about the profitable performance of the company.

Dividends

The director does not recommend the payment of a dividend for the year.

Director

The director during the year was Mr R.H.Miller.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the company and the group 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.
- state where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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.

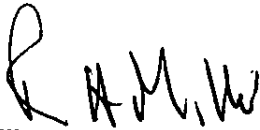
R.H.Miller (Group) Limited
Director's Report - continued
For the year ended 31 January 2012

Disclosure of information to auditors

As far as each of the director at the time the report is approved is aware:

- there is no relevant information of which the company's auditors are unaware.
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of the information.

This report was approved by the director on 19 April 2012

A handwritten signature in black ink, appearing to read 'R.H. Miller', is written above the printed name.

Mr R.H.Miller
Director

R.H.Miller (Group) Limited

Independent Auditors' Report to the Shareholders

Independent auditor's report to the shareholders of R.H.Miller (Group) Limited.

We have audited the financial statements of the group and parent company financial statements (the "financial statements") of R.H.Miller (Group) Limited for the year ended 31 January 2012 which are set out on pages 7 to 20. 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 shareholders as a body, in accordance with Sections 495 and 496 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 shareholders 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 Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 the director; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 January 2012 and of the group's results 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 Director's Report for the year which the financial statements are prepared is consistent with the financial statements.

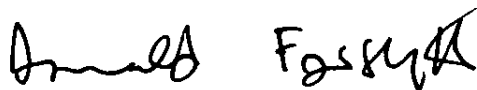
R.H.Miller (Group) Limited

**Independent Auditors' Report to the shareholders of R.H. Miller (Group) Limited
– continued**

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.



**Donald Forsyth (Senior Statutory Auditor)
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL**

Date: 19 April 2012

R.H.Miller (Group) Limited
Group Profit and Loss Account
For the year ended 31 January 2012

	Notes	2012 £	2011 £
Turnover		8,886,850	9,380,880
Cost of Sales		(7,580,759)	(7,926,135)
Gross Profit		1,306,091	1,454,745
Administrative expenses		(1,266,880)	(1,438,097)
Other operating income	2	15,293	47,039
Operating profit	3	54,504	63,687
Investment income and interest receivable		4,877	25,608
Interest payable and similar charges	4	(49,450)	(66,167)
Profit on ordinary activities before taxation		9,931	23,128
Tax on profit on ordinary activities	6	6,999	(13,867)
Profit on ordinary activities after taxation		16,930	9,261

Total recognised gains and losses

None of the group's activities were acquired or discontinued during the above two years.

There were no recognised gains or losses for the above two financial years other than those included in the profit or loss account.

The notes on pages 11 to 20 form part of these financial statements

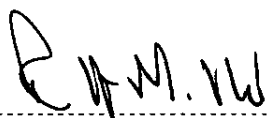
R.H.Miller (Group) Limited

Group Balance Sheet

As at 31 January 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		<u>2,003,300</u>		<u>2,066,419</u>
Current assets					
Stock	9	720,235		819,283	
Debtors	10	353,111		484,365	
Cash at bank and in hand		23,921		2,132,130	
		<u>1,097,267</u>		<u>3,435,778</u>	
Creditors: Amounts falling due within one year	11	<u>(1,264,298)</u>		<u>(3,421,814)</u>	
Net current assets			<u>(167,031)</u>		<u>13,964</u>
Total assets less current liabilities			<u>1,836,269</u>		<u>2,080,383</u>
Creditors: Amounts falling due after more than one year	12		<u>(1,120,437)</u>		<u>(1,374,482)</u>
Provision for deferred tax	13		<u>(5,190)</u>		<u>(12,189)</u>
Net assets			<u><u>710,642</u></u>		<u><u>693,712</u></u>
Capital and reserves					
Called up equity share capital	14		90,002		90,002
Profit and loss account	15		620,640		603,710
Total shareholders' funds	16		<u><u>710,642</u></u>		<u><u>693,712</u></u>

These financial statements were authorised for issue by the director on 19 April 2012 and signed by:



Mr R.H.Miller
Director

The notes on pages 11 to 20 form part of these financial statements

R.H.Miller (Group) Limited

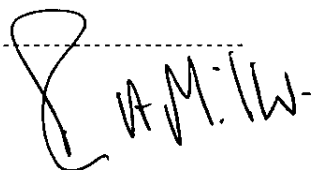
Company Balance Sheet

As at 31 January 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		1,820,212		1,903,704
Investments	8		90,002		90,002
			<u>1,910,214</u>		<u>1,993,706</u>
Current assets					
Debtors	10	15,600		158,274	
		<u>15,600</u>		<u>158,274</u>	
Creditors: Amounts falling due within one year	11	(323,751)		(448,366)	
		<u>(323,751)</u>		<u>(448,366)</u>	
Net current liabilities			(308,151)		(290,092)
Total assets less current liabilities			<u>1,602,063</u>		<u>1,703,614</u>
Creditors: Amounts falling due after more than one year	12		(943,768)		(1,045,319)
Provision for liabilities	13		(1,279)		(1,279)
			<u>(1,279)</u>		<u>(1,279)</u>
Net assets			<u>657,016</u>		<u>657,016</u>
Capital and reserves					
Called up share capital	14		90,002		90,002
Profit and loss account	15		567,014		567,014
			<u>657,016</u>		<u>657,016</u>
Total shareholders' funds	16		<u>657,016</u>		<u>657,016</u>

These financial statements were authorised for issue by the director on 19 April 2012 and signed by:

Mr R.H.Miller
Director



Company Registration No: SC232276

The notes on pages 11 to 20 form part of these financial statements

R.H.Miller (Group) Limited
Group Cash Flow Statement
For the year ended 31 January 2012

	Notes	2012 £	2011 £
Operating activities			
Net cash flow from operating activities	19a	207,175	(33,308)
Returns on investments and servicing of finance			
Interest received		4,877	25,608
Interest paid		(49,450)	(66,167)
Net cash flow from returns on investment and servicing of finance		(44,573)	(40,559)
Taxation		(12,403)	(18,228)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(6,839)	(614,826)
Proceeds from disposals of tangible fixed assets		148,446	
Net cash flow from capital expenditure and financial investment		141,607	(614,826)
Financing			
Loans drawn		-	427,028
Repayment of loans		(317,403)	(43,369)
Net cash flow from financing		(317,403)	383,659
Net cash flow for year			

The notes on pages 11 to 20 form part of these financial statements

R.H.Miller (Group) Limited
Notes to the Financial Statements
For the year ended 31 January 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable UK accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and subsidiary undertaking for the financial year. No profit and loss account has been prepared for the company as provided by Section 408 of the Companies Act 2006.

Turnover

Turnover comprises of the value of goods and services provided during the year, net of value added tax.

Pension costs

The company operates a defined contribution scheme in respect of its employees. The assets of the scheme are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated 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:

Heritable properties	- between 15-50 years
Plant and equipment	- 10% - 33.3% straight line
Motor vehicles	- 25% straight line

Investments

Fixed asset investments are stated at cost, less any provision required where there has been a permanent diminution in their value.

Operating leases

Costs in respect of operating leases are charge on a straight line basis over the lease term.

Deferred tax

Provision is made in full for all taxation deferred in respect of timing differences that have originated by not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not they will be recovered.

Leasing and hire purchase commitments

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 in each period.

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued
For the year ended 31 January 2012

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks. Cost included all direct costs and an appropriate proportion of fixed and variable overheads.

2. Other operating income

	2012	2011
	£	£
Sundry income	9,250	9,250
Commission receivable	6,043	17,910
Rent receivable	-	19,879
	<u>15,293</u>	<u>47,039</u>

3. Group operating profit

The group operating profit is stated

After charging:

	2012	2011
	£	£
Depreciation of fixed assets	110,442	113,604
Gain on disposal of tangible fixed assets	136,257	-
Pension costs	16,218	18,304
Auditors' remuneration	14,200	19,200
	<u>476,917</u>	<u>251,112</u>

4. Interest payable and similar charges

	2012	2011
	£	£
Finance lease and hire purchase contracts	1,176	3,673
Bank interest	48,274	62,494
	<u>49,450</u>	<u>66,167</u>

R.H.Miller (Group) Limited

Notes to the Financial Statements - continued

For the year ended 31 January 2012

5. Information on directors and employees

	2012	2011
	£	£
Staff costs		
Wages and salaries	648,762	668,443
Social security	52,088	45,568
Other pension costs	21,523	24,715
	<u>722,373</u>	<u>738,726</u>

The average number of employees during the year was 44 (2011: 43)
All of the company's employees work within office and management

	2012	2011
	£	£
Directors' remuneration		
Emoluments	4,052	20,942
	<u>4,052</u>	<u>20,942</u>

6. Tax on profit on ordinary activities

	2012	2011
	£	£
UK corporation tax – current year	-	12,400
UK corporation tax – prior year	-	1,467
Deferred taxation	(6,999)	-
	<u>(6,999)</u>	<u>13,867</u>

The tax assessed for the year differs from the standard rate of tax as follows:
Profit on ordinary activities before tax

	2012	2011
	£	£
Profit on ordinary activities before tax	9,931	23,128
	<u>9,931</u>	<u>23,128</u>
Tax on profit on ordinary activities at effective rate of tax 20% (2011: 21%)	1,986	4,857
Items not deductible for tax purposes	407	(8,441)
Depreciation in excess of capital allowances	(2,393)	15,984
	<u>-</u>	<u>12,400</u>

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued
For the year ended 31 January 2012

7. Tangible fixed assets

Group	Land and Buildings £	Motor Vehicles £	Plant and Equipment £	Total £
Cost:				
At 1 February 2011	2,288,043	126,830	809,950	3,224,823
Additions	-	71,774	10,876	82,650
Disposals	(37,597)	(61,650)	(219,449)	(318,696)
	<u>2,250,446</u>	<u>136,954</u>	<u>601,377</u>	<u>2,988,777</u>
Depreciation:				
At 1 February 2011	(384,338)	(95,694)	(678,372)	(1,158,404)
Charge for year	(57,255)	(26,395)	(26,792)	(110,442)
On disposals	11,359	56,983	215,027	283,369
	<u>(430,234)</u>	<u>(65,106)</u>	<u>(490,137)</u>	<u>(985,477)</u>
Net book value:				
At 31 January 2012	<u>1,820,212</u>	<u>71,848</u>	<u>111,240</u>	<u>2,003,300</u>
At 1 February 2011	<u>1,903,705</u>	<u>31,136</u>	<u>131,578</u>	<u>2,066,419</u>

Company	Land and Buildings £	Motor Vehicles £	Total £
Cost:			
At 1 February 2011	2,288,043	13,150	2,301,193
Additions	-	-	-
Disposals	(37,597)	(13,150)	(50,747)
	<u>2,250,446</u>	<u>-</u>	<u>2,250,446</u>
Depreciation:			
At 1 February 2011	(384,338)	(13,150)	(397,488)
Charge for year	(57,255)	-	(57,255)
On disposals	11,359	13,150	24,509
	<u>(430,234)</u>	<u>-</u>	<u>(430,234)</u>
At 31 January 2012	<u>1,820,212</u>	<u>-</u>	<u>1,820,212</u>
Net book value:			
At 31 January 2012	<u>1,820,212</u>	<u>-</u>	<u>1,820,212</u>
At 1 February 2011	<u>1,903,704</u>	<u>-</u>	<u>1,903,704</u>

R.H.Miller (Group) Limited

Notes to the Financial Statements - continued

For the year ended 31 January 2012

7. Tangible fixed assets (continued)

	Group	
	2012	2011
	£	£
Included above are assets held under hire purchase contracts as follows:		
Net book values:	<u>118,695</u>	<u>22,237</u>
Depreciation charge for the year:	<u>32,513</u>	<u>6,732</u>

Net obligations under hire purchase contracts are secured on the assets acquired. There were no assets held under hire purchase contracts in the company.

8. Investments held as fixed assets

	Company	
	2012	2011
	£	£
Shares in group undertakings	<u>90,002</u>	<u>90,002</u>

The company owns the issued share capital of R.H.Miller (Agricultural) Limited and R.H.Miller (Leisure) Limited. During the year to 31 January 2012, R.H.Miller (Agricultural) Limited made a profit of £3,937 (2011: £3,933) and R.H.Miller (Leisure) Limited made a profit of £12,993 (2011: £15,961). As at 31 January 2012 R.H.Miller (Agricultural) Limited had net assets of £27,675 (2011: £23,740) and R.H.Miller (Leisure) Limited had net asset of £115,950 (2011: £102,957).

9. Stocks

	Group	
	2012	2011
	£	£
Stock	<u>720,235</u>	<u>819,283</u>

	Company	
	2012	2011
	£	£
Stock	<u>-</u>	<u>-</u>

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued
For the year ended 31 January 2012

10. Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	321,865	437,474	-	-
Amounts due from group undertakings	-	-	14,768	158,274
Other debtors	-	-	-	-
Prepayments and accrued income	31,246	46,891	832	-
	<u>353,111</u>	<u>484,365</u>	<u>15,600</u>	<u>158,274</u>

11. Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	277,375	2,380,573	242,490	244,806
Trade creditors	802,687	778,699	-	-
Amounts owed to group undertakings	-	-	19,097	132,471
Finance lease and hire purchase	24,469	14,568	-	-
Director's loan account	60,000	60,000	60,000	60,000
Other taxes and social security costs	44,397	62,445	-	9,039
Other creditors	18,500	27,750	-	-
Accruals and deferred income	36,870	97,779	2,164	2,050
	<u>1,264,298</u>	<u>3,421,814</u>	<u>323,751</u>	<u>448,366</u>

Bank loans and overdrafts totalling £nil (2011: £2,075,124) for R.H.Miller (Leisure) Limited, £191,854 (2011: £380,756) for R.H.Miller (Agricultural) Limited and £959,292 (2011: £1,031,65) for R.H.Miller (Group) Limited are secured by a bond and floating charge over all the assets of the company. The bank loans and overdrafts are also secured by a cross guarantee between the company, R.H.Miller (Leisure) Limited and R.H.Miller (Agricultural) Limited.

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued

For the year ended 31 January 2012

12. Creditors: amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Director's loan account	226,966	258,471	226,966	258,471
Bank loans	873,771	1,106,962	716,802	786,848
Finance lease and hire purchase	19,700	9,049	-	-
	<u>1,120,437</u>	<u>1,374,482</u>	<u>943,768</u>	<u>1,045,319</u>

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts are due in the following periods:				
Between one and two years	329,739	375,997	279,210	305,544
Between two and five years	377,282	428,789	260,683	240,000
Five years or more	413,416	569,696	403,875	499,775
	<u>1,120,437</u>	<u>1,374,482</u>	<u>943,768</u>	<u>1,045,319</u>

13. Provision for liabilities

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Deferred tax provided in the financial statements is:				
Accelerated capital allowances	<u>5,190</u>	<u>12,189</u>	<u>1,279</u>	<u>1,279</u>

The movement in the deferred tax provision during the year was as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
As at 1 February 2011	12,189	12,189	1,279	1,279
Profit and loss account movement	(6,999)	-	-	-
As at 31 January 2012	<u>5,190</u>	<u>12,189</u>	<u>1,279</u>	<u>1,279</u>

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued
For the year ended 31 January 2012

14. Share capital

	2012 £	2011 £
Allotted, called up and fully paid:		
90,002 Ordinary shares of £1 each	<u>90,002</u>	<u>90,002</u>

15. Profit and loss account

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
As at 1 February 2011	603,710	594,449	567,014	577,648
Profit/(loss) for the year	16,930	9,261	-	(10,634)
As at 31 January 2012	<u>620,640</u>	<u>603,710</u>	<u>567,014</u>	<u>567,014</u>

16. Reconciliation of movements in shareholders' funds

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Profit/(loss) for the year	16,930	9,261	-	(10,634)
Opening shareholders' funds	693,712	684,451	657,016	667,650
Closing shareholders' funds	<u>710,642</u>	<u>693,712</u>	<u>657,016</u>	<u>657,016</u>

R.H.Miller (Group) Limited
Notes to the Financial Statements - continued
For the year ended 31 January 2012

17. Obligations under operating leases

	Group		Company	
The group's obligations are repayable as follows:	2012	2011	2012	2011
	£	£	£	£
Land and Buildings:				
Within one year	40,000	40,000	-	-
Between two and five years	-	-	-	-
Total land and buildings obligations	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Other Leases:				
Within one year	-	-	-	-
Between two and five years	-	-	-	-
Total other lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Obligations	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>

18. Cross guarantee

The company has a cross guarantee arrangement with the other group companies under which each company guarantees the obligations of the other to the group bankers with no limit.

At 31 January 2012 net group obligations amounted to £1,127,225 (2011: £1,355,405)

19. Notes to the cash flow statement

a. Reconciliation of operating profit to net cash flow from operating activities

	2012	2011
	£	£
Operating profit	54,504	63,687
Depreciation charges	110,442	113,604
Gain on disposal	(136,257)	-
Decrease/(increase) in stock	99,048	(160,283)
Decrease/(increase) in debtors	131,254	154,724
(Decrease)/increase in creditors	(51,816)	(205,040)
Net cash inflow/(outflow) from operating activities	<u>207,175</u>	<u>(33,308)</u>

R.H.Miller (Group) Limited

Notes to the Financial Statements - continued

For the year ended 31 January 2012

19. Notes to the cash flow statement (continued)

b. Analysis of changes in net debt

	Brought forward £	Cash flows £	Carried forward £
Cash at bank and in hand	2,132,130	(2,108,209)	23,921
Bank overdraft	(2,278,029)	2,082,612	(195,417)
	<u>(145,899)</u>	<u>(25,597)</u>	<u>(171,496)</u>
Debt due within one year	(117,112)	10,685	(106,427)
Debt due after more than one year	(1,374,482)	254,045	(1,120,437)
	<u>(1,637,493)</u>	<u>239,133</u>	<u>(1,398,360)</u>

c. Reconciliation of net cash flow to movement in debt

	2012 £	2011 £
Net cash movement	(25,597)	(323,262)
Change in debt financing	264,730	(413,801)
	<u>239,133</u>	<u>(737,063)</u>
Movement in net debt in the period	(1,637,493)	(900,430)
Net debt brought forward	<u>(1,398,360)</u>	<u>(1,637,493)</u>
Net debt carried forward	<u>(1,398,360)</u>	<u>(1,637,493)</u>

20. Related parties

The company is under the control of Mr R.H.Miller, the managing director and sole shareholder of R.H.Miller (Group) Limited. R.H.Miller (Group) Limited owns 100% of the issued share capital of R.H.Miller (Leisure) Limited and R.H.Miller (Agricultural) Limited. Exemption has therefore been taken under FRS 8 'Related Party Disclosures' from disclosing related party transactions between group companies.

21. Controlling Party

The company was under the control of Mr R.H.Miller throughout the period. Mr Miller is the managing director and owns 100% of the company's issued share capital.

22. Non-audit services

In common with many other companies of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.