

REGISTRARS COPY

ALH GROUP LIMITED
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2011

Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA



ALH GROUP LIMITED

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FOR THE YEAR ENDED 31ST JANUARY 2011**

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ALH GROUP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JANUARY 2011

DIRECTOR:	A M Hodge
SECRETARY:	J Hodge
REGISTERED OFFICE:	3 Brewster Place Riverside Business Park Irvine KA11 5DD
REGISTERED NUMBER:	SC348513 (Scotland)
SENIOR STATUTORY AUDITOR:	Shona Malcolm
AUDITORS:	Milne Craig Chartered accountants Registered auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Royal Bank of Scotland plc 35-37 Main Street Largs Ayrshire KA30 8AF

ALH GROUP LIMITED
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST JANUARY 2011

The director presents his report with the financial statements of the company and the group for the year ended 31st January 2011.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale of clothing and household items.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2011	2010
	£	£
Profit/(loss) before tax	546,759	2,244,212

The net assets of the group amounted to £2,639,770 (2010 - £2,336,634) at 31 January 2011.

DIVIDENDS

Monthly dividends of 50p per share were paid out during the year to 31st January 2011.

Dividends totalling £84,000 were paid out during the year.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the period to 31 January 2011 and consider the group is well placed to take advantage of opportunities which may arise in the current year.

DIRECTOR

A M Hodge held office during the whole of the period from 1st February 2010 to the date of this report.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the group's operations.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure has increased in the market place and the directors strive to ensure that margins and profitability remain consistent year on year.

In addition the directors seek to control overhead costs in order to maintain the profitability of the group.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

ALH GROUP LIMITED

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31ST JANUARY 2011

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

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

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

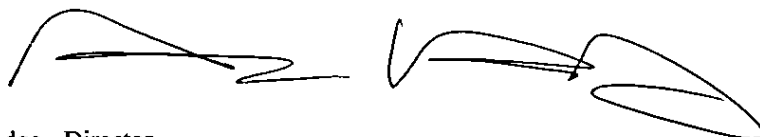
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'A M Hodge', written over a horizontal line.

A M Hodge - Director

30th March 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALH GROUP LIMITED

We have audited the financial statements of ALH Group Limited for the year ended 31st January 2011 on pages five to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31st January 2011 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Shona Malcolm (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

30th March 2011

ALH GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2011

	Notes	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
TURNOVER		4,937,157	5,300,620
Cost of sales		3,003,383	3,283,797
GROSS PROFIT		1,933,774	2,016,823
Administrative expenses		1,405,513	1,599,611
		528,261	417,212
Other operating income		35,904	1,798,466
OPERATING PROFIT	3	564,165	2,215,678
Income from other participating interests		-	50,000
		564,165	2,265,678
Interest payable and similar charges	4	17,406	21,466
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		546,759	2,244,212
Tax on profit on ordinary activities	5	145,623	111,582
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		401,136	2,132,630

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

ALH GROUP LIMITED
CONSOLIDATED BALANCE SHEET
31ST JANUARY 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	8		2,017,606		1,919,588
Investments	9		25,000		25,000
			<u>2,042,606</u>		<u>1,944,588</u>
CURRENT ASSETS					
Stocks	10	1,794,457		1,030,619	
Debtors	11	178,065		148,083	
Cash at bank and in hand		4,600		131,797	
		<u>1,977,122</u>		<u>1,310,499</u>	
CREDITORS					
Amounts falling due within one year	12	1,337,370		915,106	
NET CURRENT ASSETS			<u>639,752</u>		<u>395,393</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,682,358		2,339,981
PROVISIONS FOR LIABILITIES	16		42,588		17,347
NET ASSETS			<u>2,639,770</u>		<u>2,322,634</u>
CAPITAL AND RESERVES					
Called up share capital	17		14,000		14,000
Share premium	18		781,004		781,004
Profit and loss account			1,844,766		1,527,630
SHAREHOLDERS' FUNDS	22		<u>2,639,770</u>		<u>2,322,634</u>

The financial statements were approved by the director on 30th March 2011 and were signed by:

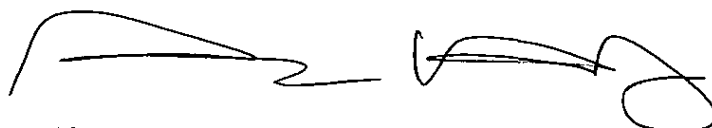



A M Hodge - Director

ALH GROUP LIMITED
COMPANY BALANCE SHEET
31ST JANUARY 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		25,003		25,003
			<u>25,003</u>		<u>25,003</u>
CURRENT ASSETS					
Debtors	11	1,141,297		1,666,277	
Cash at bank		361,351		-	
		<u>1,502,648</u>		<u>1,666,277</u>	
CREDITORS					
Amounts falling due within one year	12	437,058		600,687	
		<u></u>		<u></u>	
NET CURRENT ASSETS			<u>1,065,590</u>		<u>1,065,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,090,593</u>		<u>1,090,593</u>
CAPITAL AND RESERVES					
Called up share capital	17		14,000		14,000
Share premium	18		781,004		781,004
Profit and loss account			295,589		295,589
			<u></u>		<u></u>
SHAREHOLDERS' FUNDS	22		<u>1,090,593</u>		<u>1,090,593</u>

The financial statements were approved by the director on 3rd March 2011 and were signed by:



A M Hodge - Director

ALH GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2011**

		Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Net cash (outflow)/inflow from operating activities	Notes 1	(188,590)	1,482,594
Returns on investments and servicing of finance	2	(17,406)	28,534
Taxation		(94,080)	-
Capital expenditure and financial investment	2	(139,511)	(1,191,969)
Equity dividends paid		(84,000)	(605,000)
		(523,587)	(285,841)
Financing	2	(13,390)	417,638
(Decrease)/Increase in cash in the period		<u>(536,977)</u>	<u>131,797</u>
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(536,977)</u>	<u>131,797</u>
Change in net funds resulting from cash flows		<u>(536,977)</u>	<u>131,797</u>
Movement in net funds in the period		<u>(536,977)</u>	<u>131,797</u>
Net funds at 1st February		<u>131,797</u>	-
Net (debt)/funds at 31st January		<u>(405,180)</u>	<u>131,797</u>

The notes form part of these financial statements

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2011**

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

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Operating profit	564,165	2,215,678
Depreciation charges	41,734	28,835
Profit on disposal of fixed assets	(241)	(450)
Increase in stocks	(763,838)	(1,030,619)
Increase in debtors	(81,646)	(46,419)
Increase in creditors	51,236	315,569
Net cash (outflow)/inflow from operating activities	(188,590)	1,482,594

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

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Returns on investments and servicing of finance		
Interest paid	(17,406)	(21,466)
Dividends received	-	50,000
Net cash (outflow)/inflow for returns on investments and servicing of finance	(17,406)	28,534
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	781,004
Purchase of tangible fixed assets	(139,806)	(1,948,423)
Purchase of fixed asset investments	-	(25,000)
Sale of tangible fixed assets	295	450
Net cash outflow for capital expenditure and financial investment	(139,511)	(1,191,969)
Financing		
New loans in year	-	(101,664)
Loan repayments in year	51,664	-
Amount introduced by directors	-	505,302
Amount withdrawn by directors	(65,054)	-
Share issue	-	14,000
Net cash (outflow)/inflow from financing	(13,390)	417,638

The notes form part of these financial statements

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2011

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.10 £	Cash flow £	At 31.1.11 £
Net cash:			
Cash at bank and in hand	131,797	(127,197)	4,600
Bank overdraft	-	(409,780)	(409,780)
	<u>131,797</u>	<u>(536,977)</u>	<u>(405,180)</u>
Total	<u>131,797</u>	<u>(536,977)</u>	<u>(405,180)</u>

The notes form part of these financial statements

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Consideration is given to the point at which the company is entitled to receive the income.

Tangible fixed assets

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

Improvements to property	- 10% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

Investment properties are recorded at cost. Any revaluation gains or losses are reflected through the investment revaluation reserve. No depreciation is provided on investment properties as these properties are held for investment and not consumption and as such the directors consider that annual depreciation would be inappropriate. The accounting policy is therefore necessary for the accounts to show a true and fair view.

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Rental income

Rental income is included in the profit and loss account in the period in which it is receivable.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment assessed by the director.

Dividend income

Dividend income is recognised in the period when received.

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2011**

2. STAFF COSTS

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Wages and salaries	531,988	612,993
Social security costs	29,523	38,254
Other pension costs	3,312	4,093
	<u>564,823</u>	<u>655,340</u>

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

	Year Ended 31.1.11	Period 12.9.08 to 31.1.10
Retail staff	38	36
Warehouse staff	7	6
Office staff	9	8
	<u>54</u>	<u>50</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Other operating leases	2,625	3,968
Depreciation - owned assets	41,734	28,835
Profit on disposal of fixed assets	(241)	(450)
	<u>12,000</u>	<u>15,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Bank interest	<u>17,406</u>	<u>21,466</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST JANUARY 2011

5. TAXATION

Analysis of the tax charge

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

	Year Ended 31.1.11 £	Period 12.9.08 to 31.1.10 £
Current tax:		
UK corporation tax	120,537	94,235
No description	(155)	-
Total current tax	120,382	94,235
Deferred tax	25,241	17,347
Tax on profit on ordinary activities	145,623	111,582

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £84,000 (2010 - £900,589).

7. DIVIDENDS

	2011 £	2010 £
Equity shares:		
'A' Ordinary £1 shares	33,000	-
'B' Ordinary £1 shares	18,000	-
'C' Ordinary £1 shares	33,000	-
Ordinary £1 shares	-	605,000
	84,000	605,000

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2011**

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1st February 2010	1,740,426	18,393	91,233
Additions	-	-	45,122
Disposals	-	-	(15)
At 31st January 2011	<u>1,740,426</u>	<u>18,393</u>	<u>136,340</u>
DEPRECIATION			
At 1st February 2010	-	2,299	12,531
Charge for year	-	1,839	14,738
Eliminated on disposal	-	-	-
At 31st January 2011	<u>-</u>	<u>4,138</u>	<u>27,269</u>
NET BOOK VALUE			
At 31st January 2011	<u>1,740,426</u>	<u>14,255</u>	<u>109,071</u>
At 31st January 2010	<u>1,740,426</u>	<u>16,094</u>	<u>78,702</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st February 2010	96,197	2,174	1,948,423
Additions	70,705	23,979	139,806
Disposals	(41)	-	(56)
At 31st January 2011	<u>166,861</u>	<u>26,153</u>	<u>2,088,173</u>
DEPRECIATION			
At 1st February 2010	14,005	-	28,835
Charge for year	22,157	3,000	41,734
Eliminated on disposal	(2)	-	(2)
At 31st January 2011	<u>36,160</u>	<u>3,000</u>	<u>70,567</u>
NET BOOK VALUE			
At 31st January 2011	<u>130,701</u>	<u>23,153</u>	<u>2,017,606</u>
At 31st January 2010	<u>82,192</u>	<u>2,174</u>	<u>1,919,588</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST JANUARY 2011

9. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1st February 2010 and 31st January 2011	25,000
NET BOOK VALUE	
At 31st January 2011	25,000
At 31st January 2010	25,000

Company

	Shares in group undertakings £	Interest in joint venture £	Totals £
COST			
At 1st February 2010 and 31st January 2011	3	25,000	25,003
NET BOOK VALUE			
At 31st January 2011	3	25,000	25,003
At 31st January 2010	3	25,000	25,003

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

Subsidiaries

XS Stock.com Limited

Nature of business: Sale of household goods

	% holding	2011 £	2010 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		636,699	525,143
Profit for the year/period		195,556	630,142

XS Irvine Limited

Nature of business: Sale of household goods and clothing

	% holding	2011 £	2010 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		719,236	603,376
Profit for the year/period		115,860	603,375

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2011**

9. FIXED ASSET INVESTMENTS - continued

XS Property Limited

Nature of business: Property letting

	%		
Class of shares:	holding		
Ordinary	100.00		
		2011	2010
		£	£
Aggregate capital and reserves		193,245	103,525
Profit for the year/period		<u>89,720</u>	<u>103,524</u>

Joint Venture

Wicked Costumes Limited

Nature of business: Sale of fancy dress costumes

	%		
Class of shares:	holding		
Ordinary	50.00		
		31/12/10	2010
		£	£
Aggregate capital and reserves		523,967	209,751
Profit for the period		<u>358,216</u>	<u>259,751</u>

10. STOCKS

	Group	
	2011	2010
	£	£
Stocks	<u>1,794,457</u>	<u>1,030,619</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	108,789	29,465	-	-
Amounts owed by group undertakings	-	-	1,091,297	1,666,277
Amounts owed by participating interests	50,000	101,664	50,000	-
Other debtors	2	-	-	-
Prepayments	19,274	16,954	-	-
	<u>178,065</u>	<u>148,083</u>	<u>1,141,297</u>	<u>1,666,277</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST JANUARY 2011

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 13)	409,780	-	-	100,687
Trade creditors	132,427	136,832	-	-
Amounts owed to group undertakings	-	-	7,058	-
Corporation tax	120,537	94,235	-	-
Social security and other taxes	161,576	119,597	-	-
Directors' current accounts	440,248	505,302	430,000	500,000
Accrued expenses	72,802	59,140	-	-
	<u>1,337,370</u>	<u>915,106</u>	<u>437,058</u>	<u>600,687</u>

13. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>409,780</u>	<u>-</u>	<u>-</u>	<u>100,687</u>

14. OPERATING LEASE COMMITMENTS

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

Group	Land and buildings	
	2011	2010
	£	£
Expiring:		
In more than five years	<u>220,000</u>	<u>220,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank overdraft	<u>409,780</u>	<u>-</u>	<u>-</u>	<u>100,687</u>

The group bank borrowings are secured by a bond and floating charge over the assets of the group.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2011

16. PROVISIONS FOR LIABILITIES

	Group	
	2011	2010
	£	£
Deferred tax	<u>42,588</u>	<u>17,347</u>
Group		
		Deferred tax
		£
Balance at 1st February 2010		17,347
Capital allowances in excess of depreciation		25,241
		<u>42,588</u>
Balance at 31st January 2011		<u>42,588</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid :

Number	Class	Nominal value	2011	2010
			£	£
14,000	Ordinary shares	£1	-	14,000
5,000	'A' Ordinary	£1	5,000	-
4,800	'B' Ordinary	£1	4,800	-
100	'C' Ordinary	£1	100	-
4,100	'D' Ordinary	£1	4,100	-
			<u>14,000</u>	<u>14,000</u>

18. RESERVES

Group

	Profit and loss account	Share premium	Totals
	£	£	£
At 1st February 2010	1,527,630	781,004	2,308,634
Profit for the year	401,136		401,136
Dividends	(84,000)		(84,000)
At 31st January 2011	<u>1,844,766</u>	<u>781,004</u>	<u>2,625,770</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST JANUARY 2011

18. RESERVES - continued

Company

	Profit and loss account £	Share premium £	Totals £
At 1st February 2010	295,589	781,004	1,076,593
Profit for the year	84,000		84,000
Dividends	(84,000)		(84,000)
At 31st January 2011	<u>295,589</u>	<u>781,004</u>	<u>1,076,593</u>

19. ULTIMATE PARENT COMPANY

The ultimate parent company is ALH Group Limited, a company registered in Scotland.

20. RELATED PARTY DISCLOSURES

At 31st January 2011 the director was owed £440,248 (2010 - £505,302).

Dividends amounting to £84,000 were paid to the director and shareholders during the period.

At 31st January 2011 the group was owed £50,000 (2010 - £101,664) by Wicked Costumes Limited, a company involved in a joint venture with ALH Group Limited.

21. ULTIMATE CONTROLLING PARTY

By virtue of his interests in the share capital of ALH Group Limited, the parent company, Mr A Hodge, a director, controls the majority of the voting rights and thus has ultimate control of the group.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit for the financial year	401,136	2,132,630
Dividends	(84,000)	(605,000)
	<u>317,136</u>	<u>1,527,630</u>
Shares issued	-	14,000
Share premium	-	781,004
	<u>317,136</u>	<u>2,322,634</u>
Net addition to shareholders' funds	2,322,634	-
Opening shareholders' funds	<u>2,639,770</u>	<u>2,322,634</u>
Closing shareholders' funds	<u>2,639,770</u>	<u>2,322,634</u>

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JANUARY 2011**

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2011 £	2010 £
Profit for the financial year	84,000	900,589
Dividends	(84,000)	(605,000)
	-	295,589
Shares issued	-	14,000
Share premium	-	781,004
Net addition to shareholders' funds	-	1,090,593
Opening shareholders' funds	1,090,593	-
Closing shareholders' funds	<u>1,090,593</u>	<u>1,090,593</u>