

REGISTRAR COPY

**Report of the Director and  
Consolidated Financial Statements  
for the Year Ended 30 April 2011  
for  
R F Holdings Limited**

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for the Year Ended 30 April 2011**

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**R F Holdings Limited**  
**Company Information**  
**for the Year Ended 30 April 2011**

<b>DIRECTOR</b>	M P Creighton
<b>SECRETARY:</b>	Miss L J Guest
<b>REGISTERED OFFICE:</b>	c/o Rubbernek Fittings Limited Lichfield Road Brownhills Walsall West Midlands WS8 6LH
<b>REGISTERED NUMBER:</b>	02786895 (England and Wales)
<b>AUDITORS:</b>	Tomkinson Teal LLP Hanover Court 5 Queen Street Lichfield Staffordshire WS13 6QD
<b>BANKERS:</b>	HSBC Bank plc 148 High Street Harborne Birmingham B17 9PN

**Report of the Director  
for the Year Ended 30 April 2011**

The director presents his report with the financial statements of the company and the group for the year ended 30 April 2011

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the manufacture and sale of tube fittings for hydraulic and pneumatic systems, precision thread grinding and precision engineering

**REVIEW OF BUSINESS**

The four group companies continued to make good progress during difficult trading and continue to show group profits for the year

**DIVIDENDS**

The total distribution of dividends for the year ended 30 April 2011 will be £122,934

The total distribution to the ordinary shareholder of R F Holdings Limited was £108,000 A total dividend of £14,934 was distributed to the ordinary 'A' shareholders of the subsidiary companies

**DIRECTOR**

M P Creighton held office during the whole of the period from 1 May 2010 to the date of this report

**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

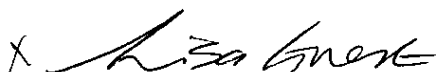
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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, Tomkinson Teal LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

X 

Miss L J Guest - Secretary

30 September 2011

**Report of the Independent Auditors to the Members of  
R F Holdings Limited**

We have audited the financial statements of R F Holdings Limited for the year ended 30 April 2011 on pages four to nineteen. 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 two, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2011 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.

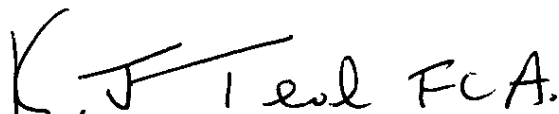
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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.

Handwritten signature of K J Teal in black ink.

K J Teal (Senior Statutory Auditor)  
for and on behalf of Tomkinson Teal LLP  
Hanover Court  
5 Queen Street  
Lichfield  
Staffordshire  
WS13 6QD

30 September 2011

**Consolidated Profit and Loss Account  
for the Year Ended 30 April 2011**

	Notes	2011 £	2010 £
<b>GROSS PROFIT</b>		1,831,960	1,316,958
Administrative expenses		<u>(1,050,689)</u>	<u>(1,078,043)</u>
<b>OPERATING PROFIT</b>	3	781,271	238,915
Interest receivable and similar income		<u>16,075</u>	<u>11,844</u>
		797,346	250,759
Interest payable and similar charges	4	<u>(5,836)</u>	<u>(1,871)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		791,510	248,888
Tax on profit on ordinary activities	5	<u>(192,571)</u>	<u>(112,057)</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u><u>598,939</u></u>	<u><u>136,831</u></u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

**Consolidated Balance Sheet**  
**30 April 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	-
Tangible assets	9	754,440	724,431
Investments	10	-	-
		<u>754,440</u>	<u>724,431</u>
 <b>CURRENT ASSETS</b>			
Stocks	11	1,143,968	1,003,722
Debtors	12	1,664,354	1,200,304
Cash at bank and in hand		<u>1,136,006</u>	<u>1,049,116</u>
		3,944,328	3,253,142
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(921,578)</u>	<u>(746,553)</u>
<b>NET CURRENT ASSETS</b>		<u>3,022,750</u>	<u>2,506,589</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,777,190	3,231,020
 <b>CREDITORS</b>			
Amounts falling due after more than one year	14	(46,748)	-
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(75,484)</u>	<u>(52,467)</u>
<b>NET ASSETS</b>		<u>3,654,958</u>	<u>3,178,553</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100,402	100,002
Profit and loss account		<u>3,554,556</u>	<u>3,078,551</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>3,654,958</u>	<u>3,178,553</u>

The financial statements were approved by the director on 30 September 2011 and were signed by



M P Creighton - Director

**Company Balance Sheet**  
**30 April 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	<u>1,675,711</u>	<u>1,675,711</u>
		<u>1,675,711</u>	<u>1,675,711</u>
<b>CURRENT ASSETS</b>			
Debtors	12	57,412	46,287
Cash at bank		<u>1,998</u>	<u>1,734</u>
		59,410	48,021
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(56,291)</u>	<u>(45,000)</u>
<b>NET CURRENT ASSETS</b>		<u>3,119</u>	<u>3,021</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,678,830</u></u>	<u><u>1,678,732</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100,002	100,002
Profit and loss account		<u>1,578,828</u>	<u>1,578,730</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u><u>1,678,830</u></u>	<u><u>1,678,732</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the director on 30 September 2011 and were signed by

X   
M P Creighton - Director



**Consolidated Cash Flow Statement  
for the Year Ended 30 April 2011**

	Notes	2011 £	2010 £
<b>Net cash inflow from operating activities</b>	1	327,058	129,998
<b>Returns on investments and servicing of finance</b>	2	10,239	9,973
<b>Taxation</b>		(72,278)	(189,607)
<b>Capital expenditure</b>	2	(127,103)	(32,988)
<b>Equity dividends paid</b>		<u>(108,000)</u>	<u>(48,000)</u>
		29,916	(130,624)
<b>Financing</b>	2	<u>56,974</u>	<u>(46,818)</u>
<b>Increase/(Decrease) in cash in the period</b>		<u>86,890</u>	<u>(177,442)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase/(Decrease) in cash in the period		86,890	(177,442)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(59,134)</u>	<u>1,818</u>
Change in net funds resulting from cash flows		<u>27,756</u>	<u>(175,624)</u>
<b>Movement in net funds in the period</b>		27,756	(175,624)
<b>Net funds at 1 May</b>		<u>1,047,602</u>	<u>1,223,226</u>
<b>Net funds at 30 April</b>		<u>1,075,358</u>	<u>1,047,602</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 April 2011

## 1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	781,271	238,915
Depreciation charges	101,791	106,496
Profit on disposal of fixed assets	(4,696)	(3,659)
(Increase)/Decrease in stocks	(140,246)	186,977
Increase in debtors	(453,825)	(365,511)
Increase/(Decrease) in creditors	<u>42,763</u>	<u>(33,220)</u>
<b>Net cash inflow from operating activities</b>	<b><u>327,058</u></b>	<b><u>129,998</u></b>

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

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest received	16,075	11,844
Interest paid	(2,763)	(1,654)
Interest element of hire purchase payments	<u>(3,073)</u>	<u>(217)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>10,239</u></b>	<b><u>9,973</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(137,304)	(42,405)
Sale of tangible fixed assets	<u>10,201</u>	<u>9,417</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(127,103)</u></b>	<b><u>(32,988)</u></b>
<b>Financing</b>		
New loans in year	61,063	-
Capital repayments in year	(4,614)	(1,818)
Amount introduced by directors	125	-
Amount withdrawn by directors	-	(45,000)
Share issue	<u>400</u>	<u>-</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>56,974</u></b>	<b><u>(46,818)</u></b>

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 April 2011

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 5 10 £	Cash flow £	At 30 4 11 £
Net cash			
Cash at bank and in hand	<u>1,049,116</u>	<u>86,890</u>	<u>1,136,006</u>
	<u>1,049,116</u>	<u>86,890</u>	<u>1,136,006</u>
Debt			
Hire purchase	<u>(1,514)</u>	<u>(59,134)</u>	<u>(60,648)</u>
	<u>(1,514)</u>	<u>(59,134)</u>	<u>(60,648)</u>
Total	<u><u>1,047,602</u></u>	<u><u>27,756</u></u>	<u><u>1,075,358</u></u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 30 April 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 April 2011. The acquisitions method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidation profit and loss account from the date of acquisition or up to the date of disposal.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of ten years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- Straight line over the life of the lease
Plant and machinery	- 20% on cost, 15% on reducing balance and 10% on cost
Fixtures and fittings	- 33% on cost, 25% on cost, 15% on reducing balance and 10% on cost
Motor vehicles	- 33% on cost and 25% on reducing balance

**Stocks**

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 items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

**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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

## 1 ACCOUNTING POLICIES - continued

**Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings, representing the excess of the purchase consideration over the fair value of the identifiable assets of the subsidiary at the date of acquisition, is capitalised and amortised on a straight line basis over its estimated useful life of ten years

Negative goodwill arising on the acquisition, representing the excess of fair value of net assets of the subsidiary at the date of acquisition over the purchase consideration, is deducted from fixed assets and released to the group profit and loss account over ten years, being the period over which the non-monetary assets acquired are recovered

## 2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	1,488,656	1,245,018
Social security costs	127,694	108,175
Other pension costs	5,477	5,784
	<u>1,621,827</u>	<u>1,358,977</u>

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

	2011	2010
Production	57	49
Administration	<u>16</u>	<u>18</u>
	<u>73</u>	<u>67</u>

## 3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Hire of plant and machinery	14,000	3,123
Other operating leases	3,395	3,480
Depreciation - owned assets	93,879	105,501
Depreciation - assets on hire purchase contracts	7,912	-
Profit on disposal of fixed assets	(4,696)	(3,659)
Goodwill amortisation	-	(1,575)
Auditors' remuneration	20,382	17,988
Foreign exchange differences	<u>4,080</u>	<u>6,034</u>
Director's remuneration	<u>60,696</u>	<u>51,375</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

## 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	2,763	1,654
Hire purchase	<u>3,073</u>	<u>217</u>
	<u>5,836</u>	<u>1,871</u>

## 5 TAXATION

**Analysis of the tax charge**

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

	2011 £	2010 £
Current tax		
UK corporation tax	169,554	61,028
Deferred tax	<u>23,017</u>	<u>51,029</u>
Tax on profit on ordinary activities	<u>192,571</u>	<u>112,057</u>

UK corporation tax has been charged at 28% (2010 - 28%)

**Factors affecting the tax charge**

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>791,510</u>	<u>248,888</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	221,623	69,689
Effects of		
Permanent timing differences	87	(270)
Accelerated capital allowances	-	(5,436)
Amortisation of goodwill	(49,708)	(441)
Marginal relief	(1,158)	(6,255)
Tax losses utilised	15	-
Other adjustments	-	3,741
Change in corporation tax rate	<u>(1,305)</u>	<u>-</u>
Current tax charge	<u>169,554</u>	<u>61,028</u>

## 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 £108,098 (2010 - £48,000)

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

7

**DIVIDENDS**

	2011	2010
	£	£
Interim	<u>108,000</u>	<u>48,000</u>

8

**INTANGIBLE FIXED ASSETS**

<b>Group</b>		Goodwill
		£
<b>COST</b>		
At 1 May 2010		
and 30 April 2011		<u>(128,056)</u>
<b>AMORTISATION</b>		
At 1 May 2010		
and 30 April 2011		<u>(128,056)</u>
<b>NET BOOK VALUE</b>		
At 30 April 2011		<u>-</u>
At 30 April 2010		<u>-</u>

9

**TANGIBLE FIXED ASSETS**

<b>Group</b>				Improvements
	Freehold	Short		to
	property	leasehold		property
	£	£		£
<b>COST</b>				
At 1 May 2010	283,826	171,844		8,313
Additions	<u>-</u>	<u>1,178</u>		<u>3,580</u>
At 30 April 2011	<u>283,826</u>	<u>173,022</u>		<u>11,893</u>
<b>DEPRECIATION</b>				
At 1 May 2010	70,052	39,847		8,313
Charge for year	3,468	16,979		784
Eliminated on disposal	<u>-</u>	<u>-</u>		<u>-</u>
At 30 April 2011	<u>73,520</u>	<u>56,826</u>		<u>9,097</u>
<b>NET BOOK VALUE</b>				
At 30 April 2011	<u>210,306</u>	<u>116,196</u>		<u>2,796</u>
At 30 April 2010	<u>213,774</u>	<u>131,997</u>		<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

## 9 TANGIBLE FIXED ASSETS - continued

## Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 May 2010	1,993,573	165,696	88,073	2,711,325
Additions	107,512	2,538	22,496	137,304
Disposals	-	-	(35,324)	(35,324)
At 30 April 2011	<u>2,101,085</u>	<u>168,234</u>	<u>75,245</u>	<u>2,813,305</u>
<b>DEPRECIATION</b>				
At 1 May 2010	1,689,263	128,791	50,627	1,986,893
Charge for year	61,796	7,590	11,174	101,791
Eliminated on disposal	-	-	(29,819)	(29,819)
At 30 April 2011	<u>1,751,059</u>	<u>136,381</u>	<u>31,982</u>	<u>2,058,865</u>
<b>NET BOOK VALUE</b>				
At 30 April 2011	<u>350,026</u>	<u>31,853</u>	<u>43,263</u>	<u>754,440</u>
At 30 April 2010	<u>304,310</u>	<u>36,905</u>	<u>37,446</u>	<u>724,432</u>

Included in cost of land and buildings is freehold land of £121,076 (2010 - £121,076) which is not depreciated

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
<b>COST</b>	
Additions	<u>79,108</u>
At 30 April 2011	<u>79,108</u>
<b>DEPRECIATION</b>	
Charge for year	<u>7,912</u>
At 30 April 2011	<u>7,912</u>
<b>NET BOOK VALUE</b>	
At 30 April 2011	<u>71,196</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 201110 **FIXED ASSET INVESTMENTS****Company**Shares in  
group  
undertakings  
£**COST**At 1 May 2010  
and 30 April 20111,675,711**NET BOOK VALUE**

At 30 April 2011

1,675,711

At 30 April 2010

1,675,711

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

**Subsidiaries****Rubbernek Fittings Limited**

Nature of business Hydraulic fittings

	% holding	2011 £	2010 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		1,846,950	1,639,206
Profit for the year		<u>258,631</u>	<u>100,246</u>

**Auto Engineering Supplies Limited**

Nature of business Precision engineering

	% holding	2011 £	2010 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		300,081	266,940
Profit/(Loss) for the year		<u>38,169</u>	<u>(93,308)</u>

**The Stampings Alliance Limited**

Nature of business Sale of forgings

	% holding	2011 £	2010 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		405,551	303,836
Profit for the year		<u>103,706</u>	<u>49,692</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

## 10 FIXED ASSET INVESTMENTS - continued

**Tru-Thread Limited**

Nature of business Precision thread grinding

Class of shares	% holding	2011	2010
Ordinary	100 00	£	£
Aggregate capital and reserves		1,097,647	964,141
Profit for the year		<u>198,334</u>	<u>78,622</u>

## 11 STOCKS

	Group	
	2011	2010
	£	£
Raw materials	31,781	41,206
Work-in-progress	128,378	730,545
Finished goods	<u>983,809</u>	<u>231,971</u>
	<u>1,143,968</u>	<u>1,003,722</u>

## 12 DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,210,667	895,720	-	-
Other debtors	1,687	1,287	1,287	1,287
Directors' current accounts	44,875	45,000	44,875	45,000
Prepayments	<u>395,875</u>	<u>258,297</u>	<u>-</u>	<u>-</u>
	<u>1,653,104</u>	<u>1,200,304</u>	<u>46,162</u>	<u>46,287</u>
Amounts falling due after more than one year				
Tax	<u>11,250</u>	<u>-</u>	<u>11,250</u>	<u>-</u>
Aggregate amounts	<u>1,664,354</u>	<u>1,200,304</u>	<u>57,412</u>	<u>46,287</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

13 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Hire purchase contracts (see note 15)	13,900	1,514	-	-
Trade creditors	538,144	505,622	-	-
Amounts owed to group undertakings	-	-	56,265	45,000
Tax	169,552	61,026	26	-
Social security and other taxes	42,318	39,124	-	-
VAT	33,204	16,195	-	-
Other creditors	7,188	9,562	-	-
Accrued expenses	<u>117,272</u>	<u>113,510</u>	<u>-</u>	<u>-</u>
	<u>921,578</u>	<u>746,553</u>	<u>56,291</u>	<u>45,000</u>

The bank overdraft is secured by a debenture incorporating a fixed and floating charge over all current and future assets of the companies and a fixed charge over the companies' freehold and leasehold property

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2011	2010
	£	£
Hire purchase contracts (see note 15)	<u>46,748</u>	<u>-</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group	Hire purchase contracts	
	2011	2010
	£	£
Net obligations repayable		
Within one year	13,900	1,514
Between one and five years	<u>46,748</u>	<u>-</u>
	<u>60,648</u>	<u>1,514</u>

16 PROVISIONS FOR LIABILITIES

	Group	
	2011	2010
	£	£
Deferred tax	<u>75,484</u>	<u>52,467</u>
Group		Deferred tax
		£
Balance at 1 May 2010		52,467
Accelerated capital allowances		<u>23,017</u>
Balance at 30 April 2011		<u>75,484</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £ <u>100,002</u>	2010 £ <u>100,002</u>
100,002	Ordinary £1			

18 CONSOLIDATION RESERVES

Group

	Profit and loss account £
At 1 May 2010	3,078,551
Profit for the year	598,939
Dividends	<u>(122,934)</u>
At 30 April 2011	<u>3,554,556</u>

Company

	Profit and loss account £
At 1 May 2010	1,578,730
Profit for the year	108,098
Dividends	<u>(108,000)</u>
At 30 April 2011	<u>1,578,828</u>

19 PENSION COMMITMENTS

The group subsidiaries operate defined contribution pension schemes. The pension cost charge for the period represents contributions payable by the group subsidiaries to the schemes and amounted to £3,532 (2010 - £5,784).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20 CONTINGENT LIABILITIES

Rubbernek Fittings Limited, a subsidiary undertaking, has a guarantee dated 26 October 2005 in favour of HM Revenue and Customs for £7,000.

21 ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous period by M P Creighton by virtue of him holding all of the issued share capital of the company.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 April 2011

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	2011 £	2010 £
Profit for the financial year	598,939	136,831
Dividends	<u>(122,934)</u>	<u>(48,000)</u>
	476,005	88,831
Issue 'A' shares in subsidiaries	<u>400</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	476,405	88,831
Opening shareholders' funds	<u>3,178,553</u>	<u>3,089,722</u>
<b>Closing shareholders' funds</b>	<u><u>3,654,958</u></u>	<u><u>3,178,553</u></u>

**Company**

	2011 £	2010 £
Profit for the financial year	108,098	48,000
Dividends	<u>(108,000)</u>	<u>(48,000)</u>
	98	-
<b>Net addition to shareholders' funds</b>	98	-
Opening shareholders' funds	<u>1,678,732</u>	<u>1,678,732</u>
<b>Closing shareholders' funds</b>	<u><u>1,678,830</u></u>	<u><u>1,678,732</u></u>