

**ABBREVIATED AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
APS METAL PRESSINGS LIMITED**

WEDNESDAY



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APS METAL PRESSINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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APS METAL PRESSINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

DIRECTORS

D P Smith
A P Smith
P P Smith
A C Parr

SECRETARY

P P Smith

REGISTERED OFFICE

8 Great King Street
Hockley
Birmingham
B19 3AR

REGISTERED NUMBER

01529017 (England and Wales)

**SENIOR STATUTORY
AUDITOR**

D J Thursfield FCA

AUDITORS

J W Hinks
Chartered Accountants
and Registered Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

APS METAL PRESSINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report with the accounts of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturing press tools and metal pressings

REVIEW OF BUSINESS

It is the intention of the company's directors to produce and present a balanced review of the company's performance for the year ended 31 December 2011

We consider that our key financial performance indicators are those which communicate the performance and strength of the company as a whole

Annual turnover and gross margin changes for the period covering the years ended 31 December 2007 to 31 December 2011 are as follows

	2011	2010	2009	2008	2007
Turnover growth	+36 4%	+34 3%	-42 1%	+23 0%	+26 7%
Gross profit growth	+51 6%	0 0%	-38 8%	+39 8%	+29 0%

The year ending 31 December 2011 proved to be a good, profitable year. The company managed to overcome the volatility in the automotive sector and due to careful planning, good management and astute purchasing, profitability was assured.

A significant increase in sales to over £10 million was achieved, and due to our efforts, we expect further sales growth in 2012. We are aware however that a downturn is possible and further increases in raw materials costs are likely. Our determination to pass on raw material price increases to our customers is undiminished and we fully expect a good result in 2012.

Outlook

Our forecasts indicate a good solid start to 2012 with material costs now under control and consistent sales.

We are active in winning new business and expect to at least maintain our level of sales over 2012/2013.

DIVIDENDS

The directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

D P Smith
A P Smith
P P Smith
A C Parr

Other changes in directors holding office are as follows:

L C Beard ceased to be a director after 31 December 2011 but prior to the date of this report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made sundry charitable donations amounting to £984 (2010 - £333)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 these financial statements, the directors are 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 company's auditors are aware of that information.

AUDITORS

The auditors, J W Hinks, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD.



P P Smith - Secretary

19 July 2012

**REPORT OF THE INDEPENDENT AUDITORS TO
APS METAL PRESSINGS LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to twenty, together with the full financial statements of APS Metal Pressings Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

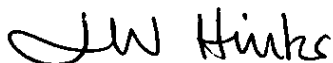
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



D J Thursfield FCA (Senior Statutory Auditor)
for and on behalf of J W Hinks
Chartered Accountants
and Registered Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

19 July 2012

APS METAL PRESSINGS LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
TURNOVER	2	10,114,034	7,417,329
Cost of sales		(8,040,232)	(6,049,237)
		2,073,802	1,368,092
Distribution costs		209,251	174,436
Administrative expenses		1,163,670	1,070,308
		1,372,921	1,244,744
OPERATING PROFIT	4	700,881	123,348
Interest receivable and similar income		794	681
		701,675	124,029
Interest payable and similar charges	5	518	718
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		701,157	123,311
Tax on profit on ordinary activities	6	183,393	17,887
PROFIT FOR THE FINANCIAL YEAR		517,764	105,424

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these abbreviated accounts

APS METAL PRESSINGS LIMITED

ABBREVIATED BALANCE SHEET
31 DECEMBER 2011

		2011	2010
	Notes	£	£
FIXED ASSETS			
Tangible assets	8	1,001,263	1,179,299
CURRENT ASSETS			
Stocks	9	645,345	549,066
Debtors	10	2,231,078	1,440,387
Investments	11	80,000	-
Cash at bank and in hand		957,160	675,226
		<u>3,913,583</u>	<u>2,664,679</u>
CREDITORS			
Amounts falling due within one year	12	1,841,012	1,138,222
NET CURRENT ASSETS		<u>2,072,571</u>	<u>1,526,457</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,073,834</u>	<u>2,705,756</u>
CREDITORS			
Amounts falling due after more than one year	13	(5,213)	(4,802)
PROVISIONS FOR LIABILITIES	17	(149,000)	(143,000)
ACCRUALS AND DEFERRED INCOME	18	(42,683)	(48,780)
NET ASSETS		<u><u>2,876,938</u></u>	<u><u>2,509,174</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	150,000	150,000
Profit and loss account	20	2,726,938	2,359,174
SHAREHOLDERS' FUNDS	25	<u><u>2,876,938</u></u>	<u><u>2,509,174</u></u>

The notes form part of these abbreviated accounts

APS METAL PRESSINGS LIMITED


ABBREVIATED BALANCE SHEET - continued
31 DECEMBER 2011

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 19 July 2012 and were signed on its behalf by



D P Smith - Director

 22nd Aug 2012.

A C Parr - Director

The notes form part of these abbreviated accounts

APS METAL PRESSINGS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
	Notes	£	£
Net cash inflow/(outflow) from operating activities	26	527,395	(279,808)
Returns on investments and servicing of finance	27	276	(37)
Taxation		(40,034)	(24,887)
Capital expenditure	27	(12,840)	(25,493)
Equity dividends paid		(150,000)	-
		324,797	(330,225)
Management of liquid resources	27	(80,000)	-
Financing	27	(1,914)	(1,723)
Increase/(decrease) in cash in the period		242,883	(331,948)
Reconciliation of net cash flow to movement in net funds	28		
Increase/(decrease) in cash in the period		242,883	(331,948)
Cash outflow from increase in liquid resources		80,000	-
Cash outflow from decrease in debt and lease financing		64,140	93,089
Change in net funds resulting from cash flows		387,023	(238,859)
Movement in net funds in the period		387,023	(238,859)
Net funds at 1 January		601,992	840,851
Net funds at 31 December		989,015	601,992

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards. There have been no material departures from those standards.

Accounting convention

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

Turnover

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

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.

Short leasehold	- 5% on cost
Long leasehold	- 2% on cost and over period of lease
Plant and machinery	- 10% and 15% on cost
Fixtures and fittings	- 10% and 20% on cost
Motor vehicles	- 25% on cost

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 taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

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 obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Contributions to the personal pension schemes of certain employees are charged to the profit and loss account in the period in which they relate. The assets of these personal pension schemes are held separately from those of the company in independently administered funds.

Government grants

Grants received in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account in equal annual instalments over the expected useful economic lives of the assets to which they relate.

Grants received for revenue purposes are credited directly to the profit and loss account in the period in which they are received.

Investments

Current asset investments are stated at cost as at the balance sheet date.

Any profits or losses arising from the disposal of current asset investments are recognised as part of the result from ordinary activities.

Research and development

Expenditure in research and development is written off in the year in which it is incurred.

2 TURNOVER

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

An analysis of turnover by geographical market is given below.

	2011	2010
	£	£
UK	6,583,668	4,860,142
Europe	3,461,615	2,506,368
North America	62,555	45,279
South America	5,786	4,620
Asia	410	920
	<u>10,114,034</u>	<u>7,417,329</u>

3 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	1,949,148	1,759,487
Social security costs	205,065	182,735
Other pension costs	100,629	118,521
	<u>2,254,842</u>	<u>2,060,743</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

3 STAFF COSTS - continued

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

	2011	2010
Directors	5	5
Office	7	7
Works	67	63
	<u>79</u>	<u>75</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Hire of equipment	35,867	33,859
Other operating leases	38,503	38,590
Depreciation - owned assets	168,812	180,662
Depreciation - assets on hire purchase contracts	903	903
Loss on disposal of fixed assets	21,161	-
Auditors' remuneration	7,500	7,650
Foreign exchange differences	(24,658)	(23,508)
Auditors' remuneration - non-audit	7,500	3,350
	<u>427,398</u>	<u>357,968</u>
Directors' remuneration	55,045	68,000
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows

	2011	2010
	£	£
Emoluments etc	145,116	118,666
Pension contributions to money purchase schemes	25,045	38,000

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	-	9
Hire purchase interest	518	709
	<u>518</u>	<u>718</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

6 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	202,000	40,000
Corporation tax - prior year	(24,607)	(1,113)
Total current tax	177,393	38,887
Deferred tax	6,000	(21,000)
Tax on profit on ordinary activities	183,393	17,887

Factors affecting the tax charge

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

	2011 £	2010 £
Profit on ordinary activities before tax	701,157	123,311
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.140% (2010 - 21%)	176,271	25,895
Effects of Adjustments to tax charge in respect of previous periods	(24,678)	-
Capital allowances in excess of depreciation	20,369	10,935
Permanent differences	3,645	3,204
Amortisation and ineligible depreciation	1,848	-
Rounding of corporation tax provision	(62)	(1,147)
Current tax charge	177,393	38,887

7 DIVIDENDS

	2011 £	2010 £
A Ordinary shares of £1 each Interim	136,500	-
B Ordinary shares of £1 each Interim	13,500	-
	150,000	-

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Long leasehold £	Plant and machinery £
COST			
At 1 January 2011	132,372	61,348	5,550,546
Additions	-	-	10,610
Disposals	-	-	(48,046)
Reclassification/transfer	61,348	(61,348)	-
At 31 December 2011	193,720	-	5,513,110
DEPRECIATION			
At 1 January 2011	89,364	30,788	4,504,783
Charge for year	6,144	1,210	148,236
Eliminated on disposal	-	-	(16,885)
Reclassification/transfer	31,998	(31,998)	-
At 31 December 2011	127,506	-	4,636,134
NET BOOK VALUE			
At 31 December 2011	66,214	-	876,976
At 31 December 2010	43,008	30,560	1,045,763
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2011	379,806	370	6,124,442
Additions	12,230	-	22,840
Disposals	-	-	(48,046)
At 31 December 2011	392,036	370	6,099,236
DEPRECIATION			
At 1 January 2011	319,838	370	4,945,143
Charge for year	14,125	-	169,715
Eliminated on disposal	-	-	(16,885)
Reclassification/transfer	-	-	-
At 31 December 2011	333,963	370	5,097,973
NET BOOK VALUE			
At 31 December 2011	58,073	-	1,001,263
At 31 December 2010	59,968	-	1,179,299

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

8 TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £
COST	
At 1 January 2011	
and 31 December 2011	<u>9,850</u>
DEPRECIATION	
At 1 January 2011	1,806
Charge for year	<u>903</u>
At 31 December 2011	<u>2,709</u>
NET BOOK VALUE	
At 31 December 2011	<u>7,141</u>
At 31 December 2010	<u>8,044</u>

9 STOCKS

	2011 £	2010 £
Raw materials	329,021	230,726
Work-in-progress	<u>316,324</u>	<u>318,340</u>
	<u>645,345</u>	<u>549,066</u>

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	2,086,427	1,355,129
Other debtors	5,303	5,162
Tax	24,641	-
VAT	33,916	-
Prepayments	<u>80,791</u>	<u>80,096</u>
	<u>2,231,078</u>	<u>1,440,387</u>

11 CURRENT ASSET INVESTMENTS

	2011 £	2010 £
Listed investments	<u>80,000</u>	<u>-</u>
Market value of listed investments at 31 December 2011 - £78,627		

APS METAL PRESSINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

12 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 14)	39,051	-
Other loans (see note 14)	1,776	66,518
Hire purchase contracts (see note 15)	2,105	1,914
Trade creditors	1,522,095	874,699
Tax	202,000	40,000
Social security and other taxes	49,297	63,500
Directors' current accounts	-	73,462
Accrued expenses	24,688	18,129
	<u>1,841,012</u>	<u>1,138,222</u>

13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Other loans (see note 14)	2,516	-
Hire purchase contracts (see note 15)	2,697	4,802
	<u>5,213</u>	<u>4,802</u>

14 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	39,051	-
Other loans	1,776	66,518
	<u>40,827</u>	<u>66,518</u>
Amounts falling due between one and two years		
Other loans - 1-2 years	2,516	-
	<u>2,516</u>	<u>-</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2011	2010
	£	£
Net obligations repayable		
Within one year	2,105	1,914
Between one and five years	2,697	4,802
	<u>4,802</u>	<u>6,716</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring				
Within one year	139,287	-	18,489	7,893
Between one and five years	-	151,950	56,030	69,966
In more than five years	160	160	-	-
	<u>139,447</u>	<u>152,110</u>	<u>74,519</u>	<u>77,859</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdraft	39,051	-
Hire purchase contracts	4,802	6,716
	<u>43,853</u>	<u>6,716</u>

Bank overdrafts are secured by an unlimited debenture dated 22 December 1981 and a first legal charge dated 31 December 1984 over the company's leasehold land and buildings at 127 Barr Street, Hockley, Birmingham

Hire purchase liabilities are secured against the specific asset

17 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>149,000</u>	<u>143,000</u>
		Deferred tax £
Balance at 1 January 2011		143,000
Movement in year		6,000
Balance at 31 December 2011		<u>149,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

18 ACCRUALS AND DEFERRED INCOME

	2011 £	2010 £
Government grants		
Balance brought forward	48,780	54,877
Released during the year	(6,097)	(6,097)
Balance carried forward	<u>42,683</u>	<u>48,780</u>

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
136,500	A Ordinary	£1	136,500	136,500
13,500	B Ordinary	£1	13,500	13,500
			<u>150,000</u>	<u>150,000</u>

20 RESERVES

	Profit and loss account £
At 1 January 2011	2,359,174
Profit for the year	517,764
Dividends	(150,000)
At 31 December 2011	<u>2,726,938</u>

21 PENSION COMMITMENTS

The company contributes to personal defined contribution pension schemes for the benefit of the directors and employees. The assets of these schemes are administered by trustees in funds independent from those of the company.

Total company contributions paid during the year ended 31 December 2011 amounted to £100,629 (2010 - £118,521).

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

22 TRANSACTIONS WITH DIRECTORS

Directors' advances made to company

Included within creditors falling due within one year is an advance made by D P Smith, a director of the company, totalling £nil as at 31 December 2011 (2010 - £73,461)

An analysis of the advance is as follows

	2011 £	2010 £
D P Smith		
Balance due from company at start of year	73,461	174,587
Balance due from company at end of year	-	73,461
Maximum balance due from company during year	73,461	174,604

23 RELATED PARTY DISCLOSURES

Property rentals due from company

D P Smith, a director of the company, is also a member and trustee of an individual pension scheme

During the year ended 31 December 2011 the company occupied as tenants premises owned by this pension scheme in which D P Smith is a member and a trustee and paid rents amounting to £151,950 (2010 - £151,950)

These rents have been charged at normal commercial rates

Estate of P E Smith (deceased)

A P Smith and P P Smith, directors of the company, have an interest in the estate of P E Smith (deceased)

Included within other loans falling due within one year is an amount totalling £nil (2010 - £66,518) due from the company to the estate of P E Smith (deceased) as at 31 December 2011

Dividends paid to directors

During the year ended 31 December 2011 total dividends of £119,500 (2011 - £nil) were paid to the directors

24 ULTIMATE CONTROLLING PARTY

The company is controlled by the directors

25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	517,764	105,424
Dividends	(150,000)	-
Net addition to shareholders' funds	367,764	105,424
Opening shareholders' funds	2,509,174	2,403,750
Closing shareholders' funds	2,876,938	2,509,174

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

26	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2011	2010
		£	£
	Operating profit	700,881	123,348
	Depreciation charges	163,618	175,468
	Loss on disposal of fixed assets	21,161	-
	Increase in stocks	(96,279)	(141,286)
	Increase in debtors	(766,050)	(574,780)
	Increase in creditors	504,064	137,442
	Net cash inflow/(outflow) from operating activities	527,395	(279,808)
27	ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	2011	2010
		£	£
	Returns on investments and servicing of finance		
	Interest received	794	681
	Interest paid	-	(9)
	Interest element of hire purchase payments	(518)	(709)
	Net cash inflow/(outflow) for returns on investments and servicing of finance	276	(37)
	Capital expenditure		
	Purchase of tangible fixed assets	(22,840)	(25,493)
	Sale of tangible fixed assets	10,000	-
	Net cash outflow for capital expenditure	(12,840)	(25,493)
	Management of liquid resources		
	Purchase of current asset investments	(80,000)	-
	Net cash outflow from management of liquid resources	(80,000)	-
	Financing		
	Capital repayments in year	(1,914)	(1,723)
	Net cash outflow from financing	(1,914)	(1,723)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

28 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1 11 £	Cash flow £	At 31 12 11 £
Net cash			
Cash at bank and in hand	675,226	281,934	957,160
Bank overdraft	-	(39,051)	(39,051)
	<u>675,226</u>	<u>242,883</u>	<u>918,109</u>
Liquid resources			
Current asset investments	-	80,000	80,000
	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Debt			
Hire purchase	(6,716)	1,914	(4,802)
Debts falling due within one year	(66,518)	64,742	(1,776)
Debts falling due after one year	-	(2,516)	(2,516)
	<u>(73,234)</u>	<u>64,140</u>	<u>(9,094)</u>
Total	<u>601,992</u>	<u>387,023</u>	<u>989,015</u>