

REGISTERED NUMBER: 00824300 (England and Wales)

Abbreviated Accounts for the Year Ended 30 June 2011

for

Katsouris Brothers Limited

SATURDAY



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for the Year Ended 30 June 2011**

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Katsouris Brothers Limited

**Company Information
for the Year Ended 30 June 2011**

DIRECTORS:

L Constantinou
C Constantinou
D Habeshis
A Yerolemou

SECRETARY:

K Charalambous

REGISTERED OFFICE:

100 Queensbury Road
Wembley
Middlesex
HA0 1WP

REGISTERED NUMBER:

00824300 (England and Wales)

AUDITORS:

Philips Chartered Accountants
1160 High Road
London
N20 0RA

Katsouris Brothers Limited (Registered number: 00824300)

**Report of the Directors
for the Year Ended 30 June 2011**

The directors present their report with the accounts of the company for the year ended 30 June 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of food importers and distributors

REVIEW OF BUSINESS

Despite the current economic climate and the continuing difficult trading conditions, the company has continued to successfully focus strongly on increasing sales and reducing costs

As a result of introducing new products and utilising existing contacts, the directors are pleased to announce that this year's turnover has increased by 21.6%. The directors have also concentrated on reducing the company's debt

The company realised a profit of £3,264,909 before tax, compared to the previous year's profit of £1,505,744

The directors remain confident of sustaining the company's improved trading position and profitability

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2010 to the date of this report

L Constantinou
C Constantinou
D Habeshis
A Yerolemou

FINANCIAL INSTRUMENTS

The company's financial instruments employed during the year consist of borrowings, cash and various other items such as debtors and creditors that arise from its trading activities. These financial instruments do not include derivatives normally used for the purpose of raising finance for the company's operations. The main risks from the above mentioned financial instruments are interest rate risk and liquidity risk

The directors review the policies for each of the risks as set out below -

Interest rate risk.

The company's operations are supported by bank facilities and retained profits and it is exposed to rate of interest fluctuations on its bank facilities, both of which are supported by fixed and floating charges

Liquidity risk.

The financial risks are managed by the company through the provision of sufficient liquidity made available to meet the company's foreseeable needs. Throughout the year the company ensured flexibility achieved by overdraft facilities

Foreign currency risk.

The company makes its purchases in Sterling, Euro and US Dollar and accordingly it is exposed to currency fluctuations in respect of overseas purchases. In addition, funds held in foreign currencies also give rise to currency gains or losses. These are recognised in the profit & loss account. The directors' objective is to reduce risk from exchange rate fluctuations

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company contributed £2,100 to various charities

**Report of the Directors
for the Year Ended 30 June 2011**

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

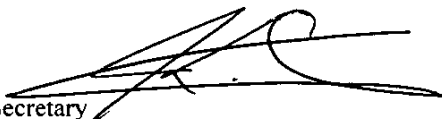
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

The auditors, Philips Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

K Charalambous - Secretary



12 March 2012

**Report of the Independent Auditors to
Katsouris Brothers Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to nineteen, together with the full financial statements of Katsouris Brothers Limited for the year ended 30 June 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.

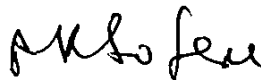
Basis of opinion

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.

Philip Soteri (Senior Statutory Auditor)
for and on behalf of Philips Chartered Accountants
1160 High Road
London
N20 0RA



Date 12-3-2012

Katsouris Brothers Limited (Registered number: 00824300)

**Abbreviated Profit and Loss Account
for the Year Ended 30 June 2011**

	Notes	30 6 11 £	30 6 10 £
TURNOVER		31,020,485	25,510,231
Cost of sales and other operating income		(22,463,707)	(18,912,812)
		<u>8,556,778</u>	<u>6,597,419</u>
Administrative expenses		<u>5,257,716</u>	<u>4,988,445</u>
OPERATING PROFIT	3	3,299,062	1,608,974
Interest receivable and similar income		<u>280</u>	<u>48</u>
		3,299,342	1,609,022
Interest payable and similar charges	4	<u>34,433</u>	<u>103,278</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,264,909	1,505,744
Tax on profit on ordinary activities	5	<u>916,546</u>	<u>319,593</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,348,363</u></u>	<u><u>1,186,151</u></u>

CONTINUING OPERATIONS

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

The notes on pages 11 to 19 form part of these abbreviated accounts

Katsouris Brothers Limited (Registered number: 00824300)

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 June 2011**

	30 6 11 £	30 6 10 £
PROFIT FOR THE FINANCIAL YEAR	2,348,363	1,186,151
Revaluation reserve movement	500,000	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>2,848,363</u>	<u>1,186,151</u>

**Note of Historical Cost Profits and Losses
for the Year Ended 30 June 2011**

	30 6 11 £	30 6 10 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,264,909	1,505,744
Revaluation reserve movement	(500,000)	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>2,764,909</u>	<u>1,505,744</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>1,848,363</u>	<u>1,186,151</u>

The notes on pages 11 to 19 form part of these abbreviated accounts

Katsouris Brothers Limited (Registered number: 00824300)

**Abbreviated Balance Sheet
30 June 2011**

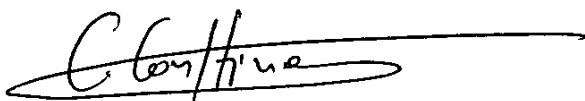
	Notes	30 6 11 £	30 6 10 £
FIXED ASSETS			
Tangible assets	6	3,246,908	2,945,782
Investments	7	<u>1</u>	<u>1</u>
		3,246,909	2,945,783
CURRENT ASSETS			
Stocks	8	3,169,825	2,314,025
Debtors	9	5,611,230	4,853,521
Cash at bank and in hand		<u>305,031</u>	<u>328,244</u>
		9,086,086	7,495,790
CREDITORS			
Amounts falling due within one year	10	<u>4,934,403</u>	<u>4,665,555</u>
NET CURRENT ASSETS		<u>4,151,683</u>	<u>2,830,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,398,592	5,776,018
CREDITORS			
Amounts falling due after more than one year	11	<u>-</u>	<u>1,225,789</u>
NET ASSETS		<u><u>7,398,592</u></u>	<u><u>4,550,229</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	29,500	29,500
Revaluation reserve	17	500,000	-
Profit and loss account	17	<u>6,869,092</u>	<u>4,520,729</u>
SHAREHOLDERS' FUNDS	22	<u><u>7,398,592</u></u>	<u><u>4,550,229</u></u>

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 12 March 2012 and were signed on its behalf by

Director

C. CONSTANTINOU



The notes on pages 11 to 19 form part of these abbreviated accounts

Katsouris Brothers Limited (Registered number: 00824300)

**Cash Flow Statement
for the Year Ended 30 June 2011**

	Notes	30 6 11 £	£	30 6 10 £	£
Net cash inflow from operating activities	1		3,020,822		1,226,760
Returns on investments and servicing of finance	2		(34,153)		(103,230)
Taxation			(846,004)		13,699
Capital expenditure	2		(329,606)		(128,167)
			<u>1,811,059</u>		<u>1,009,062</u>
Financing	2		(1,633,559)		(322,778)
Increase in cash in the period			<u>177,500</u>		<u>686,284</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		177,500		686,284	
Cash outflow from decrease in debt and lease financing		<u>1,413,391</u>		<u>322,777</u>	
Change in net debt resulting from cash flows			<u>1,590,891</u>		<u>1,009,061</u>
Movement in net debt in the period			<u>1,590,891</u>		<u>1,009,061</u>
Net debt at 1 July			<u>(1,386,329)</u>		<u>(2,395,391)</u>
Net funds/(debt) at 30 June			<u>204,562</u>		<u>(1,386,330)</u>

The notes on pages 11 to 19 form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 June 2011

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

	30 6 11 £	30 6 10 £
Operating profit	3,299,062	1,608,974
Depreciation charges	530,235	506,901
Profit on disposal of fixed assets	(1,755)	(170)
Increase in stocks	(855,800)	(347,287)
Increase in debtors	(729,817)	(908,084)
Increase in creditors	778,897	366,426
Net cash inflow from operating activities	3,020,822	1,226,760

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

	30 6 11 £	30 6 10 £
Returns on investments and servicing of finance		
Interest received	280	48
Interest paid	(34,433)	(101,328)
Interest element of hire purchase or finance lease rentals payments	-	(1,950)
Net cash outflow for returns on investments and servicing of finance	(34,153)	(103,230)
Capital expenditure		
Purchase of tangible fixed assets	(331,361)	(128,337)
Sale of tangible fixed assets	1,755	170
Net cash outflow for capital expenditure	(329,606)	(128,167)
Financing		
Loan repayments in year	(1,413,391)	(278,000)
Loan repayment to parent company	(176,890)	-
Capital repayments in year	-	(44,778)
Amount withdrawn by directors	(43,278)	-
Net cash outflow from financing	(1,633,559)	(322,778)

Katsouris Brothers Limited (Registered number: 00824300)

**Notes to the Cash Flow Statement
for the Year Ended 30 June 2011**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 7 10 £	Cash flow £	At 30 6 11 £
Net cash			
Cash at bank and in hand	328,244	(23,213)	305,031
Bank overdraft	(200,713)	200,713	-
	<u>127,531</u>	<u>177,500</u>	<u>305,031</u>
Debt			
Debts falling due within one year	(288,071)	187,602	(100,469)
Debts falling due after one year	(1,225,789)	1,225,789	-
	<u>(1,513,860)</u>	<u>1,413,391</u>	<u>(100,469)</u>
Total	<u>(1,386,329)</u>	<u>1,590,891</u>	<u>204,562</u>

The notes on pages 11 to 19 form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 30 June 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Preparation of consolidated financial statements

The financial statements contain information about Katsouris Brothers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

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

Freehold property	- 10% on cost and 2% on cost
Short leasehold	- in accordance with the property
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on cost

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

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

Pension costs and other post-retirement benefits

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

Katsouris Brothers Limited (Registered number: 00824300)

**Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011**

2 STAFF COSTS

	30 6 11 £	30 6 10 £
Wages and salaries	3,660,605	3,442,163
Social security costs	371,916	332,217
Other pension costs	63,100	36,428
	<u>4,095,621</u>	<u>3,810,808</u>

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

	30 6 11	30 6 10
Directors	4	5
Managerial and administration	29	28
Warehouse and others	117	93
	<u>150</u>	<u>126</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	30 6 11 £	30 6 10 £
Other operating leases	180,000	180,000
Depreciation - owned assets	530,235	506,901
Profit on disposal of fixed assets	(1,755)	(170)
Auditors' remuneration	9,500	9,500
Other services relating to taxation	2,000	2,000
All other services	7,907	7,975
Foreign exchange differences	29,240	(56,532)
	<u>563,324</u>	<u>583,212</u>
Directors' remuneration	24,600	9,753
Directors' pension contributions to money purchase schemes	-	30,000
Compensation to director for loss of office	-	-
	<u>24,600</u>	<u>39,753</u>

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

Money purchase schemes	<u>3</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	30 6 11 £	30 6 10 £
Emoluments etc	215,060	171,560
Pension contributions to money purchase schemes	10,000	-
	<u>225,060</u>	<u>171,560</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 6 11	30 6 10
	£	£
Bank interest	5,069	20,825
Bank loan interest	29,364	80,503
Hire purchase	-	1,950
	<u>34,433</u>	<u>103,278</u>

5 TAXATION

Analysis of the tax charge

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

	30 6 11	30 6 10
	£	£
Current tax		
UK corporation tax	967,251	476,945
Corporation tax prior year	-	(22,766)
Total current tax	<u>967,251</u>	<u>454,179</u>
Deferred tax	(50,705)	(134,586)
Tax on profit on ordinary activities	<u>916,546</u>	<u>319,593</u>

UK corporation tax has been charged at 27.50% (2010 - 28%)

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

	30 6 11	30 6 10
	£	£
Profit on ordinary activities before tax	<u>3,264,909</u>	<u>1,505,744</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.50% (2010 - 28%)	897,883	421,608
Effects of		
Expenses not deductible for tax purposes	2,140	1,814
Capital allowances for period in excess of depreciation	67,216	67,719
Utilisation of tax losses	-	(14,196)
Adjustments to tax charge in respect of previous periods	-	(22,766)
Rounding differences on hybrid corporation tax rate	12	-
Current tax charge	<u>967,251</u>	<u>454,179</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

6 TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 July 2010	3,311,186	784,659	2,478,278
Additions	-	-	301,361
Disposals	-	-	(12,000)
Revaluations	500,000	-	-
At 30 June 2011	3,811,186	784,659	2,767,639
DEPRECIATION			
At 1 July 2010	1,147,559	627,727	2,030,798
Charge for year	163,683	78,466	195,120
Eliminated on disposal	-	-	(12,000)
At 30 June 2011	1,311,242	706,193	2,213,918
NET BOOK VALUE			
At 30 June 2011	2,499,944	78,466	553,721
At 30 June 2010	2,163,627	156,932	447,480
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 July 2010	858,049	306,172	7,738,344
Additions	-	30,000	331,361
Disposals	-	(23,538)	(35,538)
Revaluations	-	-	500,000
At 30 June 2011	858,049	312,634	8,534,167
DEPRECIATION			
At 1 July 2010	747,857	238,621	4,792,562
Charge for year	54,199	38,767	530,235
Eliminated on disposal	-	(23,538)	(35,538)
At 30 June 2011	802,056	253,850	5,287,259
NET BOOK VALUE			
At 30 June 2011	55,993	58,784	3,246,908
At 30 June 2010	110,192	67,551	2,945,782

Included in cost or valuation of land and buildings is freehold land of £640,000 (2010 - £640,000) which is not depreciated

Katsouris Brothers Limited (Registered number 00824300)

**Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011**

6 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 30 June 2011 is represented by

	Freehold property £	Short leasehold £	Plant and machinery £
Valuation in 2011	500,000	-	-
Cost	3,311,186	784,659	2,767,639
	<u>3,811,186</u>	<u>784,659</u>	<u>2,767,639</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2011	-	-	500,000
Cost	858,049	312,634	8,034,167
	<u>858,049</u>	<u>312,634</u>	<u>8,534,167</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	30 6 11 £	30 6 10 £
Cost	1,932,647	1,932,947
Aggregate depreciation	<u>474,579</u>	<u>448,720</u>
Value of land in freehold land and buildings	<u>640,000</u>	<u>640,000</u>

The freehold land and building were valued on an open market value basis on 7 June 2011 by an independent surveyor

7 FIXED ASSET INVESTMENTS

	Interest in associate undertakings £
COST	
At 1 July 2010 and 30 June 2011	<u>100</u>
PROVISIONS	
At 1 July 2010 and 30 June 2011	<u>99</u>
NET BOOK VALUE	
At 30 June 2011	<u>1</u>
At 30 June 2010	<u>1</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

7 **FIXED ASSET INVESTMENTS - continued**

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

Cypressa Products Limited
Country of incorporation England
Nature of business Dormant

Class of shares	%
Ordinary	holding 100 00

8 **STOCKS**

	30 6 11	30 6 10
	£	£
Stocks	3,169,825	2,314,025

9 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 6 11	30 6 10
	£	£
Trade debtors	4,765,233	4,147,495
Other loans owing	12,075	9,560
Corporation tax recoverable	-	22,813
Other debtors	205,460	126,446
Deferred tax asset	364,977	314,272
Prepayments and accrued income	263,485	232,935
	5,611,230	4,853,521

10 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 6 11	30 6 10
	£	£
Bank loans and overdrafts (see note 12)	100,469	488,784
Trade creditors	3,898,626	3,099,790
Amounts owed to group undertakings	-	176,890
Corporation tax	495,379	396,945
Other creditors	233,429	182,498
Directors' current accounts	-	43,278
Accrued expenses	206,500	277,370
	4,934,403	4,665,555

11 **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30 6 11	30 6 10
	£	£
Bank loans (see note 12)	-	1,225,789

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

12 LOANS

An analysis of the maturity of loans is given below

	30 6 11 £	30 6 10 £
Amounts falling due within one year or on demand		
Bank overdrafts	-	200,713
Bank loans	100,469	288,071
	<u>100,469</u>	<u>488,784</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	-	288,071
	<u>-</u>	<u>288,071</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	-	607,343
	<u>-</u>	<u>607,343</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	-	330,375
	<u>-</u>	<u>330,375</u>

13 OPERATING LEASE COMMITMENTS

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

		Land and buildings
	30 6 11 £	30 6 10 £
Expiring		
Within one year	180,000	180,000
	<u>180,000</u>	<u>180,000</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	30 6 11 £	30 6 10 £
Bank overdraft	-	200,713
Bank loans	100,469	1,513,860
	<u>100,469</u>	<u>1,714,573</u>

The bank loan and overdraft facilities are secured by a first charge on the company's Water Road freehold property. A supported guarantee by Katsouris Investments Limited, a connected company, is also in place. Interest is charged on the loan at 1.5% above the bank's base rate.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

15 DEFERRED TAX

	£
Balance at 1 July 2010	(314,272)
Deferred tax profit and loss	(50,705)
	<u>(364,977)</u>
Balance at 30 June 2011	<u>(364,977)</u>

As at the balance sheet date there is a deferred tax asset of £364,977 (2010 £314,272) In the directors' opinion the deferred tax asset is recognised as it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

No provision has been made for deferred tax of £137,505 arising on the revaluation This amount would become payable in the event of the property being sold, however there are no plans to sell it in the foreseeable future

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1 00	30 6 11 £	30 6 10 £
29,500	Ordinary		<u>29,500</u>	<u>29,500</u>

17 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2010	4,520,729	-	4,520,729
Profit for the year	2,348,363		2,348,363
Revaluation reserve movement	-	500,000	500,000
	<u>6,869,092</u>	<u>500,000</u>	<u>7,369,092</u>
At 30 June 2011			

18 CONTINGENT LIABILITIES

Contingent liabilities of £100,000 exist in connection with a VAT Bond to HM Revenue and Customs (2010 £100,000)

There is a contingent liability of around £825,830 (2010 £220,000) in respect of goods ordered

19 CAPITAL COMMITMENTS

	30 6 11 £	30 6 10 £
Contracted but not provided for in the financial statements	<u>36,500</u>	<u>150,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2011

20 RELATED PARTY DISCLOSURES

Annual rent of £180,000 (2010 £180,000) is payable under a licence to Katsouris Investments Limited, a company where A P Yerolemou is a director and shareholder L Constantinou and C Constantinou are directors of both companies As at 30 June 2011, no outstanding liability was due from Katsouris Brothers Limited There is a supported guarantee in place by Katsouris Investments Limited

During the year, the company sold goods of £12,502 (2010 £17,257) at normal commercial terms to Etchlord Limited, a company where A P Yerolemou is a director and shareholder L Constantinou and C Constantinou are directors of both companies As at the balance sheet date £730 (2010 £3,559) was owed to Katsouris Brothers Limited

As at the balance sheet date £Nil (2010 £176,890) was owed to the parent company The loan was interest free and repayable on demand

21 ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Katsouris Brothers Limited, a company incorporated in Cyprus

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 6 11	30 6 10
	£	£
Profit for the financial year	2,348,363	1,186,151
Other recognised gains and losses relating to the year (net)	500,000	-
Net addition to shareholders' funds	2,848,363	1,186,151
Opening shareholders' funds	4,550,229	3,364,078
Closing shareholders' funds	7,398,592	4,550,229

