Registered Number: 4720018

Van Elle 03 Limited

Annual report and financial statements

for the year ended 30 April 2009

Van Elle 03 Limited

Annual report and financial statements for the year ended 30 April 2009

Contents

Van Elle 03 Limited

Directors' report
for the year ended 30 April 2009

The directors present their report and the financial statements of the Company and the Group for the year ended 30 April 2009.

Principal activities and business review
The Group is principally engaged in open site piling, ground stabilisation, restricted access micropiling, site investigation and subsidence repair within the construction/civil engineering industry.

As a result of the extraordinary economic conditions and the significant impact upon the construction industry, turnover has reversed the trend established over the past five years and fallen in the year ended 30 April 2009.

The shortage of available work and the increased competition has resulted in a reduction in operating profit although the result for the period is in line with the underlying trend.

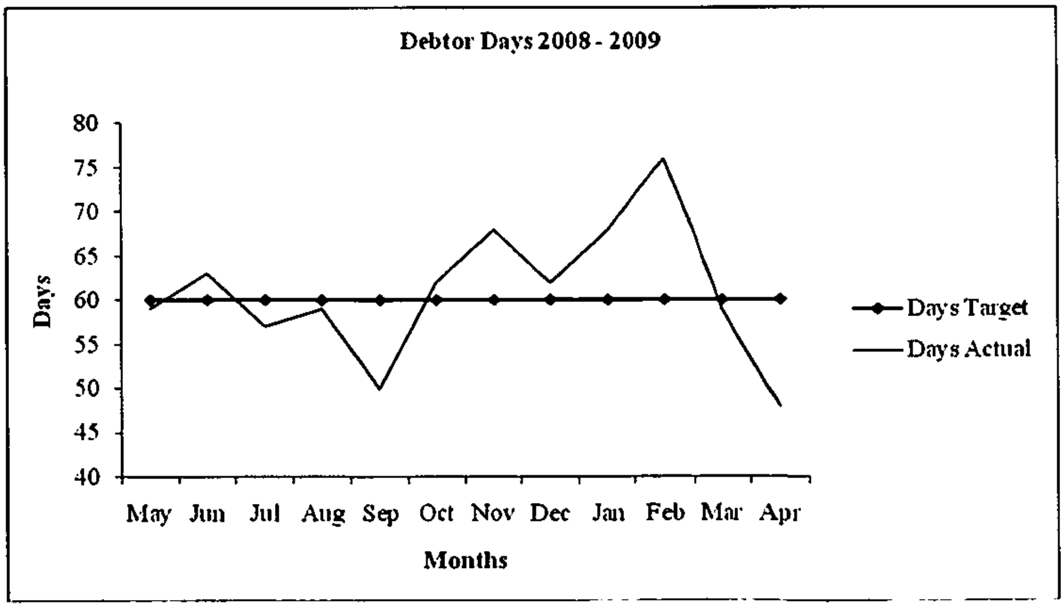
Despite the difficulties encountered the Group consolidated its position and adjusted its operating costs to match. As a result of this the Group was able to exceed its revised expectations set at the half year. The directors are confident that the Group is now well placed to take advantage of an upturn in work when it occurs.

Key Performance Indicators
By way of tracking the performance of the Group, KPIs (Key Performance Indicators) are used by Van Elle 03 Limited.

Financial KPIs include debtor days and contribution.

The management team at Van Elle reviews the KPIs continuously and believes that action plans are in place to improve all KPIs. A selection of charts is given below.

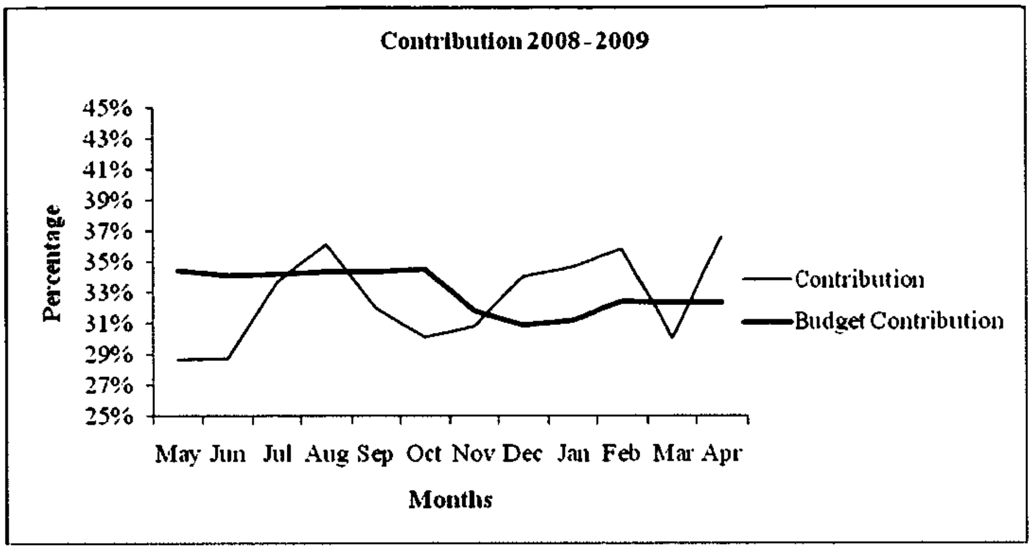
Debtor Days



Debtor days fluctuated around target for most of the year but suffered badly as a result of prevailing market conditions. Concerted efforts by staff and management were successful in turning this around by the year end.

Directors' Report
for the year ended 30 April 2008 (continued)

Contribution



Fluctuations in contribution reflect the static nature of some direct costs against seasonal movements in turnover.

The management team of Van Elle also recognise the importance of non-financial KPIs in the performance measurement of the business. Such indicators include, but are not limited to, staff turnover, accident and injury levels, enquiries, tenders and orders received. A selection of these indicators is given below.

	2009	2008
Accident incident rate/1000 employees	4	14
Quotes delivered	£476m	£445m

Financial risk management objectives and policies

Interest rate risk
The Group finances its operations through funding and loan notes arranged by the parent company as well as hire purchase arranged at the subsidiary level. These facilities utilise both fixed and floating rates in order to manage exposure to interest rate fluctuations.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. This is primarily achieved by utilising funding arranged by the parent company and secured on Van Elle Limited's assets. Access to these facilities will be reviewed in the forthcoming year.

Currency risk
The Group is not exposed to significant transaction or translation foreign exchange risk.

Results and dividends
The Group's consolidated profit for the year after taxation amounted to £242,000 (2008: £2,081,000). No dividends have been declared (2008: nil).

Van Elle 03 Limited

Directors' report
for the year ended 30 April 2009 (continued)

Employees
Regular consultative meetings are held with managers and employees on matters affecting the Group's progress and the future development of the Group's activities and areas of operation; such consultations promote a bilateral channel of communication, which encourages the involvement of all employees.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Directors and their interests
The directors who held office during the year, together with their beneficial and non-beneficial interests in the shares of the company at the beginning (or date of appointment) and end of the financial year, are shown below.

	'A' ordinary 2009	**'B' ordinary 2009**	'A' ordinary 2008	'B' ordinary 2008
M F Ellis	**800,000**	-	800,000	-
J E Ellis	-	**235,000**	-	235,000
M J Edwards	-	-	-	-
I Gorbould	-	**40,000**	-	40,000
V Handley	-	**140,000**	-	140,000
R Holmes	-	**116,128**	-	116,128

Directors' report
for the year ended 30 April 2009 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the affairs of the Group and parent company and of the profit or loss of the Group 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 estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent 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 parent company and the Group 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 parent company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware there is no relevant audit information of which the Company's auditors are unaware; and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The Company's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

By order of the Board

Mr. I. Gorbould
Secretary
Van Elle 03 Limited
Registered number: 4720018
6 November 2009

Independent auditor's report to the members of Van Elle 03 Limited

We have audited the financial statements of Van Elle 03 Limited for the year ended 30 April 2009 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and notes 1 to 22. 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 Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 30 April 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Van Elle 03 Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Phil Crooks
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Milton Keynes
6 November 2009

Van Elle 03 Limited

Consolidated profit and loss account for the year ended 30 April 2009

	Note	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Turnover	1	**36,086**	46,571
Cost of sales		**(26,451)**	(32,405)
Gross profit		**9,635**	14,166
Administrative expenses		**(8,970)**	(10,445)
Operating profit	2	**665**	3,721
Net interest payable and similar charges	3	**(426)**	(603)
Profit on ordinary activities before taxation		**239**	3,118
Tax on profit on ordinary activities	4	**(168)**	(1,037)
Retained profit for the year transferred to reserves	16	**71**	2,081

All items dealt with in arriving at the profit above relate to continuing operations. There are no recognised gains and losses in the year other than those disclosed in the profit and loss account.

The notes 1 – 22 form part of these financial statements.

Consolidated balance sheet as at 30 April 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Intangible assets	7		**3,044**		3,260
Tangible assets	8		**6,718**		6,307
			9,762		9,567
Current assets					
Stocks	10	**376**		706	
Debtors	11	**7,006**		7,766	
Properties held for sale		**-**		180	
Cash at bank		**500**		187	
		7,882		8,839	
Creditors - amounts falling due within one year	12	**(11,161)**		(11,363)	
Net current liabilities			**(3,279)**		(2,524)
Total assets less current liabilities			**6,483**		7,043
Creditors - amounts falling due after more than one year	13		**(2,083)**		(2,690)
Provisions for liabilities	14		**(407)**		(431)
Minority interest (all equity)			**(18)**		(18)
Net assets			**3,975**		3,904
Capital and reserves					
Called up share capital	15		**1,000**		1,000
Profit and loss account	16		**2,975**		2,904
Total equity shareholders' funds	17		**3,975**		3,904

The notes 1 – 22 form part of these financial statements.

The financial statements were approved by the board of directors on 6 November 2009 and were signed on its behalf by:

Mr M F Ellis
Director

Mr I Gorbould
Director

Van Elle 03 Limited

Company balance sheet as at 30 April 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Investments	9		**6,051**		6,051
Current assets					
Debtors	11	**31**		47	
Cash at bank		**-**		12	
		31		59	
Creditors - amounts falling due within one year	12	**(6,770)**		(6,393)	
Net current liabilities			**(6,739)**		(6,334)
Total assets less current liabilities			**(688)**		(283)
Creditors - amounts falling due after more than one year	13		**(274)**		(378)
Net liabilities			**(962)**		(661)
Capital and reserves					
Called up share capital	15		**1,000**		1,000
Profit and loss account	16		**(1,962)**		(1,661)
Total equity shareholders' funds			**(962)**		(661)

The notes 1 - 22 form part of these financial statements.

The financial statements were approved by the board of directors on 6 November 2009 and were signed on its behalf by:

Mr M F Ellis
Director

Mr I Gorbould
Director

Consolidated cash flow statement for the year ended 30 April 2009

	Note	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Net cash inflow from operating activities	20	**364**	6,693
Returns on investment and servicing of finance			
Interest received		**10**	17
Finance lease interest paid		**(172)**	(194)
Other interest paid		**(264)**	(426)
Net cash outflow from returns on investments and servicing of finance		**(426)**	(603)
Taxation			
Corporation tax paid		**(695)**	(693)
Capital expenditure			
Purchase of tangible fixed assets		**(977)**	(924)
Sale of tangible fixed assets and assets held for resale		**211**	11
Net cash outflow from capital expenditure		**(766)**	(913)
Net cash (outflow)/inflow before financing		**(1,523)**	4,484
Financing			
Capital element of finance lease payments	20	**(1,109)**	(1,296)
Receipts from/(repayment of) borrowings	20	**2,945**	(3,118)
Net cash inflow/(outflow) from financing		**1,836**	(4,414)
Increase in net cash	20	**313**	70

The notes 1 – 22 form part of these financial statements.

Notes to the financial statements for the year ended 30 April 2009

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting
The financial statements are prepared under the historical cost convention.

Basis of preparation
The Group accounts consolidate the accounts of Van Elle 03 Limited and all its subsidiary undertakings up to 30 April 2009. No profit and loss account for Van Elle 03 Limited has been presented as permitted by Section 408 of the Companies Act 2006.

Acquisitions and disposals
The results of companies or businesses acquired or sold during the period are dealt with from the date of acquisition or to the date of sale using the principles of acquisition accounting. Where a company or business has been accounted for using the principles of acquisition accounting, fair values are attributed to the Group's share of the separable net assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is recognised as goodwill.

Investments in subsidiary undertakings
The cost of investments in subsidiary undertakings is recorded at the value of shares issued in connection with the acquisition, cash paid and any further costs connected with the acquisition, less amounts written off.

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Goodwill
Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life, which has been selected as 20 years.

Turnover
Turnover represents the total amounts receivable by the Group for goods supplied and services provided and work performed on contracts not yet invoiced, excluding value added tax and trade discounts. The Group's turnover arises in the UK and Republic of Ireland.

In the case of long term contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract cost.

Pensions
Amounts charged in the financial statements relate to payments to money purchase schemes for employees and directors. In addition, individual executive pension plans have been set up for senior executives of the Group. The pension costs charged against operating profits are the contributions payable to the schemes in respect of the accounting period.

Notes to the financial statements
for the year ended 30 April 2009 (continued)

1 Principal accounting policies (continued)

Fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

Office equipment	10-25% per annum
Motor vehicles	10-25% per annum
Plant and machinery	10-20% per annum

Government grants
Capital grants received are reported as deferred income and credited to the profit and loss account over the expected useful economic life of the assets for which they are received. Revenue grants received in respect of non-financial objectives are matched against the identifiable costs of achieving and maintaining these non-financial objectives.

Leases
Leasing agreements and hire purchase contracts that transfer to the Group substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. Assets held under such agreements are included in fixed assets and the capital element of commitments is shown as obligations under finance leases. Payments under such agreements are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account over the primary lease period in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

All other leases are treated as operating leases, the costs of which are charged on a straight line basis over the lease term.

Stocks and work in progress
Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Costs of work done against which turnover has not been recognised are included in work in progress net of applications made. Applications made in excess of costs incurred are included in creditors.

Deferred taxation
Deferred taxation is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods which timing differences reverse.

Notes to the financial statements for the year ended 30 April 2009 (continued)

1 Principal accounting policies (continued)

Foreign currencies

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the financial statements for the period ended 30 April 2009 (continued)

2 Operating profit

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Operating profit is stated after charging/(crediting):		
Plant and equipment hire	**2,595**	3,582
Depreciation of tangible fixed assets		
- owned assets	**330**	415
- under finance leases	**1,074**	856
Goodwill amortisation	**216**	216
Operating lease charges - plant & machinery	**1**	-
Operating lease charges – other	**270**	304
Loss/(profit) on disposal of fixed assets	**19**	(6)
Government grant income	**-**	(12)
Redundancy costs	**320**	-
Auditors remuneration		
- audit services (Company: 2009 - £5,000, 2008 - £5,000)	**45**	45
- non-audit services - taxation compliance and advice	**20**	5

Liability Limitation Agreement with the auditor

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 April 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting on 24 November 2009.

3 Interest payable and similar charges

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Bank interest receivable	**(10)**	(17)
Interest payable on finance lease contracts	**172**	194
Other interest payable	**264**	426
	426	603

Notes to the financial statements for the year ended 30 April 2009 (continued)

4 Tax on profit on ordinary activities

The tax charge represents	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
UK corporation tax at 28% (2008: 30%)	102	879
Adjustments in respect of prior years corporation tax	90	107
Total current tax	192	986
Origination and reversal of timing differences	22	76
Adjustment in respect of prior years deferred tax	(46)	-
Effect of change in rate from 30% to 28%	-	(25)
Total deferred tax	(24)	51
Tax on profit on ordinary activities	168	1,037

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008: 29.8%)

Profit on ordinary activities before tax	239	3,018
Profit on ordinary activities multiplied by the standard rate of corporation tax	67	901
Effects of:		
Expenses not deductible for tax	63	66
Difference between depreciation and capital allowances	15	(86)
Short term timing differences	(37)	(2)
Marginal relief	(6)	-
Adjustments in respect of prior years	90	107
Current tax charge for the year	192	986

Notes to the financial statements for the year ended 30 April 2009 (continued)

5 Directors emoluments

The emoluments of the directors of the Company were:

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Emoluments	**412**	454
Pension contributions to money purchase schemes	**12**	12
	424	466

Retirement benefits are accruing to 3 directors (2008: 3) under money purchase schemes.

Highest paid director:	**Year ended 30 April 2009 £'000**	Year ended 30 April 2008 £'000
Emoluments	**97**	155
Pension contributions to money purchase schemes	**5**	-
	102	155

Mr M F Ellis is a member of a self-administered pension scheme, established under a Trust Deed, which provides benefits on a money purchase basis.

6 Employee costs

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Wages and salaries	**9,091**	11,604
Social security costs	**1,038**	1,198
Other pension costs	**61**	61
Staff costs	**10,190**	12,863
	Number	Number
Average number of employees for the year	**301**	368

Notes to the financial statements for the year ended 30 April 2009 (continued)

7 Intangible assets

Group	Goodwill £'000
Cost	
At 1 May 2008	4,322
Arising in year	-
At 30 April 2009	**4,322**
Amortisation	
At 1 May 2008	1,062
Charge for the year	216
At 30 April 2009	**1,278**
Net book amount	
At 30 April 2009	**3,044**
At 30 April 2008	3,260

Notes to the financial statements for the year ended 30 April 2009 (continued)

8 Tangible assets

Group	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost				
At 1 May 2008	9,210	3,028	453	12,691
Additions	1,169	371	325	1,865
Disposals	(106)	(653)	(69)	(828)
At 30 April 2009	**10,273**	**2,746**	**709**	**13,728**
Depreciation				
At 1 May 2008	4,08	1,960	335	6,384
Charge for the year	892	423	89	1,404
Disposals	(104)	(611)	(63)	(778)
At 30 April 2009	**4,877**	**1,772**	**361**	**7,010**
Net book amount				
At 30 April 2009	**5,396**	**974**	**348**	**6,718**
At 30 April 2008	5,121	1,068	118	6,307

Included in tangible assets is an amount of £568,000 (2008: £610,000) in respect of motor vehicles and an amount of £4,283,000 (2008: £4,361,000) in respect of plant and equipment held under finance leases and hire purchase contracts. The depreciation charged in the year on these assets amounted to £279,000 and £795,000 respectively.

Notes to the financial statements for the year ended 30 April 2009 (continued)

9 Fixed asset investment

Company	Shares in subsidiary undertakings
Cost	**£'000**
At 1 May 2008	6,051
Addition for the year	-
At 30 April 2009	**6,051**

The principal subsidiaries of the Group are as follows:

	Group interest in ordinary shares	Issued ordinary share capital	Country of incorporation
Van Elle Limited	100%	2,448	Great Britain
A&G (Steavenson) Limited (dormant)	75%	66,333	Great Britain
Dram Investments Limited (dormant)	100%	400	Great Britain
Van Elle Hoopsafe Limited (dormant)	100%	1,000	Great Britain

Notes to the financial statements for the year ended 30 April 2009 (continued)

10 Stocks

	Group 2009 £'000	Group 2008 £'000
Raw materials and consumables	**213**	480
Work in progress	**163**	226
	376	706

11 Debtors

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade debtors	**5,915**	6,412	-	-
Loan to Settlement Trust (note 21)	**287**	368	-	-
Other debtors	**804**	986	**31**	47
	7,006	7,766	**31**	47

Of the loan to the Settlement Trust £185,767 is due after more than one year.
Included in Group other debtors is a director's loan account of £121,487 (2008: £76,877).

12 Creditors – Amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade creditors	**4,811**	6,552	**22**	-
Amounts owed to group companies	-	-	**3,131**	5,817
Corporation tax	**107**	535	-	-
Loan from pension fund (note 21)	**101**	90	-	-
Finance lease contracts (note 18)	**974**	785	-	-
Other creditors and accruals	**4,147**	2,461	**3,169**	9
Other loans (note 13)	**448**	567	**448**	567
Taxation and social security	**573**	373	-	-
	11,161	11,363	**6,770**	6,393

12 Creditors – Amounts falling due within one year (continued)

Finance lease creditors are secured against the assets to which they relate.
Amounts totalling £3,169,000 (2008: £9,000) within other creditors and accruals are secured by a charge over debtors of the Group.
Other loans totalling £378,000 (2008: £944,000) are secured by fixed and floating charges over the assets of the Group.

13 Creditors – Amounts falling due after more than one year

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Finance lease contracts (note 18)	**1,612**	2,022	**-**	-
Loan from pension fund (note 21)	**186**	278	**-**	-
Other loans	**285**	390	**274**	378
	2,083	2,690	**274**	378

Other loans include Loan Notes totalling £350,000 issued to the Ellis Life Settlement Trust in accordance with a deed dated 26 March 2009. The Loan Notes issued are Variable Rate Guaranteed Secured Subordinated Convertible Redeemable Loan Notes 2014. Interest is charged at 2% above the rate charged to the Ellis Life Settlement Trust who have borrowed such sums to subscribe to the Loan Notes and is payable in advance. The Loan Notes are repayable in sixty equal monthly instalments commencing 1 April 2009. The amount outstanding at 30 April 2009 was £344,000.

14 Provisions for liabilities

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Deferred tax	**407**	431	**-**	-
	407	431	**-**	-

The deferred tax provision represents accelerated capital allowances totalling £407,000 (2008: £432,000), offset by short term timing differences of £Nil (2008: £1,000). Deferred tax has been calculated at 28% (2008: 28%).

15 Called up share capital

Group and Company	2009 £'000	2008 £'000
Authorised		
1,500,000 'A' ordinary shares of 50p each	**750**	400
1,200,000 'B' ordinary shares of 50p each	**600**	600
	1,350	1,000
Allotted and fully paid		
800,000 'A' ordinary shares of 50p each	**400**	400
1,200,000 'B' ordinary shares of 50p each	**600**	600
	1,000	1,000

Rights of shares

Both classes of shares have equal voting rights, and equal rights to income from dividends, subject to clauses in respect of swamping rights and pre-emption rights which are contained within the Articles of Association.

16 Reserves

Group	Profit and loss account £'000
As at 1 May 2008	2,904
Retained profit for the year after taxation	71
At 30 April 2009	**2,975**

Company	Profit and loss account £'000
As at 1 May 2008	(1,661)
Retained loss for the year after taxation	(301)
At 30 April 2009	**(1,962)**

Notes to the financial statements for the year ended 30 April 2009 (continued)

17 Reconciliation of movements in shareholders' funds

Group	2009 £'000	2008 £'000
Profit for the financial year	71	2,081
Net increase in shareholders' funds	71	2,081
Shareholders' funds as at 30 April 2008	3,904	1,823
Shareholders' funds as at 30 April 2009	3,975	3,904

18 Financial commitments

Finance leases

Future minimum payments under finance leases contracts are as follows:

	2009 £'000	2008 £'000
Within one year	974	785
Between one and five years	1,612	2,022
	2,586	2,807

All other loans are repayable as follows:

	2009 £'000	2008 £'000
Within one year or on demand	448	567
Between one and two years	273	378
Between two and five years	-	-
After more than five years	12	12
	733	957

18 Financial commitments (continued)

Operating leases

At 30 April 2009 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other assets	
	2009 £'000	2008 £'000	**2009 £'000**	2008 £'000
Expiry date:				
Within one year	**76**	76	**-**	-
Between two and five years	**146**	228	**1**	1
Over five years	**-**	-	**-**	-
	222	304	**1**	1

19 Capital commitments

Capital expenditure contracted for but not provided in the financial statements amounts to £Nil (2008: £712,000)

20 Reconciliation of operating profit to net cash flow from operating activities

	2009 £'000	2008 £'000
Operating profit	**665**	3,721
Depreciation	**1,404**	1,271
Amortisation of goodwill	**216**	216
Amortisation of RSA grant	**-**	(12)
Loss/(profit) on sale of tangible fixed assets	**19**	(6)
Decrease/(increase) in stocks and work in progress	**330**	(43)
Decrease in debtors	**754**	1,083
(Decrease)/increase in creditors and provisions	**(3,024)**	463
Net cash inflow from operating activities	**364**	6,693

Notes to the financial statements for the year ended 30 April 2009 (continued)

20 Reconciliation of operating profit to net cash flow from operating activities (continued)

Reconciliation of net cash inflow to movement in net debt

	2009	2008
	£'000	£'000
Increase in cash in the year	**313**	70
Cash (inflow)/outflow from repayment of debt and finance leases	**(1,836)**	4,414
Change in net debt resulting from cash flows	**(1,523)**	4,484
Inception of finance leases	**(888)**	(1,458)
Movement in net debt	**(2,411)**	3,026
Net debt at 30 April 2008	**(3,577)**	(6,603)
Net debt at 30 April 2009	**(5,988)**	(3,577)

Analysis of changes in net debt

	At 1 May 2008 £'000	Cash flow £'000	Other non-cash changes £'000	**At 30 April 2009 £'000**
Cash at bank and in hand	187	313	-	**500**
Finance leases	(2,807)	1,109	(888)	**(2,586)**
Debt due within one year	(567)	(3,050)	-	**(3,617)**
Debt due after one year	(390)	105	-	**(285)**
	(3,577)	(1,523)	(888)	**(5,988)**

Notes to the financial statements for the year ended 30 April 2009 (continued)

21 Related party transactions

During the year the Group rented properties owned by the Van Elle Ltd Retirement and Death Benefit Scheme and the Ellis Life Settlement Trust, both of which Mr M F Ellis and Mrs J E Ellis have interests in. In addition properties owned directly by Mr M F Ellis were also rented by the Group companies. The total rental charge for the year was £202,948 (2008: £202,948). The total balance outstanding in respect of rental payments at 30 April 2009 was £Nil (2008: £Nil).

During the year the Group made repayments against a loan of £450,000 to the Van Elle Ltd Retirement and Death Benefit Scheme and at the same time received payments against a loan of £450,000 from the Ellis Life Settlement Trust. The loan to the Group is unsecured and has been taken over a term of five years at a variable rate of 1% above base. The loan from the Group to the Ellis Life Settlement Trust is secured on the property at Kirkby Lane, Pinxton and is on the same terms as the loan to the Group. The amount receivable and payable at 30 April 2009 was £287,000.

Mr M F Ellis has a directors loan account of £121,487 (2008: £76,877) with the Group which is included within other debtors. The maximum liability during the year was £142,079 (2008: £76,877).

The company has taken advantage of Financial Reporting Standard No. 8 and has not disclosed transactions with other group undertakings.

22 Controlling party

In the opinion of the directors the controlling party of the Group and Company is considered to be Mr M F and Mrs J E Ellis by virtue of their shareholdings.