

# **T Brown Group Limited**

Report and Financial Statements

Year Ended

30 April 2010

Company Number 01006630

# T Brown Group Limited

Report and financial statements  
for the year ended 30 April 2010

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## Directors

S T Brown  
J D Brown

## Secretary and registered office

J D Brown, 24 High Street, Ewell Surrey KT17 1SJ

## Company number

01006630

## Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading Berkshire

# T Brown Group Limited

## Report of the directors for the year ended 30 April 2010

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The directors present their report together with the audited financial statements for the year ended 30 April 2010.

### Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

The directors recommend a final ordinary dividend amounting to £400,000. Dividends of £200,000 have already been paid in respect of the year.

### Principal activities, trading review and future developments

The company's principal activity is that of heating engineers and property services.

### Managing director's review of the business

We have achieved growth in the reported year in excess of any prior year or expectation, this growth continued to be achieved organically throughout our principle activities within the M&E sector.

Turnover has increased during the year to £30.5 Million. The Director's consider the profit on ordinary activities before taxation of 6.9% is reflective of the active mix of work activity and client base during the year, this percentage exceeded expectation due to factors including but not limited to the sharing of cost savings realised through the company's extensive client partnering arrangements and efficiencies driven through economies of scale.

Turnover for the year ended 30<sup>th</sup> April 2011 is forecast to increase in excess of 10% from 2010, £28.5 Million of this being secured contracts running to a maximum contract period of 9 years.

The business continues to welcome the responsibility of assisting our client's in supporting in excess of 100,000 households in relation to their everyday requirements for heating and property services 24 hours a day 365 days a year.

This year the company has engaged some of the industry's most respected individuals who have assisted in enhancing company performance both financially and operationally. With the support of such additional quality resource the company will continue to drive improvement in all areas of the business.

T Brown Group is proud to continue to report client key performance indicators at 100% compliance on an increasingly frequent basis, in a market where 100% performance was at one time thought unrealistic.

The company now operates eight sites in and around London and one site in South Anglia.

The company has continued beyond the reported financial year to successfully secure new contracts with clients including Circle Anglia, CityWest Homes and Lambeth Living.

### Principal risks and uncertainties

The market for mechanical gas and electrical services remains highly competitive. The company seeks to manage the risk of losing customers to key competitors by the provision of added value services to customers, improving response times in the supply of services and the handling of customer queries and by maintaining strong relationships and local representation with key customers.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. T Brown Group has a history of focused liquidity management and self financing which the Board believe to be a key component to the continued financial strength and will ensure the continued success and stability of the business going forward.

# T Brown Group Limited

## Report of the directors for the year ended 30 April 2010 (*Continued*)

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### Post balance sheet events

There are no post balance sheet events that need disclosing.

### Charitable donations

During the year the company made £8,299 (2009: £8,868) in charitable donations.

### Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities be available to all employees.

### Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees as well as the financial and economic factors affecting the performance of the company.

### Directors

The directors of the company during the year were:

T Brown (deceased)  
S T Brown  
J D Brown

### Directors' responsibilities

The directors are responsible for preparing annual report 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# T Brown Group Limited

## Report of the directors for the year ended 30 April 2010 (Continued)

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### Directors' responsibilities (continued)

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.

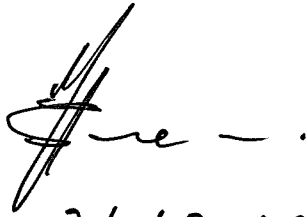
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

Director



Date:

21.10.10

# T Brown Group Limited

## Independent auditor's report

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### TO THE MEMBERS OF T BROWN GROUP LIMITED

We have audited the financial statements of T Brown Group Limited for the year ended 30 April 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. 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 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 statement of directors' responsibilities, 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

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2010 and of its 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 matters 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.

# T Brown Group Limited

## Independent auditor's report *(Continued)*

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### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



*Kevin Cook (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom  
United Kingdom*

Date: *21 October 2010*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# T Brown Group Limited

## Profit and loss account for the year ended 30 April 2010

	Note	2010 £	2009 £
Turnover	2	30,484,601	21,081,012
Cost of sales		20,333,843	13,838,953
<b>Gross profit</b>		<b>10,150,758</b>	<b>7,242,059</b>
Distribution costs		1,068,777	983,228
Administrative expenses		7,022,779	5,520,720
		<b>2,059,202</b>	738,111
Other operating income		59,338	14,907
<b>Operating profit</b>	3	<b>2,118,540</b>	753,018
Other interest receivable and similar income		1,999	23,678
Interest payable and similar charges	6	10,248	(12,835)
<b>Profit on ordinary activities before taxation</b>		<b>2,110,291</b>	763,861
Taxation on profit from ordinary activities	8	624,416	275,444
<b>Profit on ordinary activities after taxation</b>		<b>1,485,875</b>	488,417

All amounts relate to continuing activities.

The notes on pages 11 to 20 form part of these financial statements.

# T Brown Group Limited

## Statement of total recognised gains and losses for the year ended 30 April 2010

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	Note	2010 £	2009 £
<b>Statement of total recognised gains and losses</b>			
Profit for the financial year		<b>1,485,875</b>	488,417
Prior year adjustment			
Hire purchase liability		-	26,396
Freehold building depreciation		-	(94,097)
<b>Total gains and losses recognised since last annual report</b>		<b>1,485,875</b>	420,716

The notes on pages 11 to 20 form part of these financial statements.


# T Brown Group Limited

## Balance sheet at 30 April 2010

<i>Company number 01006630</i>	Note	2010 £	2010 £	2009 £	2009 £
<b>Fixed assets</b>					
Tangible assets	9		3,520,372		3,187,960
<b>Current assets</b>					
Stocks	10	380,835		222,065	
Debtors	11	5,460,500		4,388,624	
Cash at bank and in hand		4,117,971		2,007,883	
		<u>9,959,306</u>		<u>6,618,572</u>	
<b>Creditors: amounts falling due within one year</b>	12	7,599,550		4,844,116	
			<u>2,359,756</u>		<u>1,774,456</u>
<b>Net current assets</b>					
			<u>5,880,128</u>		<u>4,962,416</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	13	33,837		1,359	
<b>Provisions for liabilities</b>	14	103,943		104,584	
			<u>137,780</u>	<u>105,943</u>	
<b>Net assets</b>			<u>5,742,348</u>		<u>4,856,473</u>
<b>Capital and reserves</b>					
Called up share capital	16		5,000		5,000
Profit and loss account	17		5,737,348		4,851,473
			<u>5,742,348</u>		<u>4,856,473</u>
<b>Shareholders' funds</b>	18				

The financial statements were approved by the Board of Directors and authorised for issue on

Director



The notes on pages 11 to 20 form part of these financial statements.

# T Brown Group Limited

## Cash flow statement for the year ended 30 April 2010

	Note	2010 £	2010 £	2009 £	2009 £
<b>Net cash inflow from operating activities</b>	22		3,349,511		949,053
<b>Returns on investments and servicing of finance</b>					
Interest received		1,999		23,678	
Interest paid: hire purchase		(10,248)		(12,835)	
<b>Net cash inflow from returns on investments and servicing of finance</b>			(8,249)		10,843
<b>Taxation</b>					
UK corporation tax paid			(267,646)		(99,551)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(486,327)		(397,835)	
Receipts from sale of tangible fixed assets		-		283,000	
<b>Net cash inflow from capital expenditure and financial investment</b>			(486,327)		(114,835)
<b>Dividends paid</b>			(200,000)		(100,705)
<b>Cash inflow before use of financing</b>			2,387,289		644,805
<b>Financing</b>					
Loans repaid		-		(381,000)	
Capital element of finance leases repaid		(18,034)		(22,479)	
<b>Net cash outflow from financing</b>			(18,034)		(403,479)
<b>Increase in cash</b>	23		2,369,255		241,326

The notes on pages 11 to 20 form part of these financial statements.

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

#### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	1% on cost
Motor vehicles	-	25% on reducing balance
Equipment, fixtures and fittings	-	20% on reducing balance

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Deferred taxation*

- Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:
- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (Continued)

### 1 Accounting policies (Continued)

#### *Hire purchase and leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment 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. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

#### *Long term contracts*

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Operating profit

	2010 £	2009 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	<b>182,014</b>	184,935
Loss on disposal of tangible fixed assets	<b>16,315</b>	46,982
Hire of plant and machinery – operating leases	<b>23,534</b>	22,930
Hire of other assets – operating leases	<b>58,700</b>	54,944
Auditors' remuneration – fees payable to the company's auditor for The audit of the company's annual accounts	<b>17,200</b>	17,200

Depreciation includes £17,138 (2009: £15,518) charged on assets held under finance leases and hire purchase contracts.

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (Continued)

### 4 Employees

	2010 £	2009 £
Staff costs (including directors) consist of:		
Wages and salaries	11,114,257	8,205,143
Social security costs	1,187,189	846,931
Other pension costs	146,406	80,958
	12,447,852	9,133,032
	12,447,852	9,133,032

The average number of employees, including directors, during the year was as follows:

	2010 Number	2009 Number
Directors	3	3
Engineers	198	154
Administration	128	86
	329	243
	329	243

### 5 Directors' remuneration

	2010 £	2009 £
Directors' remuneration consists of:		
Emoluments	222,459	153,506
Company contributions to money purchase pension schemes	20,000	10,000
	242,459	163,506
	242,459	163,506

There were 2 directors in the company's defined contribution pension scheme during the year (2009 – 2).

### 6 Interest payable and similar charges

	2010 £	2009 £
Finance leases and hire purchase contracts	10,248	12,835
	10,248	12,835
	10,248	12,835

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (*Continued*)

7 Dividends	2010 £	2009 £
Ordinary shares		
Interim paid of £40 (2009 - £20) per share	200,000	100,705
Final dividend of £80 per share (2009 - nil)	400,000	-
	200,000	100,705
8 Taxation on profit from ordinary activities	2009 £	2009 £
<i>Current tax</i>		
UK corporation tax on profits of the year	617,204	259,793
Adjustment in respect of previous years	7,853	(58)
	625,057	259,735
<i>Deferred tax</i>		
Origination and reversal of timing differences	(641)	(16,414)
Adjustment in respect of previous periods		32,123
	(641)	15,709
Movement in deferred tax provision		
	624,416	275,444
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:		
	2010 £	2009 £
Profit on ordinary activities before tax	2,110,291	763,861
	2,110,291	763,861
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	590,881	213,881
Effects of:		
Expenses not deductible for tax purposes	18,630	38,922
Depreciation for period in excess of capital allowances	640	16,414
Adjustment to tax charge in respect of previous years	7,853	(58)
Marginal rate relief		(9,424)
Non qualifying depreciation	6,886	
Other timing	167	
	25,176	39,854
Current tax charge for year	625,057	259,735
	625,057	259,735

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (*Continued*)

### 9 Tangible assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost or valuation</i>				
At 1 May 2009	2,746,827	264,377	1,122,793	4,133,997
Additions	335,968	52,598	142,175	530,741
Disposals	-	(38,663)	-	(38,663)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2010	<b>3,082,795</b>	<b>278,312</b>	<b>1,264,968</b>	<b>4,626,075</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 May 2009	119,114	146,984	679,939	946,037
Provided for the year	26,554	38,420	117,040	182,014
Disposals	-	(22,348)	-	(22,348)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2010	<b>145,668</b>	<b>163,056</b>	<b>796,979</b>	<b>1,105,703</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 April 2010	<b>2,937,127</b>	<b>115,256</b>	<b>467,989</b>	<b>3,520,372</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2009	2,627,713	117,393	442,854	3,187,960
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £51,410 (2009 - £46,558) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £17,138 (2009 - £15,518).

### 10 Stocks

	2010 £	2009 £
Finished goods and goods for resale	<b>380,835</b>	222,065
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (Continued)

<b>11 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts receivable within one year:		
Trade debtors	1,916,443	1,678,194
Other debtors	523	35,810
Prepayments	166,442	81,367
Amounts recoverable on contracts	3,300,738	2,449,277
Amounts owed by related parties	76,354	63,476
	<hr/>	<hr/>
	<b>5,460,500</b>	<b>4,308,124</b>
Amounts receivable after more than one year:		
Other debtors	-	80,500
	<hr/>	<hr/>
Total debtors	<b>5,460,500</b>	<b>4,388,624</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b>12 Creditors: amounts falling due within one year</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank overdraft	251,152	510,319
Trade creditors	3,789,495	2,323,116
Corporation tax	621,932	264,521
Other taxation and social security	1,168,888	1,048,871
Obligations under finance leases and hire purchase contracts	7,924	16,675
Other creditors	670,434	197,416
Accruals and deferred income	1,089,725	483,198
	<hr/>	<hr/>
	<b>7,599,550</b>	<b>4,844,116</b>
	<hr/> <hr/>	<hr/> <hr/>

# T Brown Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2010 (*Continued*)

## 13 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Obligations under finance leases and hire purchase contracts	33,837	1,359
	33,837	1,359

Maturity of debt:

The bank loan is secured on the company's freehold land and buildings.

	Loans and overdrafts 2010 £	Loans and overdrafts 2009 £	Finance leases 2010 £	Finance leases 2009 £
In one year or less, or on demand	251,152	510,319	7,924	16,675
	-	-	33,837	1,359

## 14 Provisions for liabilities

		Deferred taxation £
At 1 May 2009		104,584
Charged to profit and loss account		(641)
		103,943
<i>Deferred taxation</i>		
		2010 £
		2009 £
Accelerated capital allowances		103,943
		104,584

## 15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £146,406 (2009 - £80,958). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (*Continued*)

<b>16</b>	<b>Share capital</b>	<b>2010</b>	<b>2009</b>
		£	£
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of £1 each	<b>5,000</b>	5,000
<b>17</b>	<b>Reserves</b>		<b>Profit and loss account</b>
			£
	At 1 May 2009		<b>4,851,473</b>
	Profit for the year		<b>1,485,875</b>
	Dividends		<b>(600,000)</b>
	At 30 April 2010		<b>5,737,348</b>
<b>18</b>	<b>Reconciliation of movements in shareholders' funds</b>		
		<b>2010</b>	<b>2009</b>
		£	£
	Profit for the year	<b>1,485,875</b>	488,417
	Dividends	<b>(600,000)</b>	(100,705)
	Net additions to shareholders' funds	<b>885,875</b>	387,712
	Opening shareholders' funds as previously stated	<b>4,851,473</b>	4,531,462
	Prior year adjustments		
	Freehold building depreciation	-	(94,097)
	Hire purchase liability	-	26,396
	Opening shareholders' funds as restated	<b>4,851,473</b>	4,463,761
	Closing shareholders' funds	<b>5,737,348</b>	4,851,473

# T Brown Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2010 (Continued)

### 19 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2010 Land and buildings £	2010 Other £	2009 Land and buildings £	2009 Other £
Operating leases which expire:				
Within one year	30,000	21,708	-	-
In two to five years	-	1,826	30,000	55,965
Over five years	32,500	-	32,500	-
	<u>62,500</u>	<u>23,534</u>	<u>62,500</u>	<u>55,965</u>

### 20 Related party disclosures

#### *Loans and transactions concerning directors and officers of the company*

At the year end, a balance of £6,166 (2009 - £6,611) was owed by T Brown & Sons Heating Limited. J D Brown is a director and shareholder of T Brown & sons Heating Limited.

During the year, the company charged rent of £Nil (2009 - £6,000) to J D Brown, director and shareholder of the company. The rent is considered to be at open market.

During the year the company paid consultancy fees of £50,000 (2009 - £29,167) to T Brown (now deceased) a director and shareholder of the company.

At the balance sheet date the company was owed £17,282 (2009 - £15,807) from T Brown (now deceased), a director and shareholder of the company.

At the balance sheet date the company was owed £14,096 (2009 - £5,964) from S T Brown, a director and shareholder of the company.

At the balance sheet date the company was owed £38,810 (2009 - £9,559) from J D Brown, a director and shareholder of the company.

Included in other creditors at the year end is an amount of £3,493 (2009 - £Nil) owed to J Brown, a director and shareholder of the company.

Directors' remuneration received during the year is disclosed in note 6 of the accounts.

### 21 Ultimate controlling party

The company is under the control of its shareholders and directors, Mr D Brown, Mr J D Brown and Mr S Brown, and the estate of Mr T Brown who together control 100% of the company's share capital.

# T Brown Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2010 (*Continued*)

## 22 Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	2,118,540	405,199
Depreciation of tangible fixed assets	182,014	160,091
Loss on sale of tangible fixed assets	16,315	46,982
Increase in stocks	(158,770)	(29,188)
Increase in debtors	(1,071,877)	(581,329)
Increase in creditors	2,263,289	947,298
	3,349,511	949,053
Net cash inflow from operating activities	3,349,511	949,053

## 23 Reconciliation of net cash flow to movement in net funds/(debt)

	2010 £	2009 £
Increase in cash	2,369,255	241,326
Cash inflow from changes in debt	(23,727)	403,479
	2,345,528	644,805
Movement in net funds	2,345,528	644,805
Opening net funds	1,479,530	834,725
	3,825,058	1,479,530
Closing net funds	3,825,058	1,479,530

## 24 Analysis of net funds

	At 1 May 2009 £	Cash flow £	At 30 April 2010 £
Cash at bank and in hand	2,007,883	2,110,088	4,117,971
Bank overdrafts	(510,319)	259,167	(251,152)
		2,369,255	
Finance leases	(18,034)	(23,727)	(41,761)
	1,479,530	2,345,528	3,825,058
Total	1,479,530	2,345,528	3,825,058