

JOHN KING (CHAINS) LTD
ABBREVIATED ACCOUNTS
FOR
31 MARCH 2008



PETER HOWARD FOREMAN & CO
Accountants & Registered Auditors
1 Wharfe Mews
Cliffe Terrace
Wetherby
LS22 6LX

JOHN KING (CHAINS) LTD
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

CONTENTS	PAGE
Independent auditor's report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3

JOHN KING (CHAINS) LTD
INDEPENDENT AUDITOR'S REPORT TO JOHN KING (CHAINS) LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of John King (Chains) Ltd for the year ended 31 March 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

1 Wharfe Mews
Cliffe Terrace
Wetherby
LS22 6LX

29/11/09

Peter Howard Foreman & Co

PETER HOWARD FOREMAN & CO
Accountants
& Registered Auditors

JOHN KING (CHAINS) LTD
ABBREVIATED BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS	2		
Tangible assets		1,596,082	1,515,779
CURRENT ASSETS			
Stocks		460,358	386,277
Debtors		891,975	782,335
Cash at bank and in hand		232,581	-
		<u>1,584,914</u>	<u>1,168,612</u>
CREDITORS: Amounts falling due within one year	3	<u>1,580,775</u>	<u>1,243,486</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>4,139</u>	<u>(74,874)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,600,221</u>	<u>1,440,905</u>
CREDITORS: Amounts falling due after more than one year	4	925,312	834,559
PROVISIONS FOR LIABILITIES		74,870	46,123
GOVERNMENT GRANTS	5	58,750	60,000
		<u>541,289</u>	<u>500,223</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	100	100
Revaluation reserve		292,167	292,167
Profit and loss account		249,022	207,956
SHAREHOLDERS' FUNDS		<u>541,289</u>	<u>500,223</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 29/1/09 and are signed on their behalf by:

MR D W WADSWORTH

The notes on pages 3 to 8 form part of these abbreviated accounts.

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standards for Smaller Entities (effective January 2007).

The adoption of FRSSE 2007 has not resulted in any changes in accounting policy.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Freehold and leasehold land and buildings are subject to a policy of revaluation. A full valuation is obtained from a professional qualified independent valuer at least every 5 years.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	- 2% Straight line
Plant & Machinery	- 15% Reducing balance
Fixtures, Fittings and Equipment	- 15% and 25% Reducing balance
Motor Vehicles	- 25% Reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Transactions in foreign currencies are translated into sterling at the average rate of exchange for the month in which the transaction occurred. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. FIXED ASSETS

	Tangible Assets £
COST OR VALUATION	
At 1 April 2007	1,743,110
Additions	164,628
Disposals	(36,200)
At 31 March 2008	<u>1,871,538</u>
DEPRECIATION	
At 1 April 2007	227,331
Charge for year	73,504
On disposals	(25,379)
At 31 March 2008	<u>275,456</u>
NET BOOK VALUE	
At 31 March 2008	<u>1,596,082</u>
At 31 March 2007	<u>1,515,779</u>
The net book value of freehold properties comprise:-	
	2008 2007
	£ £
Freehold land	195,000 195,000
Freehold buildings	1,088,377 1,055,000

Freehold properties were revalued during the year to 31 March 2007 by Lawrence Hannah independent valuers. The valuation was prepared on the basis of current market value.

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007
	£	£
Bank loans and overdrafts	783,931	215,728
Hire purchase & finance lease agreements	61,430	49,475
	<u>845,361</u>	<u>265,203</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007
	£	£
Bank loans and overdrafts	487,444	445,317
Hire purchase and finance lease agreements	131,468	112,842
	<u>618,912</u>	<u>558,159</u>

Included within creditors falling due after more than one year is an amount of £409,341 (2007 - £355,173) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. GOVERNMENT GRANTS

	2008	2007
	£	£
Received and receivable	75,000	75,000
Amortisation	(16,250)	(15,000)
	<u>58,750</u>	<u>60,000</u>

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

6. TRANSACTIONS WITH THE DIRECTORS

The following transactions occurred between John King (Chains) Ltd and John King USA Inc a company in which Mr DW Wadsworth and Mr JSR King each own shares:

	2008	2007
	£	£
Sales to John King USA Inc	185,617	99,134
Loan to John King USA Inc	nil	22,315
Purchases from John King USA	38,468	21,075

The amounts outstanding at the year end in respect of these transactions were:

	2008	2007
	£	£
Sales to John King USA Inc	49,230	26,266
Loan to John King USA Inc	nil	22,315
Purchases from John King USA	3,895	3,582

There is no fixed repayment term on the loan.

The following transactions took place between John King (Chains) Ltd and John King Chains (SA)(PTY)Ltd a company that Mr DW Wadsworth and Mr JSR King each own shares:

	2008	2007
	£	£
Loan to John King South Africa	24,442	nil

The following transactions took place between John King (Chains) Ltd and Powermotion, a partnership business run by Mr DW Wadsworth and Mr JSR King:

	2008	2007
	£	£
Sales to Powermotion	9,396	9,137
Purchases from Powermotion	120,467	115,949

The amounts outstanding at the year end in respect of these transactions were:

	2008	2007
	£	£
Sales to Powermotion	2,025	7,447
Purchases from Powermotion	13,534	17,660

In addition, the company charged a management charge to Powermotion amounting to £30,000 which remained outstanding at 31 March 2008.

7. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

JOHN KING (CHAINS) LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

7. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>