

CMS COMPUTERS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
31 December 2010

Company Registration Number 3236595



CMS COMPUTERS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

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CMS COMPUTERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D S Roberts
I R Fraser
M Faulkner

Company secretary

I R Fraser

Registered office

Unit 20
Glacier Buildings
Brunswick Business Park
Liverpool
Merseyside
L3 4BH

Auditor

Mitchell Charlesworth
Chartered Accountants
Statutory Auditor
Glebe Business Park
Lunts Heath Road
Widnes
Cheshire
WA8 5SQ

Bankers

HSBC Bank Plc
99-101 Lord Street
Liverpool
L2 6PG

Bank of Scotland
36 Castle Street
Liverpool
Merseyside
L2 0NT

CMS COMPUTERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the company for the year ended 31 December 2010

Principal Activities and Business Review

The principal activity of the company during the year was that of computer component sales

The company's balance sheet as detailed on page 8 shows a satisfactory position, shareholders funds amounting to £1,388,814

The company has increased turnover in a very difficult economic period, although margins have been marginally sacrificed in order to do so. Part of the increase in sales is attributed to a shift in trade from PC Nextday Limited, a company under common control. Turnover may reduce in 2010 to a level similar to previous years, however the directors are hopeful that profitability will be maintained

Given the straightforward nature of the business, the company's directors are of the opinion that the analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

Results and Dividends

The profit for the year, after taxation, amounted to £301,728. Particulars of dividends paid are detailed in note 8 to the financial statements

Financial Risk Management Objectives and Policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements

The Directors and their Interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

		At	At
Class of share		31 December 2010	1 January 2010
D S Roberts	Ordinary shares of £1 each	7,500	7,500
	Ordinary B shares of £1 each	50	50
I R Fraser	Ordinary shares of £1 each	2,500	2,500
	Ordinary B shares of £1 each	50	50

Donations

During the year the company made the following contributions

	2010	2009
	£	£
Charitable	577	600

CMS COMPUTERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Auditor

Mitchell Charlesworth are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

Registered office
Unit 20
Glacier Buildings
Brunswick Business Park
Liverpool
Merseyside
L3 4BH

Signed by order of the directors



I R Fraser
Company Secretary

Approved by the directors on 04/07/11

CMS COMPUTERS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2010

The directors are responsible for preparing the Directors' 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 those 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,

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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Mitchell Charlesworth

Chartered Accountants

Glebe Business Park Lunts Heath Road Widnes Cheshire

CMS COMPUTERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CMS COMPUTERS LIMITED

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of CMS Computers Limited for the year ended 31 December 2010. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

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 and express an opinion on 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 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 31 December 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.

Mitchell Charlesworth

Chartered Accountants

Glebe Business Park Lunts Heath Road Widnes Cheshire

CMS COMPUTERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CMS COMPUTERS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

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, or

the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



R L DAVIES A.C.A. (Senior
Statutory Auditor)

For and on behalf of
MITCHELL CHARLESWORTH
Chartered Accountants
Statutory Auditor

Glebe Business Park
Lunts Heath Road
Widnes
Cheshire
WA8 5SQ

5/7/11

CMS COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

		2010	2009
	Note	£	£
Turnover	2	30,077,565	25,994,461
Cost of sales		<u>27,408,333</u>	<u>23,088,468</u>
Gross Profit		2,669,232	2,905,993
Administrative expenses		<u>2,252,364</u>	<u>2,494,715</u>
Operating Profit	3	416,868	411,278
Interest receivable		1,791	3,707
Interest payable and similar charges	6	(8,139)	(6,985)
Profit on Ordinary Activities Before Taxation		<u>410,520</u>	<u>408,000</u>
Tax on profit on ordinary activities	7	108,792	109,025
Profit for the Financial Year		<u><u>301,728</u></u>	<u><u>298,975</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 11 to 19 form part of these financial statements.

CMS COMPUTERS LIMITED

BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £	2009 £
Fixed Assets			
Tangible assets	9	248,983	282,071
Current Assets			
Stocks	10	3,311,681	2,527,445
Debtors	11	7,373,952	6,265,730
Cash at bank and in hand		161,008	194,163
		<u>10,846,641</u>	<u>8,987,338</u>
Creditors: Amounts Falling due Within One Year	12	<u>9,678,606</u>	<u>7,967,568</u>
Net Current Assets		1,168,035	1,019,770
Total Assets Less Current Liabilities		<u>1,417,018</u>	<u>1,301,841</u>
Creditors: Amounts Falling due after More than One Year	13	19,626	52,755
Provisions for Liabilities			
Deferred taxation	15	8,578	—
		<u>1,388,814</u>	<u>1,249,086</u>
Capital and Reserves			
Called-up equity share capital	19	10,100	10,100
Profit and loss account	20	1,378,714	1,238,986
Shareholders' Funds	21	<u>1,388,814</u>	<u>1,249,086</u>

These financial statements were approved by the directors and authorised for issue on 4th July 2011 and are signed on their behalf by

D S Roberts
Director



Company Registration Number 3236595

The notes on pages 11 to 19 form part of these financial statements.

CMS COMPUTERS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2010

	2010		2009	
	£	£	£	£
Net Cash Inflow from Operating Activities		159,193		447,778
Returns on Investments and Servicing of Finance				
Interest received	1,791		3,707	
Interest paid	(2,578)		(2,151)	
Interest element of hire purchase	<u>(5,561)</u>		<u>(4,834)</u>	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(6,348)		(3,278)
Taxation		(114,192)		(105,147)
Capital Expenditure				
Payments to acquire tangible fixed assets	(43,951)		(20,808)	
Receipts from sale of fixed assets	<u>53,201</u>		<u>—</u>	
Net Cash Inflow/(Outflow) from Capital Expenditure		9,250		(20,808)
Equity Dividends Paid		(162,000)		(208,000)
Cash (Outflow)/Inflow Before Financing		<u>(114,097)</u>		<u>110,545</u>
Financing				
Increase in debenture loans	116,291		—	
Capital element of hire purchase	<u>(35,349)</u>		<u>(41,045)</u>	
Net Cash Inflow/(Outflow) from Financing		80,942		(41,045)
(Decrease)/Increase in Cash		<u>(33,155)</u>		<u>69,500</u>

CMS COMPUTERS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2010

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2010 £	2009 £
Operating profit	416,868	411,278
Depreciation	60,954	64,952
Profit on disposal of fixed assets	(37,116)	–
Increase in stocks	(784,236)	(384,935)
Increase in debtors	(1,113,386)	(2,719,185)
Increase in creditors	1,616,109	3,075,668
Net cash inflow from operating activities	<u>159,193</u>	<u>447,778</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2010 £	2009 £
(Decrease)/increase in cash in the period	(33,155)	69,500
Net cash (inflow) from debenture loans	(116,291)	–
Cash outflow in respect of hire purchase	<u>35,349</u>	<u>41,045</u>
	(114,097)	110,545
Change in net debt	(114,097)	110,545
Net funds at 1 January 2010	111,415	870
Net debt at 31 December 2010	<u>(2,682)</u>	<u>111,415</u>

Analysis of Changes in Net Debt

	At 1 Jan 2010 £	Cash flows £	At 31 Dec 2010 £
Net cash			
Cash in hand and at bank	<u>194,163</u>	(33,155)	<u>161,008</u>
Debt			
Debt due within 1 year	–	(116,291)	(116,291)
Hire purchase agreements	<u>(82,748)</u>	<u>35,349</u>	<u>(47,399)</u>
	(82,748)	(80,942)	(163,690)
Net debt	<u>111,415</u>	<u>(114,097)</u>	<u>(2,682)</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention

Turnover

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

Fixed Assets

All fixed assets are initially recorded at cost

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

Leasehold Property	-	Over the term of the lease
Plant & Machinery	-	At 10% straight line
Fixtures & Fittings	-	At 10% straight line
Motor Vehicles	-	At 33% straight line
Equipment	-	Between 20% and 33% straight line

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

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

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. Accounting Policies *(continued)*

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 tax

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 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

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 the transaction. 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

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2010	2009
	£	£
United Kingdom	29,961,005	25,916,114
Overseas	116,560	78,347
	<u>30,077,565</u>	<u>25,994,461</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

3. Operating Profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of owned fixed assets	34,079	28,553
Depreciation of assets held under hire purchase agreements	26,875	36,399
Profit on disposal of fixed assets	(37,116)	—
Auditor's remuneration		
- as auditor	<u>8,400</u>	<u>8,800</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Number of warehouse staff	11	13
Number of sales staff	9	10
Number of management and other staff	48	52
	<u>68</u>	<u>75</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	1,379,045	1,421,002
Social security costs	136,189	133,519
Other pension costs	5,215	5,235
	<u>1,520,449</u>	<u>1,559,756</u>

5. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were.

	2010	2009
	£	£
Remuneration receivable	<u>206,038</u>	<u>164,906</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

6. Interest Payable and Similar Charges

	2010	2009
	£	£
Interest payable on bank borrowing	2,578	2,151
Finance charges	<u>5,561</u>	<u>4,834</u>
	<u>8,139</u>	<u>6,985</u>

7. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	95,050	114,192
Over/under provision in prior year	<u>-</u>	<u>(3)</u>
Total current tax	95,050	114,189
Deferred tax		
Origination and reversal of timing differences	<u>13,742</u>	<u>(5,164)</u>
Tax on profit on ordinary activities	<u>108,792</u>	<u>109,025</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>410,520</u>	<u>408,000</u>
Profit on ordinary activities by rate of tax	114,946	114,240
Expenses not deductible for tax purposes	352	2,282
Depreciation in excess of capital allowances	(13,486)	3,305
Difference between effective rate and standard rate of tax	<u>(6,762)</u>	<u>(5,638)</u>
Total current tax (note 7(a))	<u>95,050</u>	<u>114,189</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

8. Dividends

Equity dividends

	2010 £	2009 £
Paid		
Equity dividends on ordinary shares	<u>162,000</u>	<u>208,000</u>

9. Tangible Fixed Assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2010	174,994	21,944	117,761	134,667	530,761	980,127
Additions	982	–	1,563	27,231	14,175	43,951
Disposals	–	–	–	(134,667)	–	(134,667)
At 31 Dec 2010	<u>175,976</u>	<u>21,944</u>	<u>119,324</u>	<u>27,231</u>	<u>544,936</u>	<u>889,411</u>
Depreciation						
At 1 Jan 2010	45,092	5,017	74,859	90,165	482,923	698,056
Charge for the year	916	5,724	11,621	29,930	12,763	60,954
On disposals	–	–	–	(118,582)	–	(118,582)
At 31 Dec 2010	<u>46,008</u>	<u>10,741</u>	<u>86,480</u>	<u>1,513</u>	<u>495,686</u>	<u>640,428</u>
Net Book Value						
At 31 Dec 2010	<u>129,968</u>	<u>11,203</u>	<u>32,844</u>	<u>25,718</u>	<u>49,250</u>	<u>248,983</u>
At 31 Dec 2009	<u>129,902</u>	<u>16,927</u>	<u>42,902</u>	<u>44,502</u>	<u>47,838</u>	<u>282,071</u>

Hire purchase agreements

Included within the net book value of £248,983 is £54,376 (2009 - £115,797) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £26,875 (2009 - £36,399).

10. Stocks

	2010 £	2009 £
Stock	<u>3,311,681</u>	<u>2,527,445</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

11. Debtors

	2010 £	2009 £
Trade debtors	6,277,726	5,936,821
Other debtors	9,650	9,650
Directors current accounts	40,781	42,990
Prepayments and accrued income	1,045,795	271,105
Deferred taxation (note 15)	—	5,164
	<u>7,373,952</u>	<u>6,265,730</u>

Details of overdrawn directors loan accounts are disclosed within note 18

12. Creditors: Amounts Falling due Within One Year

	2010 £	2009 £
HSBC import facility	116,291	—
Trade creditors	5,370,491	5,117,235
Other creditors including taxation and social security		
Corporation tax	95,050	114,192
Other taxation and social security	467,936	466,299
Hire purchase agreements	27,773	29,993
Other creditors	3,478,857	2,199,321
	<u>9,556,398</u>	<u>7,927,040</u>
Accruals and deferred income	122,208	40,528
	<u>9,678,606</u>	<u>7,967,568</u>

Included within other creditors is an amount of £2,199,321 (2008 £1,863,617) which is in respect of debt factor advances. These advances are secured with HSBC Invoice Finance (UK) Limited by a fixed and floating charge on the company's non-vesting debts dated 30 March 2010.

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

	2010 £	2009 £
Hire purchase agreements	<u>27,773</u>	<u>29,993</u>

The facilities with HSBC Bank plc are secured by debenture, including fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertaking both present and future dated 18th December 2008.

Unlimited multilateral guarantee dated 11th March 2011 given by CMS Computers Limited

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

13. Creditors: Amounts Falling due after More than One Year

	2010 £	2009 £
Other creditors		
Hire purchase agreements	<u>19,626</u>	<u>52,755</u>

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

	2010 £	2009 £
Hire purchase agreements	<u>19,626</u>	<u>52,755</u>

14. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2010 £	2009 £
Amounts payable within 1 year	27,773	29,993
Amounts payable between 2 to 5 years	<u>19,626</u>	<u>52,755</u>
	<u>47,399</u>	<u>82,748</u>

The obligations under finance leases and hire purchase contracts are secured against the assets to which they relate

15. Deferred Taxation

The deferred tax included in the Balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 11)	-	(5,164)
Included in provisions	<u>8,578</u>	<u>-</u>
	<u>8,578</u>	<u>(5,164)</u>

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	(5,164)	-
Profit and loss account movement arising during the year	<u>13,742</u>	<u>(5,164)</u>
Balance carried forward	<u>8,578</u>	<u>(5,164)</u>

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

15. Deferred Taxation *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	8,578	(5,164)
	<u>8,578</u>	<u>(5,164)</u>

16. Commitments under Operating Leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	109,345	12,076	-	5,136
Within 2 to 5 years	-	16,491	109,345	23,753
	<u>109,345</u>	<u>28,567</u>	<u>109,345</u>	<u>28,889</u>

17. Transactions With the Directors

Included within debtors note 12 are loans to I R Fraser amounting to £40,781 (The maximum outstanding during the year was £42,990) Interest on the loan is charged at 6.25% per annum, the loan has no fixed repayment terms

18. Related Party Transactions

During the year the company had the following related party transactions

PC Nextday Limited

Sales to PC Nextday Limited during the year amounting to £62,097 (2009 £235,821)

Amounts owed to the company by PC Nextday Limited as at 31st December 2010 amounted to £471,815 (2009 £469,469)

PC Nextday Limited is a company in which D S Roberts, I R Fraser and M Faulkner are all shareholders and directors

CMS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

19. Share Capital

Authorised share capital:

	2010	2009
	£	£
100,000 Ordinary shares of £1 each	100,000	100,000
100 Ordinary B shares of £1 each	100	100
	<u>100,100</u>	<u>100,100</u>

Allotted, called up and fully paid:

	2010	£	2009	£
	No		No	
10,000 Ordinary shares of £1 each	10,000	10,000	10,000	10,000
100 Ordinary B shares of £1 each	100	100	100	100
	<u>10,100</u>	<u>10,100</u>	<u>10,100</u>	<u>10,100</u>

20. Profit and loss account

	2010	2009
	£	£
Balance brought forward	1,238,986	1,148,011
Retained profit for the financial year	301,728	298,975
Equity dividends	(162,000)	(208,000)
Balance carried forward	<u>1,378,714</u>	<u>1,238,986</u>

21. Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£	£
Profit for the financial year	301,728	298,975
Equity dividends	(162,000)	(208,000)
Net addition to shareholders' funds	139,728	90,975
Opening shareholders' funds	1,249,086	1,158,111
Closing shareholders' funds	<u>1,388,814</u>	<u>1,249,086</u>

22. Ultimate controlling party

The company was under the control of Mr D S Roberts throughout the year