

REGISTERED NUMBER: 1300030 (England and Wales)

**THE POTTER GROUP (HOLDINGS) PLC**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2010**

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FOR THE YEAR ENDED 30 APRIL 2010

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**THE POTTER GROUP (HOLDINGS) PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2010**

**DIRECTORS.** C D Potter  
M A Potter  
M G Lamb  
K J Watson

**SECRETARY:** K J Watson

**REGISTERED OFFICE:** Melmerby Industrial Estate  
Green Lane  
Melmerby  
Nr Ripon  
North Yorkshire  
HG4 5HP

**REGISTERED NUMBER:** 1300030 (England and Wales)

**AUDITORS** Broadhead Peel Rhodes LLP  
Statutory Auditors  
Leeds  
West Yorkshire  
LS28 7LG

**BANKERS** HSBC Bank Plc  
34 Westgate  
Ripon  
North Yorkshire  
HG4 2BL

**THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2010**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2010

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the provision of a storage, handling, transport and distribution service

**REVIEW OF BUSINESS**

Despite the difficult global and national economic climate the Potter Group almost doubled its profits compared to the previous year. This was achieved by continuing to meet its customer's requirements and controlling costs

**Key performance indicators ('KPIs')**

We consider that our key performance indicators are those that communicate the financial performance and financial strength of the group as a whole, these are

	2010	2009
	£	£
Profit before tax	632,027	320,411
Profit margin	4.3%	2.1%
Gross profit margin	36.7%	33.6%
Capital gearing	68.1	85.1
Shareholders funds'	31,298,028	30,981,297

The detailed results for the year and the financial position of the company are as shown in the annexed financial statements

**Principal risk and uncertainties**

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks affecting the group are

**Maintenance of the group's fixed assets**

In order to provide our customers with the high level service they expect it is essential that the group's assets are maintained to a high standard. The group manages this risk through planned maintenance programmes for vehicles and other items of plant and through continued investment in its warehousing, plant and equipment

**Employee motivation**

Our employees are central to our operations. The group is committed to encouraging employee involvement throughout the business to ensure that the workforce remain motivated and committed. Further details are given later in this report

**Foreign Exchange**

The group has no significant foreign exchange risks

**Credit risk**

Strict debtor procedures are in place for current and potential customers to keep the potential risk of bad debts to a minimum. The directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history

**Interest rate risk**

The group has reduced its exposure to interest rate risk by entering into a base rate swap transaction

**General**

Other than factors outside the group's control, the directors are not aware of any significant risk which may adversely impact on the group during the forthcoming financial year. In the view of the directors, the performance of the group's business is primarily dependent upon maintaining a highly motivated and well-rewarded workforce and the directors intend to continue to optimise this position in the interests of all stakeholders in the group

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2010**

**DIVIDENDS**

Interim dividends were paid on the Ordinary £1 shares and the Ordinary 'B' £1 shares of 37.62 pence per share in respect of the year. Interim dividends were paid on the Ordinary 'D' £1 shares of 118.24 pence per share in respect of the year. A final dividend of 0.1 pence per share was paid on the Ordinary 'A' 1p shares in respect of the previous year.

The directors recommend that no final dividend be paid in respect of the year on either of the Ordinary £1 shares, the Ordinary 'B' £1 shares or the Ordinary 'D' £1 shares.

The directors propose a final dividend of 0.1 pence per share in respect of the year on the Ordinary 'A' 1p shares to be paid on 31 October 2010.

**FIXED ASSETS**

The directors consider that the market value of freehold land and buildings is in excess of the amount shown in the accounts but, as these assets are used in the group's business and no disposals are envisaged, the excess is not quantified.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2009 to the date of this report.

C D Potter  
M A Potter  
M G Lamb  
K J Watson

**CREDITORS PAYMENT POLICY**

It is the group's policy that appropriate terms and conditions are agreed for transactions with its suppliers. These may range from standard terms and conditions to individually negotiated contracts. Payments in relation thereto are made in accordance with those terms and conditions. Typically creditors are paid at the end of the month following the month in which the liability is incurred. At 30 April 2010 the trade creditors balance represented 44 creditor days.

**EMPLOYEES**

The group is committed to encouraging employee involvement throughout the business.

Employees are kept well informed of the performance and objectives of the group.

Directors and senior management regularly visit sites and discuss, with employees, matters of current interest and concern to the business.

The group is committed to an active Equal Opportunities Policy to ensure that job applicants and employees are treated fairly and without favour or prejudice.

The group is committed to applying this policy throughout all areas of employment, recruitment, selection, training, development and promotion.

No job applicant or employee will receive less favourable treatment on the grounds of race, colour, nationality, ethnic or national origin, sex, marital status, sexual orientation, disability, political opinion or affiliation, age, religion or belief.

It is the group's policy that people with disabilities should have full and fair consideration for all vacancies. The group will endeavour to retain employees in the workforce if they become disabled during their employment.

**THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2010**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 accounting estimates that are reasonable and prudent,
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

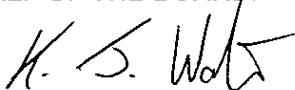
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Broadhead Peel Rhodes LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD.**



K J Watson - Secretary

5 October 2010

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE POTTER GROUP (HOLDINGS) PLC

We have audited the financial statements of The Potter Group (Holdings) Plc for the year ended 30 April 2010 on pages six to twenty six. 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 a Report of the Auditors 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 set out on page four, 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 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 group's and the parent 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 group's and of the parent company's affairs as at 30 April 2010 and of the group's profit for the year then ended,
- the group financial statements 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Robert Brook (Senior Statutory Auditor)  
for and on behalf of Broadhead Peel Rhodes LLP  
Statutory Auditors  
Leeds  
West Yorkshire  
LS28 7LG

5 October 2010

**THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	14,835,882	15,603,336
Cost of sales		<u>9,392,941</u>	<u>10,353,835</u>
<b>GROSS PROFIT</b>		5,442,941	5,249,501
Administrative expenses		<u>4,402,894</u>	<u>4,671,666</u>
<b>OPERATING PROFIT</b>	4	1,040,047	577,835
Interest receivable and similar income		-	<u>1,526</u>
		<u>1,040,047</u>	<u>579,361</u>
Interest payable and similar charges	6	<u>408,020</u>	<u>258,950</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		632,027	320,411
Tax on profit on ordinary activities	7	<u>72,936</u>	<u>39,588</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>559,091</u></u>	<u><u>280,823</u></u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profits for the current year or previous year

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material



THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

CONSOLIDATED BALANCE SHEET  
30 APRIL 2010

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		36,488,779		36,872,020
Investments	11		1,000		1,000
			<u>36,489,779</u>		<u>36,873,020</u>
<b>CURRENT ASSETS</b>					
Stocks	12	70,274		67,978	
Debtors	13	3,849,006		4,413,366	
Cash at bank		659,112		21,903	
		<u>4,578,392</u>		<u>4,503,247</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	4,731,646		6,045,515	
<b>NET CURRENT LIABILITIES</b>			<u>(153,254)</u>		<u>(1,542,268)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			36,336,525		35,330,752
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(3,575,141)		(2,764,833)
<b>PROVISIONS FOR LIABILITIES</b>	19		(321,000)		(338,000)
<b>ACCRUALS AND DEFERRED INCOME</b>	20		<u>(1,142,356)</u>		<u>(1,246,622)</u>
<b>NET ASSETS</b>			<u>31,298,028</u>		<u>30,981,297</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		600,000		600,000
Share premium	22		2,000		2,000
Revaluation reserve	22		13,058,610		13,068,610
Other reserves	22		333,843		333,843
Profit and loss account	22		17,303,575		16,976,844
<b>SHAREHOLDERS' FUNDS</b>	28		<u>31,298,028</u>		<u>30,981,297</u>

The financial statements were approved by the Board of Directors on 5 October 2010 and were signed on its behalf by



C D Potter - Director

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER. 1300030)

COMPANY BALANCE SHEET  
30 APRIL 2010

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		33,332,674		33,258,876
Investments	11		2,149		2,149
			<u>33,334,823</u>		<u>33,261,025</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	910,311		1,018,661	
<b>NET CURRENT LIABILITIES</b>			<u>(910,311)</u>		<u>(1,018,661)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			32,424,512		32,242,364
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(8,837,098)		(8,660,928)
<b>PROVISIONS FOR LIABILITIES</b>	19		(92,000)		(99,000)
<b>ACCRUALS AND DEFERRED INCOME</b>	20		<u>(1,069,019)</u>		<u>(1,071,739)</u>
<b>NET ASSETS</b>			<u>22,426,395</u>		<u>22,410,697</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		600,000		600,000
Share premium	22		2,000		2,000
Revaluation reserve	22		13,058,610		13,068,610
Profit and loss account	22		8,765,785		8,740,087
<b>SHAREHOLDERS' FUNDS</b>	28		<u>22,426,395</u>		<u>22,410,697</u>

The financial statements were approved by the Board of Directors on 5 October 2010 and were signed on its behalf by



C D Potter - Director

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2010

	Notes	2010		2009	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		1,183,950		2,414,909
<b>Returns on investments and servicing of finance</b>	2		(408,766)		(227,158)
<b>Taxation</b>			(281,230)		(201,294)
<b>Capital expenditure</b>	2		(69,889)		(1,054,972)
<b>Equity dividends paid</b>			(242,360)		(103,725)
			181,705		827,760
<b>Financing</b>	2		455,504		(580,139)
<b>Increase in cash in the period</b>			<u>637,209</u>		<u>247,621</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase in cash in the period			637,209		247,621
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing			<u>(455,504)</u>		<u>580,139</u>
Change in net debt resulting from cash flows			181,705		827,760
New hire purchase agreements or finance leases			<u>(508,190)</u>		<u>(438,890)</u>
<b>Movement in net debt in the period</b>			<u>(326,485)</u>		<u>388,870</u>
<b>Net debt at 1 May</b>			<u>(3,619,339)</u>		<u>(4,008,209)</u>
<b>Net debt at 30 April</b>			<u><u>(3,945,824)</u></u>		<u><u>(3,619,339)</u></u>

The notes form part of these financial statements

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2010

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

	2010 £	2009 £
Operating profit	1,040,047	577,835
Depreciation charges	854,316	655,540
Loss/(Profit) on disposal of fixed assets	2,738	(14,596)
(Increase)/Decrease in stocks	(2,296)	37,311
Decrease in debtors	564,360	180,263
(Decrease)/Increase in creditors	(1,275,215)	978,556
<b>Net cash inflow from operating activities</b>	<u>1,183,950</u>	<u>2,414,909</u>

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

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	1,526
Interest paid	(382,951)	(203,883)
Interest element of hire purchase payments	(25,815)	(24,801)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(408,766)</u>	<u>(227,158)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(285,045)	(1,096,122)
Sale of tangible fixed assets	215,156	41,150
<b>Net cash outflow for capital expenditure</b>	<u>(69,889)</u>	<u>(1,054,972)</u>
<b>Financing</b>		
New loans in year	1,550,299	57,057
Loan repayments in year	(871,672)	(369,825)
Capital repayments in year	(223,123)	(267,371)
<b>Net cash inflow/(outflow) from financing</b>	<u>455,504</u>	<u>(580,139)</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 5 09 £	Cash flow £	Other non-cash changes £	At 30 4 10 £
Net cash				
Cash at bank	21,903	637,209		659,112
	<u>21,903</u>	<u>637,209</u>		<u>659,112</u>
Debt				
Hire purchase	(519,712)	223,123	(508,190)	(804,779)
Debts falling due within one year	(722,896)	(127,929)	-	(850,825)
Debts falling due after one year	(2,398,634)	(550,698)	-	(2,949,332)
	<u>(3,641,242)</u>	<u>(455,504)</u>	<u>(508,190)</u>	<u>(4,604,936)</u>
Total	<u>(3,619,339)</u>	<u>181,705</u>	<u>(508,190)</u>	<u>(3,945,824)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2010

1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards

**Basis of consolidation**

The consolidated financial statements include the results of The Potter Group (Holdings) Plc and its subsidiary undertakings registered in the UK drawn up to 30 April 2010

**Turnover**

Turnover is recognised in the accounts when the company obtains the right to consideration in exchange for performance and is stated at the net invoice value, excluding value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold land and buildings	- Straight line over 40 years
Long leasehold	- Straight line over 40 years
Plant and machinery	- Straight line over 5 to 12 years
Office equipment	- Straight line over 3 years
Motor vehicles	- Straight line over 4 to 10 years

Until 30 April 2009 depreciation of plant, equipment and vehicles was calculated using the reducing balance method. The directors have considered the residual values of the assets and the current estimated useful lives and consider that the straight line method gives a fairer presentation of the results and financial position of the group. The depreciation charge for plant, equipment and vehicles for the current year is £900,582 under the reducing balance basis it would have been £597,245

**Stocks**

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

**Deferred tax**

Provision is made for taxation deferred on the incremental liability basis in respect of all timing differences that have originated, but not reversed, at the balance sheet date. The group has adopted a policy of discounting deferred tax assets and liabilities

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

Since 6 April 2006 the group has offered to eligible employees a Group Personal Pension Plan

All contributions are paid and charged to the profit and loss account as they fall due

**Investments**

Investments held as fixed assets are stated at cost less impairment

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

1 ACCOUNTING POLICIES - continued

**Government grants**

Grants related to expenditure on tangible assets are credited to profit at the same rate as the depreciation on the assets to which the grants relate. The amounts shown in the balance sheet in respect of grants consist of total grants receivable to date, less the amounts so far credited to profit.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below.

	2010 £	2009 £
Warehousing and distribution	14,835,882	15,603,336
Management charges	2,450,000	2,300,000
Inter-segment sales	(2,450,000)	(2,300,000)
	<u>14,835,882</u>	<u>15,603,336</u>

Group profit on ordinary activities before taxation and net assets are analysed as follows.

	Profit before taxation		Net assets	
	2010 £	2009 £	2010 £	2009 £
Warehousing and distribution	382,141	73,669	8,873,782	8,572,749
Management charges	657,906	504,166	22,424,246	22,408,548
Net interest	(408,020)	(257,424)	-	-
	<u>632,027</u>	<u>320,411</u>	<u>31,298,028</u>	<u>30,981,297</u>

The group operates wholly within Europe.

3 STAFF COSTS

	2010 £	2009 £
Wages and salaries	4,829,783	5,312,657
Social security costs	449,154	488,382
Other pension costs	85,992	101,693
	<u>5,364,929</u>	<u>5,902,732</u>

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

	2010	2009
Management	90	99
Provision of direct services	152	141
	<u>242</u>	<u>240</u>

The pension costs relate to defined contribution arrangements.

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Vehicle and plant leases	688,882	536,296
Other operating leases	118,345	112,597
Depreciation - owned assets	878,042	609,634
Depreciation - assets on hire purchase contracts	80,540	89,560
Loss/(Profit) on disposal of fixed assets	2,738	(14,596)
Amortisation of government grants	(104,266)	(43,654)
Auditors' remuneration (see below)	30,000	52,596
	<u>299,807</u>	<u>438,321</u>
Directors' remuneration	299,807	438,321
Directors' pension contributions to money purchase schemes	15,600	16,403
	<u>15,600</u>	<u>16,403</u>

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

Money purchase schemes	<u>4</u>	<u>3</u>
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Auditors' remuneration includes	2010	2009
	£	£
Fees payable for the audit of the company and subsidiary	<u>22,000</u>	<u>23,000</u>
Fees payable to the company's auditor for other services		
Taxation	3,875	10,915
Accountancy services	2,000	16,556
Accountancy services for The Potter Group (Holdings)		
Supplementary Pension Plan	2,125	2,125
	<u>8,000</u>	<u>29,596</u>
Total	<u>30,000</u>	<u>52,596</u>

Information regarding the highest paid director is as follows

	2010	2009
	£	£
Emoluments etc	139,120	121,917
Pension contributions to money purchase schemes	<u>8,600</u>	<u>8,600</u>

5 EXCEPTIONAL ITEMS

During the prior year the group settled a legal dispute. A further £105,075 of compensation has been credited to legal and professional fees.

During the year £156,324 has been released from the accrual for land remediation costs created in the 2008 accounts.



THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER. 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Bank interest	1,514	20,876
Loan interest including base rate swap	307,781	212,094
Other interest	72,910	1,179
Hire purchase interest	25,815	24,801
	<u>408,020</u>	<u>258,950</u>

7 TAXATION

**Analysis of the tax charge**

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

	2010	2009
	£	£
Current tax		
UK corporation tax	59,000	5,000
Adjustment in respect of prior year	30,936	226,588
Total current tax	<u>89,936</u>	<u>231,588</u>
Deferred tax		
Origination and reversal of timing differences	50,000	(211,000)
Effects of discounting	(9,000)	19,000
Change in applicable tax rate	(14,000)	-
Deferred tax overprovided in prior year	(44,000)	-
Total deferred tax	<u>(17,000)</u>	<u>(192,000)</u>
Tax on profit on ordinary activities	<u>72,936</u>	<u>39,588</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010	2009
	£	£
Profit on ordinary activities before tax	<u>632,027</u>	<u>320,411</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	176,968	89,715
Effects of		
Permanent differences	(44,401)	(50,345)
Origination and reversal of timing differences	(56,351)	211,119
Amounts over provided in respect of the current period	254	883
Adjustment in respect of prior period	30,936	(18,412)
Marginal relief and rate adjustment	(17,470)	(1,372)
Current tax charge	<u>89,936</u>	<u>231,588</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £258,058 (2009 - £281,747)

9 DIVIDENDS

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	11,285	5,301
Ordinary 'A' shares of 1p each		
Final	3,000	3,000
Ordinary 'B' shares of £1 each		
Interim	194,376	95,424
Ordinary 'D' shares of £1 each		
Interim	33,699	-
	<u>242,360</u>	<u>103,725</u>

10 TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £	Long leasehold £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 May 2009	31,938,394	1,813,482	8,196,368
Additions	158,262	14,425	604,125
Disposals	(40,889)	-	(813,705)
At 30 April 2010	<u>32,055,767</u>	<u>1,827,907</u>	<u>7,986,788</u>
<b>DEPRECIATION</b>			
At 1 May 2009	456,500	36,500	5,142,011
Charge for year	53,500	4,500	687,733
Eliminated on disposal	-	-	(786,656)
At 30 April 2010	<u>510,000</u>	<u>41,000</u>	<u>5,043,088</u>
<b>NET BOOK VALUE</b>			
At 30 April 2010	<u>31,545,767</u>	<u>1,786,907</u>	<u>2,943,700</u>
At 30 April 2009	<u>31,481,894</u>	<u>1,776,982</u>	<u>3,054,357</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

10 TANGIBLE FIXED ASSETS - continued

Group

	Office equipment £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 May 2009	980,494	1,760,264	44,689,002
Additions	16,423	-	793,235
Disposals	(2,477)	(601,520)	(1,458,591)
At 30 April 2010	<u>994,440</u>	<u>1,158,744</u>	<u>44,023,646</u>
<b>DEPRECIATION</b>			
At 1 May 2009	880,510	1,301,461	7,816,982
Charge for year	85,719	127,130	958,582
Eliminated on disposal	(2,319)	(451,722)	(1,240,697)
At 30 April 2010	<u>963,910</u>	<u>976,869</u>	<u>7,534,867</u>
<b>NET BOOK VALUE</b>			
At 30 April 2010	<u>30,530</u>	<u>181,875</u>	<u>36,488,779</u>
At 30 April 2009	<u>99,984</u>	<u>458,803</u>	<u>36,872,020</u>

The group followed the transitional provisions permitted by Financial Reporting Standard 15 'Tangible Fixed Assets' in respect of revaluations. Accordingly the carrying value of land and buildings reflects previous revaluations. Freehold land and buildings were last valued in 1990 by Storey Sons & Parker, Chartered Surveyors, Leeds on an open market value basis. This valuation has not been updated.

The historical cost of freehold land and buildings included at valuation is as follows:

	2010 £	2009 £
Cost	18,887,659	18,770,286
Accumulated depreciation	<u>400,500</u>	<u>357,000</u>
Net book value	<u>18,487,159</u>	<u>18,413,286</u>

The net book value of assets held under finance lease or hire purchase contracts amounted to:

	2010 £	2009 £
Motor vehicles	74,939	202,012
Plant and machinery	<u>867,926</u>	<u>410,836</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER. 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

10 TANGIBLE FIXED ASSETS - continued

Company

	Freehold land and buildings £	Long leasehold £	Totals £
<b>COST OR VALUATION</b>			
At 1 May 2009	31,938,394	1,813,482	33,751,876
Additions	158,262	14,425	172,687
Disposals	(40,889)	-	(40,889)
At 30 April 2010	<u>32,055,767</u>	<u>1,827,907</u>	<u>33,883,674</u>
<b>DEPRECIATION</b>			
At 1 May 2009	456,500	36,500	493,000
Charge for year	53,500	4,500	58,000
At 30 April 2010	<u>510,000</u>	<u>41,000</u>	<u>551,000</u>
<b>NET BOOK VALUE</b>			
At 30 April 2010	<u>31,545,767</u>	<u>1,786,907</u>	<u>33,332,674</u>
At 30 April 2009	<u>31,481,894</u>	<u>1,776,982</u>	<u>33,258,876</u>

The company followed the transitional provisions permitted by Financial Reporting Standard 15 'Tangible Fixed Assets' in respect of revaluations. Accordingly the carrying value of land and buildings reflects previous revaluations. Freehold land and buildings were last valued in 1990 by Storey Sons & Parker, Chartered Surveyors, Leeds on an open market value basis. This valuation has not been updated.

The historical cost of freehold land and buildings included at valuation is as follows

	2010 £	2009 £
Cost	18,887,659	18,770,286
Accumulated depreciation	<u>400,500</u>	<u>357,000</u>
Net book value	<u>18,487,159</u>	<u>18,413,286</u>

11 FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
<b>COST</b>	
At 1 May 2009 and 30 April 2010	<u>1,000</u>
<b>NET BOOK VALUE</b>	
At 30 April 2010	<u>1,000</u>
At 30 April 2009	<u>1,000</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

11 **FIXED ASSET INVESTMENTS - continued**

**Company**

	Unlisted investments £
<b>COST</b>	
At 1 May 2009 and 30 April 2010	<u>2,149</u>
<b>NET BOOK VALUE</b>	
At 30 April 2010	<u><u>2,149</u></u>
At 30 April 2009	<u><u>2,149</u></u>

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

**Subsidiary**

	Nature of business	holding
The Potter Group Limited	Storage, handling, transport and distribution services	100%

The Potter Group Limited is incorporated in England

The Potter Group Limited has been included in the consolidated financial statements

12 **STOCKS**

	Group	
	2010	2009
	£	£
Consumable stores	<u>70,274</u>	<u>67,978</u>

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

	Group	
	2010	2009
	£	£
Trade debtors	2,436,016	2,789,558
Prepayments	<u>1,412,990</u>	<u>1,623,808</u>
	<u><u>3,849,006</u></u>	<u><u>4,413,366</u></u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

14 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts (see note 16)	793,753	680,388	793,753	680,388
Other loans (see note 16)	57,072	42,508	23,500	23,500
Hire purchase contracts (see note 17)	178,970	153,513	-	-
Trade creditors	2,294,308	2,006,208	-	-
Taxation	59,000	250,294	22,000	245,000
Other creditors	44,584	42,862	-	-
Other taxes and social security	391,390	366,510	-	-
Accruals	912,569	2,503,232	71,058	69,773
	<u>4,731,646</u>	<u>6,045,515</u>	<u>910,311</u>	<u>1,018,661</u>

15 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans (see note 16)	2,925,368	2,354,542	2,925,368	2,354,542
Other loans (see note 16)	23,964	44,092	-	23,500
Hire purchase contracts (see note 17)	625,809	366,199	-	-
Amounts owed to group undertakings	-	-	5,911,730	6,282,886
	<u>3,575,141</u>	<u>2,764,833</u>	<u>8,837,098</u>	<u>8,660,928</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

16 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	793,753	680,388	793,753	680,388
Other loans	57,072	42,508	23,500	23,500
	<u>850,825</u>	<u>722,896</u>	<u>817,253</u>	<u>703,888</u>
Amounts falling due between one and two years				
Bank loans	691,093	633,424	691,093	633,424
Other loans	16,128	42,508	-	23,500
	<u>707,221</u>	<u>675,932</u>	<u>691,093</u>	<u>656,924</u>
Amounts falling due between two and five years				
Bank loans	1,227,036	1,288,240	1,227,036	1,288,240
Other loans	7,836	1,584	-	-
	<u>1,234,872</u>	<u>1,289,824</u>	<u>1,227,036</u>	<u>1,288,240</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans	<u>1,007,239</u>	<u>432,878</u>	<u>1,007,239</u>	<u>432,878</u>

The bank loans falling due more than five years from the balance sheet date are repayable in equal monthly instalments, with the final payments falling due in 2019

Interest is charged at a floating rate, being 1.625% or 1.92% above U K clearing base rate

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

17 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2010 £	2009 £
Gross obligations repayable		
Within one year	206,830	170,370
Between one and five years	664,897	386,416
	<u>871,727</u>	<u>556,786</u>
Finance charges repayable		
Within one year	27,860	16,857
Between one and five years	39,088	20,217
	<u>66,948</u>	<u>37,074</u>
Net obligations repayable		
Within one year	178,970	153,513
Between one and five years	625,809	366,199
	<u>804,779</u>	<u>519,712</u>

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

Group

	Other operating leases	
	2010 £	2009 £
Expiring		
Within one year	240,869	101,918
Between one and five years	530,110	464,440
In more than five years	51,045	46,322
	<u>822,024</u>	<u>612,680</u>



THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

18 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Bank loans	3,719,121	3,034,930	3,719,121	3,034,930
Hire purchase contracts	804,779	519,712	-	-
	<u>4,523,900</u>	<u>3,554,642</u>	<u>3,719,121</u>	<u>3,034,930</u>

The bank borrowing facility is secured by a fixed charge on certain group freehold property, and by fixed and floating charges over the assets of group companies registered in the U K

The hire purchase contracts and finance leases are secured over the assets to which they relate

19 PROVISIONS FOR LIABILITIES

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Deferred tax				
Accelerated capital allowances	430,000	531,000	135,000	138,000
Contaminated land remediation costs	(17,000)	(110,000)	-	-
Undiscounted provision for deferred tax	413,000	421,000	135,000	138,000
Discount	(92,000)	(83,000)	(43,000)	(39,000)
Discounted provision for deferred tax	<u>321,000</u>	<u>338,000</u>	<u>92,000</u>	<u>99,000</u>

Group

	Deferred tax £
Balance at 1 May 2009	338,000
Transfer in the year	(17,000)
Balance at 30 April 2010	<u>321,000</u>

Company

	Deferred tax £
Balance at 1 May 2009	99,000
Transfer in the year	(7,000)
Balance at 30 April 2010	<u>92,000</u>

20 ACCRUALS AND DEFERRED INCOME

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Deferred government grants	<u>1,142,356</u>	<u>1,246,622</u>	<u>1,069,019</u>	<u>1,071,739</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

21 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2010 £	2009 £
30,000	Ordinary	£1	30,000	30,000
3,000,000	Ordinary 'A'	1p	30,000	30,000
511,500	Ordinary 'B'	£1	511,500	540,000
28,500	Ordinary 'D'	£1	28,500	-
			600,000	600,000

On 31 July 2009 28,500 'B' Ordinary £1 shares were reclassified as 28,500 'D' Ordinary £1 shares

**Rights to income**

The holders of the 'A' Ordinary shares are entitled to a fixed cumulative cash dividend at the rate of 0 1p per share per annum, payable half yearly in arrears on 30 April and 31 October. Dividends should be paid on the 'D' Ordinary shares at a rate and on such dates as determined by the directors. No dividend shall be declared or paid to the holders of the Ordinary shares or 'B' Ordinary shares unless and until the dividends on the 'A' Ordinary shares and the 'D' Ordinary shares, together with any arrears, have been paid in full. Subject thereto, any profits which the company may determine to distribute in respect of any financial year shall be applied amongst the holders of the Ordinary shares and the 'B' Ordinary shares *pari passu* as if the same constituted one class of share.

**Rights to capital**

On a return of assets on liquidation, reduction of capital or otherwise the surplus assets shall be applied first in paying to the holders of the 'A' Ordinary shares an amount of capital paid up on each share together with a sum equal to all arrears and/or accruals of dividend calculated to the payment date. Subject thereto the balance of such assets shall be distributed amongst the holders of the Ordinary shares, the 'B' Ordinary shares and the 'D' Ordinary shares *pari passu* as if the same constituted one class of share in proportion to the amount paid up or credited as paid up on those shares.

**Voting rights**

The holders of the Ordinary shares and the 'A' Ordinary shares shall have the right to receive notice of and to attend, speak and vote at all general meetings of the company. The holders of the 'D' Ordinary shares shall have the right to receive notice of and to attend, speak and vote at all general meetings at which resolutions relating to the dividends on 'D' Ordinary shares are proposed. The holders of the 'B' Ordinary shares and the 'D' Ordinary shares shall have the right to receive notice of and to attend and speak at all general meetings of the company but shall not have any right to vote at such meetings whether in person or by proxy.

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

22 RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Other reserves £	Totals £
At 1 May 2009	16,976,844	2,000	13,068,610	333,843	30,381,297
Profit for the year	559,091				559,091
Dividends	(242,360)				(242,360)
Transfer of amount equivalent to additional depreciation on revalued assets	10,000	-	(10,000)	-	-
At 30 April 2010	<u>17,303,575</u>	<u>2,000</u>	<u>13,058,610</u>	<u>333,843</u>	<u>30,698,028</u>

Company

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2009	8,740,087	2,000	13,068,610	21,810,697
Profit for the year	258,058			258,058
Dividends	(242,360)			(242,360)
Transfer of amount equivalent to additional depreciation on revalued assets	10,000	-	(10,000)	-
At 30 April 2010	<u>8,765,785</u>	<u>2,000</u>	<u>13,058,610</u>	<u>21,826,395</u>

23 PENSION COMMITMENTS

Since 6 April 2006 the group has offered to eligible employees a Group Personal Pension Plan

The pension cost charge represents contributions paid by the group in the year. At the year end total contributions payable were £13,926 (2009 £15,014), including employer and employee contributions

24 CAPITAL COMMITMENTS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Contracted for but not provided in the financial statements	<u>247,305</u>	<u>Nil</u>	<u>94,487</u>	<u>Nil</u>

THE POTTER GROUP (HOLDINGS) PLC (REGISTERED NUMBER: 1300030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2010

25 OTHER FINANCIAL COMMITMENTS

The group has entered into base rate swap agreements to minimise the exposure to fluctuations in base rate as follows

Effective date	Termination date	Amount £	Rate %
2 February 2009	2 February 2014	1,000,000	6 13
2 February 2009	2 February 2014	4,000,000	5 20

26 RELATED PARTY DISCLOSURES

Throughout the year the company was under the control of Mr C D Potter, a major shareholder and the Chairman of the company

During a previous year freehold land amounting to £235,000 was acquired from a trust controlled by Mr C D Potter. At the balance sheet date the amount due to the trust was £23,500 (2009 £47,000). During the year interest of £22 (2009 £3,694) was charged on the outstanding loan.

During the year the group paid rent of £12,500 to a trust in which Mr C D Potter has an interest (2009 £7,500).

During the year dividends of £242,360 (2009 £103,725) have been paid to Mr C D Potter and to trusts set up by Mr C D Potter for the benefit of his children and grandchildren.

27 POST BALANCE SHEET EVENTS

Dividends of £131,680 have been paid since the balance sheet date.

28 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2010 £	2009 £
Profit for the financial year	559,091	280,823
Dividends	(242,360)	(103,725)
<b>Net addition to shareholders' funds</b>	<b>316,731</b>	<b>177,098</b>
Opening shareholders' funds	30,981,297	30,804,199
<b>Closing shareholders' funds</b>	<b>31,298,028</b>	<b>30,981,297</b>
<b>Company</b>	<b>2010 £</b>	<b>2009 £</b>
Profit for the financial year	258,058	281,747
Dividends	(242,360)	(103,725)
<b>Net addition to shareholders' funds</b>	<b>15,698</b>	<b>178,022</b>
Opening shareholders' funds	22,410,697	22,232,675
<b>Closing shareholders' funds</b>	<b>22,426,395</b>	<b>22,410,697</b>