

Registered number 05133654

CHESTERFIELD GROUP LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**



CHESTERFIELD GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	A J McGraw A F Thacker G M Hirst J R Stevenson D H Griffiths J A Buckenham (resigned 27 January 2012)
SECRETARY	D B Williams
COMPANY NUMBER	05133654
REGISTERED OFFICE	St Clare House 30-33 Minories London EC3N 1DD
AUDITORS	Moore Stephens LLP Chartered Accountants & Registered Auditors 150 Aldersgate Street London EC1A 4AB

CHESTERFIELD GROUP LIMITED

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CHESTERFIELD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 the 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). The financial statements are required by law to 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 judgments 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 proper accounting records that 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.

PRINCIPAL ACTIVITIES

The company's principal activity continued to be that of a holding company for a group of companies whose principal activities are insurance and reinsurance broking. In 2012 following the purchase of the company by AJK London LLC the group will look to restructure within the new group.

PRINCIPAL RISKS 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 and uncertainties affecting the company are considered to relate to general insurance market conditions and competition from other insurance entities.

KEY PERFORMANCE INDICATORS

The company uses several performance measures, both financial and non-financial to monitor its progress. The company seeks to control margins and costs while seeking to expand sales.

RESULTS AND DIVIDENDS

The group profit for the year, before taxation and minority interest, amounted to £475,120 (2010 £443,706)

The directors have not recommended payment of a dividend (2010 £135,318)

CHESTERFIELD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS

The directors who were in office during the year and up to the date of signing the financial statements and their beneficial interests in the issued share capital of the company were

	A Ordinary Shares of £1 each 31/12/11	B Ordinary Shares of £1 each 31/12/11	A Ordinary Shares of £1 each 31/12/10	B Ordinary Shares of £1 each 31/12/10
A J McGraw	22,349	-	22,349	-
A F Thacker	22,352	-	22,352	-
G M Hirst	22,353	-	22,353	-
J R Stevenson	25,881	-	25,881	-
D H Griffiths	-	-	-	-
J A Buckenham (resigned 27 January 2012)	-	-	-	-
A J Kaufman (appointed 27 January 2012)	-	-	-	-
D T Muidowney (appointed 27 January 2012)	-	-	-	-
C A Zoidis (appointed 27 January 2012)	-	-	-	-

	Preference Shares of £1 each 31/12/11	Preference Shares of £1 each 31/12/10
A J McGraw	25,000	25,000
A F Thacker	10,000	10,000
G M Hirst	10,000	10,000
J R Stevenson	20,000	20,000
D H Griffiths	-	-
J A Buckenham (resigned 27 February 2012)	-	-

J A Buckenham has an interest in the shares of the company via her interest in J Buckenham Holdings Limited. This company has an interest in 11,588 B Ordinary Shares (2010 11,588) and 10,000 Preference Shares (2010 10,000) and the interest of J A Buckenham in that company is disclosed in that company's financial statements.

On 26 January 2012 the Preference Shares were converted to 6,500 A Ordinary Shares and 1,000 B Ordinary Shares. On 27 January 2012 all A and B and C Ordinary Shares were acquired by AJK London LLC.

PROVISION OF INFORMATION TO AUDITORS

AUDITORS

The auditors, Moore Stephens LLP, will be proposed for reappointment.

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the board on 17 May 2012 and signed on its behalf



Alan McGraw
Director

CHESTERFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTERFIELD GROUP LIMITED

We have audited the financial statements of Chesterfield Group Limited for the year ended 31 December 2011 which are set out on pages 5 to 20. 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 Directors' Responsibilities Statement set out on page 1, 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 Boards (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 groups 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.

In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter(s) 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.

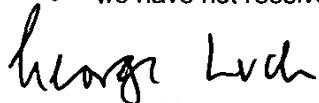
CHESTERFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTERFIELD GROUP LIMITED

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



George Luck (Senior Statutory Auditor)

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date 29 May 2012

CHESTERFIELD GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2011

	Note	2011 £	2010 £
TURNOVER	2	5,819,598	5,171,456
Administrative expenses		(5,477,678)	(4,851,954)
Other operating income			
Rent receivable		75,120	75,120
Fees receivable		-	2,400
Interest receivable		58,080	46,684
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	475,120	443,706
Tax on profit on ordinary activities	6	(132,678)	(159,401)
Profit on ordinary activities after taxation		342,442	284,305
Minority interests	15	(911)	(8,564)
Dividend paid	15	-	(129,120)
		<hr/>	<hr/>
Retained profit for the year	15	<u>341,531</u>	<u>146,621</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 9 to 20 form part of these financial statements

CHESTERFIELD GROUP LIMITED

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

Registered number 05133654

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible fixed assets	8	42,785	67,491
Intangible fixed assets	7	101,507	99,779
		<u>144,292</u>	<u>167,270</u>
CURRENT ASSETS			
Debtors	10	9,888,742	12,771,779
Cash at bank and in hand		6,292,608	5,705,255
		<u>16,181,350</u>	<u>18,477,034</u>
CREDITORS amounts falling due within one year	11	(14,581,739)	(17,255,518)
NET CURRENT ASSETS		<u>1,599,611</u>	<u>1,221,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,743,903</u>	<u>1,388,786</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	13	(133,727)	(123,084)
		<u>(133,727)</u>	<u>(123,084)</u>
NET ASSETS		<u>1,610,176</u>	<u>1,265,702</u>
CAPITAL AND RESERVES			
Called up share capital	14	112,523	112,523
Other reserves	15	161,726	161,726
Profit and loss account	15	1,369,474	1,026,336
Revaluation reserve	15	10,633	9,942
Minority interest	15	16,432	15,787
EBT reserves	15	(60,612)	(60,612)
SHAREHOLDERS' FUNDS	16	<u>1,610,176</u>	<u>1,265,702</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2012


Alan McGraw
Director

The notes on pages 9 to 20 form part of these financial statements

CHESTERFIELD GROUP LIMITED

COMPANY BALANCE SHEET
As at 31 December 2011Registered number: 05133654

	Note	£	2011	£	£	2010	£
FIXED ASSETS							
Fixed assets investments	9			476,091		476,087	
CURRENT ASSETS							
Debtors	10	112,274			159,156		
Cash at bank and in hand		338			45		
			<u>112,612</u>		<u>159,201</u>		
CREDITORS amounts falling due within one year	11	(426,344)			(446,921)		
				<u>(313,732)</u>		<u>(287,720)</u>	
NET CURRENT ASSETS							
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>162,359</u>		<u>188,367</u>	
CAPITAL AND RESERVES							
Called up share capital	14		112,523			112,523	
Share premium account	15		47,174			47,174	
Profit and loss account	15		2,662			28,670	
				<u>162,359</u>		<u>188,367</u>	
SHAREHOLDERS' FUNDS							

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2012



Alan McGraw
Director

The notes on pages 9 to 20 form part of these financial statements

CHESTERFIELD GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Net cash inflow / (outflow) from operating activities	17	619,535	1,723,549
Net cash inflow / (outflow) from other activities			
Rent		75,120	60,096
Fees		-	2,400
Returns on investment and servicing of finance			
Interest received		58,080	46,684
Taxation		(151,940)	(178,095)
Capital expenditure			
Payments to acquire tangible fixed assets		(13,442)	(35,977)
Payments to acquire intangible fixed assets		-	(4,429)
Sale / (Purchase) of shares held in trust		-	32,508
Dividend paid		-	(129,120)
Increase / (Decrease) in cash in the year	18	<u>587,353</u>	<u>1,517,616</u>

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

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

1.2 Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Chesterfield Group Limited and its subsidiary undertakings made up to 31 December 2011. CGL is accounted for using the merger method of accounting, the other subsidiaries are accounted for using acquisition method of accounting.

No profit and loss account is presented for the Company as permitted by S 408 of the Companies Act 2006

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	20% straight line
Plant and Equipment	-	33% straight line
Motor Vehicles	-	33% straight line

1.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to be reversed

Deferred tax assets and liabilities are discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 10 Insurance Broking Debtors and Creditors

The Group companies act as an agent in broking the insurable risks of its clients and, generally, are not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the companies' legal relationships with clients and underwriters and since in practice premium and claim monies are usually accounted for by the insurance intermediaries, it has followed generally accepted accounting practices by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself

In the ordinary course of insurance broking business, settlement is required to be made with certain markets, market settlement bureau or insurance intermediaries on the basis of the net balance due to the market, bureau or intermediary in question, rather than the amounts to or from individual third parties which it represents

Financial Reporting Standard 5 (FRS 5), "Reporting the Substance of Transactions", precludes assets and liabilities being offset unless net settlement is legally enforceable. Following the expiry of the transitional provision to FRS 5 which exempted insurance broking transactions from this treatment, insurance debtors and creditors are shown gross within these financial statements

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)

1.11 Revenue and Expense Recognition

It is impracticable to devise accounting policies which consistently match revenue from brokerage with the related expenses. Accordingly, the following bases are adopted:

Brokerage is credited to turnover at the inception date of the policy. In accordance with FRS5 the company has deferred an element of brokerage income to reflect the obligation to provide future services on policies incepted in the period under review (note 13). Costs are written off as incurred and interest receivable is included on an accruals basis.

2 TURNOVER

The turnover and pre-tax profit of the Group is attributable to the principal activity of the Group, and is attributable as follows:

	2011	2010
	%	%
United Kingdom	11	18
Europe	17	12
North America	45	42
Rest of the World	27	28
	<hr/> 100 <hr/>	<hr/> 100 <hr/>

3 Operating profit

The operating profit is stated after charging:

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the group	38,422	22,229
Auditors' remuneration	41,543	40,247
Operating lease rentals		
- other operating leases	223,248	197,272
	<hr/> 223,248 <hr/>	<hr/> 197,272 <hr/>

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	3,037,475	2,663,250
Social security costs	312,453	288,873
Other pension costs	285,047	171,631
	<u>3,634,975</u>	<u>3,123,754</u>

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

	2011 No.	2010 No
Management	9	9
Administration	43	41
	<u>52</u>	<u>50</u>

5 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>475,337</u>	<u>572,753</u>
Company pension contributions to money purchase pension schemes	<u>117,638</u>	<u>58,776</u>

During the year retirement benefits were accruing to 4 directors (2010 - 4) in respect of money purchase pension schemes

6. TAXATION

	2011 £	2010 £
UK corporation tax charge on profits of the year	145,423	154,678
Deferred tax	5,422	-
Adjustments in respect of prior periods	(28,507)	-
Overseas taxation in respect of current period	10,340	4,723
	<u>132,678</u>	<u>159,401</u>

Factors that may affect future tax charges

The only factors to affect future tax charges are likely to be fixed asset timing differences and timing differences in respect of pension contributions

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

7 INTANGIBLE FIXED ASSETS

Group	Goodwill £	Total £
Cost		
At 1 January 2011	99,779	99,779
Additions	1,728	1,728
Reductions	-	-
	<hr/>	<hr/>
At 31 December 2011	101,507	101,507
Amortisation		
At 1 January 2011	-	-
Charged during the year	-	-
	<hr/>	<hr/>
At 31 December 2011	-	-
Net book value		
At 31 December 2011	101,507	101,507
<i>At 31 December 2010</i>	<u>99,779</u>	<u>99,779</u>

Goodwill arising on consolidation represents the excess of cost over the fair value of the net assets purchased. These assets are intended for use on a continuing basis for the foreseeable future and are not amortised. They are tested for impairment on an annual basis.

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

8 TANGIBLE FIXED ASSETS

Group	Land and buildings £	Plant and machinery £	Motor Vehicles £	Total £
Cost				
At 1 January 2011	2,405	239,501	14,926	256,832
Exchange adjustment	-	737	111	848
Additions	1,900	12,520	-	14,420
Deletions	-	(663)	(315)	(978)
At 31 December 2011	<u>4,305</u>	<u>252,095</u>	<u>14,722</u>	<u>271,122</u>
Depreciation				
At 1 January 2011	727	178,080	10,534	189,341
Exchange adjustment	-	484	90	574
Charge for the year	970	37,452	-	38,422
At 31 December 2011	<u>1,697</u>	<u>216,016</u>	<u>10,624</u>	<u>228,337</u>
Net book value				
At 31 December 2011	<u>2,608</u>	<u>36,079</u>	<u>4,098</u>	<u>42,785</u>
At 31 December 2010	<u>1,678</u>	<u>61,421</u>	<u>4,392</u>	<u>67,491</u>

9. FIXED ASSET INVESTMENTS

	Company Shares in group undertakings £	Total £
Cost or valuation		
At 1 January 2011		
Valued at cost with no evidence of impairment	476,087	476,087
Exchange adjustment	4	4
At 31 December 2011	<u>476,091</u>	<u>476,091</u>

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

9. FIXED ASSET INVESTMENTS (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company

	Incorporated	Class of shares
1 * Chesterfield Insurance Brokers Ltd	UK	Ordinary
2 * Chesterfield Finance Solutions Ltd	UK	Ordinary
4 * Chesterfield Agencies Ltd	UK	Ordinary
2 ** Chesterfield Reinsurance Brokers Ltd	UK	Ordinary
1 ** Chesterfield Canada, Inc	Canada	Common shares
3 * Chesterfield USA Holdings, Inc	USA	Common stock
1 *** Van Wagoner Companies, Inc	USA	Common stock
* Direct subsidiary of Chesterfield Group Limited, 100%		
** Direct subsidiary of Chesterfield Group Limited, 51%		
*** Direct subsidiary of Chesterfield USA Holdings, Inc		

Nature of business,

- 1 Insurance broking
- 2 Dormant companies
- 3 Holding company
- 4 Trust company (for the Employee Benefit Trust)

The share capital and reserves as at 31 December 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Share capital and reserves	Profit/(loss)
	£	£
Chesterfield Insurance Brokers Ltd	1,855,845	329,888
Chesterfield Finance Solutions Ltd	32,939	-
Chesterfield Agencies Ltd	4,554	-
Chesterfield Reinsurance Brokers Ltd	45	(60)
Chesterfield Canada, Inc	33,537	1,859
Chesterfield USA Holdings, Inc	(4,129)	(932)
Van Wagoner Companies, Inc	141,793	37,667

On 26 January 2012 Chesterfield Insurance Brokers Limited sold its interest in Chesterfield Reinsurance Brokers Limited to James Stevenson

On 27 January 2012 the company acquired the remaining 49% shareholding in Chesterfield Canada, Inc bringing its shareholding in that company up to 100%.

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

10. DEBTORS	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	9,262,796	12,111,943	-	-
Other debtors	111,956	106,903	-	-
Prepayments and accrued income	503,047	536,568	15,633	-
Amounts owed by group undertakings	-	-	96,641	159,156
Deferred tax	10,943	16,365	-	-
	9,888,742	12,771,779	112,274	159,156

11 CREDITORS Amounts falling due within one year	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade creditors	13,947,322	16,716,585	-	-
Corporation tax	145,468	170,152	-	-
Social security and other taxes	103,111	81,317	-	-
Other creditors	110,292	55,507	-	-
Accruals and deferred income	200,546	156,957	9,597	15,789
Redeemable Preference shares	75,000	75,000	75,000	75,000
Amounts owed to group undertakings	-	-	341,747	356,132
	14,581,739	17,255,518	426,344	446,921

12 DEFERRED TAXATION	Group	
	2011 £	2010 £
At 1 January	16,365	16,365
Movement in the period	(5,422)	-
At 31 December	10,943	16,365
The provision for deferred taxation made up as follows		
	2011 £	2010 £
Accelerated capital allowances	3,778	16,365
Timing differences on pension contributions	7,165	-
	10,943	16,365

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

13 PROVISIONS

	Group		Total
	Claims handling provision	Dilapidations provision	
	£	£	£
At 1 January 2011	115,584	7,500	123,084
Additions	8,143	2,500	10,643
	<u>123,727</u>	<u>10,000</u>	<u>133,727</u>
At 31 December 2011	<u>123,727</u>	<u>10,000</u>	<u>133,727</u>

The claims handling provision refers to note 1 11

14 SHARE CAPITAL

	Group and Company	
	2011	2010
	£	£
Authorised		
Ordinary "A" shares of £1 each	850,000	850,000
Ordinary "B" shares of £1 each	142,000	142,000
Ordinary "C" shares of £1 each	8,000	8,000
Redeemable Preference shares of £1 each	100,000	100,000
	<u>1,100,000</u>	<u>1,100,000</u>
Allotted, called up and fully paid		
Ordinary "A" shares of £1 each	92,935	92,935
Ordinary "B" shares of £1 each	11,588	11,588
Ordinary "C" shares of £1 each	8,000	8,000
	<u>112,523</u>	<u>112,523</u>

In accordance with the requirements of the Financial Reporting Standards for Smaller Entities (Effective April 2008) the Redeemable Preference Shares have been reclassified within Current Liabilities. The fixed cumulative dividend is reclassified as an interest cost in the Profit and Loss account.

The 'A' Ordinary shares, the 'B' Ordinary shares, the 'C' Ordinary shares each constitute separate classes of share but rank pari passu regarding return of capital, income and voting rights. There are different rights regarding the transfer of shares applicable to the various classes of shares.

CHESTERFIELD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

15 OTHER RESERVES

	Group			
	Merger reserve	Share premium account	Capital reserve	Total Other reserves
	£	£	£	£
At 1 January 2011	(125,854)	47,174	240,406	161,726
Movement in the year	-	-	-	-
At 31 December 2011	<u>(125,854)</u>	<u>47,174</u>	<u>240,406</u>	<u>161,726</u>

PROFIT AND LOSS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
At 1 January	1,026,336	876,155	28,670	5,685
Profit / (loss) on ordinary activities after taxation	342,442	284,305	(25,980)	158,308
Minority interest	(911)	(8,564)	-	-
Dividend paid	-	(129,120)	-	(135,318)
Exchange adjustment	1,607	3,560	(28)	(5)
At 31 December	<u>1,369,474</u>	<u>1,026,336</u>	<u>2,662</u>	<u>28,670</u>

REVALUATION RESERVE

	Group	
	2011	2010
	£	£
At 1 January	9,942	9,650
Movement in the year	691	292
At 31 December	<u>10,633</u>	<u>9,942</u>

MINORITY INTEREST

	2011	2010
	£	£
	At 1 January	15,787
Profit/(loss) for the year	911	8,564
Exchange adjustment	(266)	797
At 31 December	<u>16,432</u>	<u>15,787</u>

EBT RESERVE

The EBT reserve of £(60,612) (2010 £(60,612)) is the balance of the company's shares purchased by a subsidiary and held in trust on behalf of the Chesterfield Group Employee Benefit Trust

CHESTERFIELD GROUP LIMITED

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16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group	
	2011	2010
	£	£
Retained profit for the year	341,531	146,621
Other reserves	2,943	45,721
Preference shares	-	-
	<hr/>	<hr/>
Net addition to shareholders' funds	344,474	192,342
Opening shareholders' funds	<u>1,265,702</u>	<u>1,073,360</u>
Closing shareholders' funds	<u><u>1,610,176</u></u>	<u><u>1,265,702</u></u>
Analysis of shareholders' funds		
Non-equity interests	(60,612)	(60,612)
Equity interests	1,670,788	1,326,314
	<u><u>1,610,176</u></u>	<u><u>1,265,702</u></u>

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

	2011	2010
	£	£
Operating profit / (loss)	341,920	319,501
Depreciation charges	38,422	22,229
Reduction / (increase) in goodwill on consolidation	-	(4,429)
(Increase)/decrease in debtors	2,877,613	(1,637,544)
Increase/ (decrease) in creditors	(2,649,095)	2,986,463
Increase/ (decrease) in provisions for liabilities and charges	10,643	14,971
Exchange (gains) / losses	<u>32</u>	<u>22,358</u>
Net cash (outflow) / inflow from operations	<u><u>619,535</u></u>	<u><u>1,723,549</u></u>

18. Analysis of Net Funds

	At 01 January	Cash flow	At 31 December
	£	£	£
Cash at bank and in hand	5,705,255	587,353	6,292,608

CHESTERFIELD GROUP LIMITED

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19 PENSION COMMITMENTS

A group company operates a defined contribution scheme in respect of its employees. The cost for the year was £285,047 (20 - £171,631). At 31 December 2011 there were outstanding contributions of £29,856 (2010 - £ nil).

20 OPERATING LEASE

At 31 December 2011 a group company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date		
Between 2 and 5 years	139,635	-
After more than 5 years	-	186,219

21. ULTIMATE PARENT UNDERTAKING AND RELATED PARTIES

On 27 January 2012 the entire allotted share capital of Chesterfield Group Limited was purchased by AJK London LLC, a limited liability company incorporated in Michigan, USA.

At 31 December 2011 there is a loan amount due from Gary Hirst of £14,000 (2010 £nil), and from Alan McGraw £21,025 (2010 £nil). These were the maximum amounts outstanding at any time during the year and both amounts were repaid on 27 January 2012.

At 31 December there is an aggregate balance of £3,519 (2010 £3,443) due from directors in respect of season ticket loans. This was the maximum amount outstanding at any time during the year.

The Directors are satisfied that there are no other material related party transactions requiring disclosure under FRS 8.

22. CASH AT BANK AND IN HAND

A group company is regulated by the Financial Services Authority ("FSA"). As required by the FSA, client monies are held in non-statutory trust client bank accounts. The use and governance of the balances held within these accounts are determined by trust deeds and by the FSA's client asset rules source book (CASS). The cash at bank and in hand as at 31 December 2011 includes £5,044,303 (2010 £4,820,091) of client monies held in non-statutory trust client bank accounts.