

Company Registration No. 02403553 (England and Wales)

TODD MEAT TRADING COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2010

TODD MEAT TRADING COMPANY LIMITED

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TODD MEAT TRADING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2010

The directors present their report and financial statements for the year ended 31 October 2010.

Principal activities and review of the business

The company's principal activity during the year was frozen food wholesaling, distributing to smaller wholesalers around the country.

Todd Meat Trading Company Limited, hereafter referred to as "Todd Meats", are a meat and poultry wholesaler operating from an office in Sevenoaks, Kent.

Todd Meats was established in 1989 but can trace its roots back to 1964 when Kenneth Todd traded from a butchers shop in Sydenham, South London.

The company has experienced adverse trading conditions this year and suffered from bad debts and increased payment terms from its customers, whilst experiencing increased demands for shorter payment terms from its suppliers.

It has also completed the most dramatic change in its history by dispensing with its cold storage and transport operations and relocating to a purpose built office.

The company meets its day to day working capital requirements through an overdraft facility.

The current economic conditions create uncertainty over the availability of bank finance, in general.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is able to operate within the level of its current facility.

The company has not sought any written commitment that the facility will be renewed. However, no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Cost and credit control now occupy the directors' attention, as we continue to "weather" the economic conditions.

Turnover for the year has increased by approximately £525,000. This should be viewed as a major success considering the dramatic changes the company has undertaken this year.

After the year end the directors were advised that an outstanding debtor in the sum of £115,000 should be considered a bad debt. The directors are confident that this money will be recovered but acting on professional advice decided to write the sum off. This retrospective conservative course of action took place after the final dividend was declared and therefore resulted in a small reduction in shareholders funds in the sum of £18,000. This action has in fact resulted in a positive impact on cashflow and maintained the company's cautious approach to debtors and its balance sheet.

TODD MEAT TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

The management of the business and the execution of our strategy are subject to a number of risks. The following section comprises a summary of the main risks we believe could potentially impact upon our operating and financial performance.

People

The resignation of key individuals and the inability to recruit talented people with the right skill sets could adversely affect our results.

Macroeconomic environment

Meat trading as an activity suffers through the economic cycle, generally from bad debts and currency fluctuations.

Competition

Due to the need for large amounts of cash to run a trading operation we do not expect to encounter any new competition and are confident that we can increase our market share in the forthcoming year.

Technology

Having devised and operated successful technological solutions required for our trading activities, we are constantly investigating improvements in these areas.

Legal

The company is subject to varying UK and EEC legal and compliance regulations. The company takes its responsibilities seriously and ensures that its policies, systems and procedures are continually updated and comply with the legal requirements in all the sectors in which we operate.

Results and dividends

The results for the year are set out on page 6.

Future developments

After 40 years of running a conventional meat wholesale company, we have switched to an office based trading operation, sub-contracting both cold storage and transportation departments. The company intends to continue this transformation in the forthcoming year and we are delighted with the progress made after this transition.

The company's strategies for the forthcoming years are to develop its trading operations and minimize overhead risk. We intend to keep a tight control on all overhead expenditure and where possible remove as much of this altogether by "back to back" trading and importing.

We aim to invest in our web based marketing and use e-mail as much as possible to reduce costs and improve the speed and reliability of our invoice processing.

We intend to train and make more economic use of the younger generation of employees and simplify our business model and systems.

We will focus on meat trading and profit generation by removing or sub-contracting as many parts of the delivery process as possible.

Directors

The following directors have held office since 1 November 2009:

Robert Todd

Laura Deller

Simon Akhurst

TODD MEAT TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

Charitable donations	2010	2009
	£	£
During the year the company made the following payments:		
Charitable donations	3,914	4,435

Financial instruments

Treasury operations and foreign currency risk

It is the directors' intention to continue to finance the activities and development of the company from retained earnings.

The directors will maintain the current strong balance sheet position and operate the company in a conservative fashion, maintaining their focus on both profitability and cash flow. Any cash surpluses will be invested in short term deposits with any working capital requirements being provided by cash resources or overdraft facilities.

The company operates primarily in Sterling, however also has some exposure to the Euro. As sales are overwhelmingly in Sterling, the company has limited exposure to currency fluctuation. The directors are aware of this risk and are content to operate in such a fashion, as the currency exposure equates to less than half of one percent of overall turnover.

Liquidity risk

The directors manage daily the cost and borrowing requirements and are comfortable with the current arrangements in place.

Interest rate risk

The only borrowing relates to bank overdraft facilities and these are renewed annually, with only the base rate fluctuations being variable.

Credit risk

This is the highest risk to the business and is managed to the best of our ability. The directors believe the forthcoming year will prove even more testing.

Auditors

In accordance with the company's articles, a resolution proposing that Carter Backer Winter LLP be reappointed as auditors of the company will be put at a General Meeting.

TODD MEAT TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

Statement of directors' responsibilities

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 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;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Robert Todd

Director

18 February 2011

TODD MEAT TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO TODD MEAT TRADING COMPANY LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of Todd Meat Trading Company Limited for the year ended 31 October 2010 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Paul Woosey (Senior Statutory Auditor)
for and on behalf of Carter Backer Winter LLP

18 February 2011

Chartered Accountants
Statutory Auditor

Enterprise House
21 Buckle Street
London
E1 8NN

TODD MEAT TRADING COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2010

		2010	2009
	Notes	£	£
Turnover		21,503,221	20,977,576
Other operating income less cost of sales		(20,212,519)	(19,394,952)
Administrative expenses		(1,035,429)	(1,306,467)
Operating profit	2	<u>255,273</u>	<u>276,157</u>
Investment income / (expense)	3	(11,708)	-
Other interest receivable and similar income		-	191
Change in value of investments	4	9,291	(1,683)
Interest payable and similar charges	5	(12,887)	(10,704)
Profit on ordinary activities before taxation		<u>239,969</u>	<u>263,961</u>
Tax on profit on ordinary activities	6	(58,075)	(61,697)
Profit for the year	16	<u><u>181,894</u></u>	<u><u>202,264</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

TODD MEAT TRADING COMPANY LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 OCTOBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	8		172,022		231,322
Investments	9		35,261		55,979
			<u>207,283</u>		<u>287,301</u>
Current assets					
Stocks	10	586,556		476,456	
Debtors	11	3,315,157		2,797,605	
Cash at bank and in hand		474		966	
		<u>3,902,187</u>		<u>3,275,027</u>	
Creditors: amounts falling due within one year	12	<u>(3,236,162)</u>		<u>(2,666,390)</u>	
Net current assets			<u>666,025</u>		<u>608,637</u>
Total assets less current liabilities			<u>873,308</u>		<u>895,938</u>
Creditors: amounts falling due after more than one year	13		(4,167)		-
Provisions for liabilities	14		<u>(2,208)</u>		<u>(10,899)</u>
			<u>866,933</u>		<u>885,039</u>
Capital and reserves					
Called up share capital	15		92,000		92,000
Profit and loss account	16		774,933		793,039
Shareholders' funds	17		<u>866,933</u>		<u>885,039</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 18 February 2011

Robert Todd
Director

Laura Deller
Director

Company Registration No. 02403553

TODD MEAT TRADING COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2010

	Notes	£	2010 £	£	2009 £
Net cash (outflow)/inflow from operating activities	21		(5,743)		307,123
Returns on investments and servicing of finance					
Interest received		-		191	
Interest paid		(12,887)		(10,704)	
Net cash outflow for returns on investments and servicing of finance			(12,887)		(10,513)
Taxation			(67,684)		(54,177)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(7,788)		(19,895)	
Payments to acquire investments		(76,595)		(50,000)	
Receipts from sales of tangible assets		25,217		11,710	
Receipts from sales of investments		94,897		-	
Net cash inflow/(outflow) for capital expenditure			35,731		(58,185)
Equity dividends paid			(200,000)		(200,000)
Net cash outflow before management of liquid resources and financing			(250,583)		(15,752)
Financing					
Repayment of other short term loans		-		(100,000)	
Capital element of hire purchase contracts		-		(18,331)	
Net cash outflow from financing			-		(118,331)
Decrease in cash in the year	22, 23		(250,583)		(134,083)

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company meets its day to day working capital requirements through an overdraft facility.

The current economic conditions create uncertainty over the availability of bank finance, in general.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is able to operate within the level of its current facility.

The company has not sought any written commitment that the facility will be renewed. However, no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for the wholesale supply of frozen foods.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	Over the term of the lease
Commercial vehicles	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Motor vehicles	20% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

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

1.6 Investments

Fixed asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

1 Accounting policies (continued)

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit	2010	2009
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	22,266	38,002
Loss on disposal of tangible assets	25,854	29,688
Loss on foreign exchange transactions	-	15,384
Operating lease rentals	30,268	7,046
Auditors' remuneration (including expenses and benefits in kind)	24,000	24,000
and after crediting:		
Profit on foreign exchange transactions	(2,061)	-
	<u> </u>	<u> </u>

Auditors' remuneration includes £15,000 (2009: £15,000) for the supply of accountancy services and £1,000 (2009: £1,000) for the supply of taxation services.

3 Investment income / (expense)	2010	2009
	£	£
Profit / (loss) on disposal of investments	(11,708)	-
Bank interest	-	191
	<u> </u>	<u> </u>
	(11,708)	191
	<u> </u>	<u> </u>

4 Change in value of investments	2010	2009
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	(9,291)	1,683
	<u> </u>	<u> </u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	12,887	2,350
	Hire purchase interest	-	854
	Other interest	-	7,500
		<u>12,887</u>	<u>10,704</u>
		<u><u>12,887</u></u>	<u><u>10,704</u></u>
6	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U.K. corporation tax	66,766	67,684
	Total current tax	66,766	67,684
	Deferred tax		
	Deferred tax charge/credit current year	(8,691)	(5,987)
		<u>58,075</u>	<u>61,697</u>
		<u><u>58,075</u></u>	<u><u>61,697</u></u>
	 Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	239,969	263,961
		<u>239,969</u>	<u>263,961</u>
		<u><u>239,969</u></u>	<u><u>263,961</u></u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	67,191	73,909
		<u>67,191</u>	<u>73,909</u>
		<u><u>67,191</u></u>	<u><u>73,909</u></u>
	Effects of:		
	Non deductible expenses	18,127	10,743
	Depreciation add back	6,234	10,640
	Capital allowances	(4,008)	(6,884)
	Other tax adjustments	(20,778)	(20,724)
		<u>(425)</u>	<u>(6,225)</u>
		<u><u>(425)</u></u>	<u><u>(6,225)</u></u>
	Current tax charge for the year	66,766	67,684
		<u>66,766</u>	<u>67,684</u>
		<u><u>66,766</u></u>	<u><u>67,684</u></u>
7	Dividends	2010	2009
		£	£
	Ordinary final paid	200,000	200,000
		<u>200,000</u>	<u>200,000</u>
		<u><u>200,000</u></u>	<u><u>200,000</u></u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

8 Tangible fixed assets

	Land and buildings leasehold	Commercial vehicles	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2009	110,720	108,036	70,115	11,050	299,921
Additions	-	-	1,688	12,350	14,038
Disposals	-	(78,536)	-	(11,050)	(89,586)
At 31 October 2010	110,720	29,500	71,803	12,350	224,373
Depreciation					
At 1 November 2009	2,768	38,442	26,470	920	68,600
On disposals	-	(35,738)	-	(2,777)	(38,515)
Charge for the year	2,768	8,545	8,891	2,062	22,266
At 31 October 2010	5,536	11,249	35,361	205	52,351
Net book value					
At 31 October 2010	105,184	18,251	36,442	12,145	172,022
At 31 October 2009	107,952	69,595	43,646	10,129	231,322

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 October 2010	12,145
Depreciation charge for the year	
At 31 October 2010	205

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

9 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 November 2009	47,651	50,000	97,651
Additions	72,220	4,375	76,595
Disposals	(85,105)	(21,500)	(106,605)
	<u>34,766</u>	<u>32,875</u>	<u>67,641</u>
Provisions for diminution in value			
At 1 November 2009	41,672	-	41,672
Charge for the year	(9,292)	-	(9,292)
	<u>32,380</u>	<u>-</u>	<u>32,380</u>
Net book value			
At 31 October 2010	<u>2,386</u>	<u>32,875</u>	<u>35,261</u>
At 31 October 2009	<u>5,979</u>	<u>50,000</u>	<u>55,979</u>

10 Stocks

	2010 £	2009 £
Finished goods and goods for resale	<u>586,556</u>	<u>476,456</u>

11 Debtors

	2010 £	2009 £
Trade debtors	3,280,696	2,773,594
Other debtors	6,462	8,872
Prepayments and accrued income	27,999	15,139
	<u>3,315,157</u>	<u>2,797,605</u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

12 Creditors: amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts	537,559	287,468
Net obligations under hire purchase contracts	2,083	-
Trade creditors	2,467,992	2,111,643
Corporation tax	66,766	67,684
Other taxes and social security costs	11,671	14,137
Directors' current accounts	100,500	90,284
Accruals and deferred income	49,591	95,174
	<u>3,236,162</u>	<u>2,666,390</u>

A debenture dated the 20 June 2007 was created for securing all monies due to National Westminster Bank plc on the 22 June 2007.

13 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Net obligations under hire purchase contracts	<u>4,167</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	2,083	-
Repayable between one and five years	4,167	-
	<u>6,250</u>	<u>-</u>
Included in liabilities falling due within one year	(2,083)	-
	<u>4,167</u>	<u>-</u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

14 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 November 2009	10,899
Profit and loss account	(8,691)
	<hr/>
Balance at 31 October 2010	2,208
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2010	2009
	£	£
Accelerated capital allowances	2,208	10,899
	<hr/> <hr/>	<hr/> <hr/>

15 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
92,000 ordinary shares of £1 each	92,000	92,000
	<hr/> <hr/>	<hr/> <hr/>

16 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 November 2009	793,039
Profit for the year	181,894
Dividends paid	(200,000)
	<hr/>
Balance at 31 October 2010	774,933
	<hr/> <hr/>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

17 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Profit for the financial year	181,894	202,264
Dividends	(200,000)	(200,000)
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(18,106)	2,264
Opening shareholders' funds	885,039	882,775
	<hr/>	<hr/>
Closing shareholders' funds	866,933	885,039
	<hr/> <hr/>	<hr/> <hr/>

18 Financial commitments

At 31 October 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2011:

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire:		
Between two and five years	26,780	26,780
In over five years	3,500	3,500
	<hr/>	<hr/>
	30,280	30,280
	<hr/> <hr/>	<hr/> <hr/>

19 Directors' remuneration	2010	2009
	£	£
Remuneration for qualifying services	201,197	277,563
	<hr/>	<hr/>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	102,396	110,788
	<hr/>	<hr/>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2010	2009
	Number	Number
Sales and distribution	9	10
Administration	4	5
	<u>13</u>	<u>15</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	496,521	639,566
Social security costs	52,432	69,626
	<u>548,953</u>	<u>709,192</u>

21 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2010	2009
	£	£
Operating profit	255,273	276,157
Depreciation of tangible assets	22,266	38,002
Loss on disposal of tangible assets	25,854	29,688
(Increase)/decrease in stocks	(110,100)	52,885
Increase in debtors	(517,552)	(65,545)
Increase/(decrease) in creditors within one year	318,516	(24,064)
	<u>(5,743)</u>	<u>307,123</u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

22 Analysis of net debt	1 November 2009	Cash flow	Other non- cash changes	31 October 2010
	£	£	£	£
Net cash:				
Cash at bank and in hand	966	(492)	-	474
Bank overdrafts	(287,468)	(250,091)	-	(537,559)
	<u>(286,502)</u>	<u>(250,583)</u>	<u>-</u>	<u>(537,085)</u>
Debt:				
Finance leases	-	(6,250)	-	(6,250)
Net debt	<u>(286,502)</u>	<u>(256,833)</u>	<u>-</u>	<u>(543,335)</u>

23 Reconciliation of net cash flow to movement in net debt	2010 £	2009 £
Decrease in cash in the year	(250,583)	(134,083)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(6,250)	118,333
Movement in net debt in the year	<u>(256,833)</u>	<u>(15,750)</u>
Opening net debt	(286,502)	(270,752)
Closing net debt	<u>(543,335)</u>	<u>(286,502)</u>

TODD MEAT TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

24 Related party relationships and transactions

Loans from directors

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Robert Todd	-	75,000	5,000	-	-	80,000
Laura Deller	-	15,284	5,216	-	-	20,500

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2010 £	2009 £
Robert Todd	80,000	160,000
Laura Deller	40,000	40,000
	120,000	200,000

Other transactions

On 8 March 2010 Robert Todd transferred 36,800 ordinary shares to a close family member, for nil consideration.