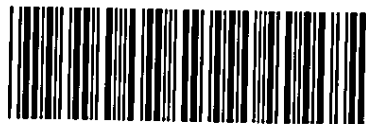


# Abbreviated accounts LaserPerformance (Europe) Limited

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For the year ended 31 December 2008

THURSDAY



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COMPANIES HOUSE

Company No. 922893

## Company information

**Company registration number:** 922893

**Registered office:** Station Works  
Station Road  
LONG BUCKBY  
Northamptonshire  
NN6 7PF

**Director:** K Jahanshad

**Auditor:** Grant Thornton UK LLP  
Grant Thornton House  
Kettering Parkway  
Kettering Venture Park  
KETTERING  
Northants  
NN15 6XR

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## Report of the director

The director presents his report together with the financial statements for the year ended 31 December 2008.

### Principal activity

The principal activities of the company are the supply, distribution and sale of sailing dinghies, products and services.

New boats are developed on a regular basis to maintain the company's competitive position.

### Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements and are discussed further in the business review below.

The company has paid no dividends during the year:

### Business review

The company is a significant trading subsidiary of Full Moon Holdings Limited, selling sailing boats, spares and accessories within the UK and Europe. Following its success and the expected expansion, for 2009, the sailing services division of the company has been created as a separate legal entity within the group.

### Financial performance

Financial performance for the year has been analysed as follows:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000	£'000	Change %
Gross profit	4,248	5,463	(1,215)	(22%)
Other operating charges	3,893	4,074	(181)	(4%)
Profit before tax	326	1,377	(1,051)	(76%)

### Strategy

The strategy of the company remains to develop the business in existing and new markets with new products and services complementing the existing range.

### **Operating costs**

Other operating income and charges have decreased by £181k, reflecting the need to tightly control costs.

### **Capital expenditure**

Capital expenditure of £65k has been incurred during the year, largely relating to the tooling costs to maintain and improve quality and efficiency.

### **Summary of key performance indicators**

The company monitors sales, stock, debtors, creditors and cash on a weekly basis and compares to annual budgets and revised forecasts as appropriate.

### **Future outlook**

The director is hopeful that 2009 will be a stable year, with steady performance. New routes to market are to be explored and where possible exploited.

### **Principal risk and uncertainties**

The management of the business and the nature of the company's strategy are subject to a number of risks.

The director has set out below the principal risks facing the business.

The director is of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

### **High proportion of fixed costs and variable revenues**

The company will continue to review the overhead base required to further develop the business. There is a formal expenditure review process which takes account of sales and margin forecasts and matches overhead expenditure accordingly.

### **Competition**

The company faces competition in all of its product areas and markets. These range from large established and reputable brands to smaller, local manufacturers. We benefit from being one of the leading brands in our sector but we must ensure that we do not become complacent and continue to support the products and services demanded by our customers.

### **Product obsolescence**

Many of our products are well established and, given the significant costs of developing new products and tooling, there tends to be limited obsolescence risk in our key product areas. Stocks of spare parts and accessories relating to boats no longer sold are regularly reviewed and appropriate provisions are maintained.

### **Fluctuation in exchange rates**

Most of our purchases are sterling denominated. Approximately 30% of our turnover is transacted in Euros. The company regularly reviews its exposure to foreign currency transactions and where appropriate covers this exposure with the use of forward currency contracts.

### **Financial risk management objectives and policies**

The company uses various financial instruments including loans, cash, and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The director reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Market risk**

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance, price risk has been ignored as it is not considered a material risk to the business. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

#### **Currency risk**

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible, the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated to forecast transactions, are hedged as appropriate, principally using forward currency contracts.

At the end of 2008 there were no forward currency contracts in place.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company arranges its borrowings to meet expected operational liquidity requirements. This is achieved through a mixture of long and short term borrowings. Short-term flexibility is achieved by overdraft facilities.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits, bank and other borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

### **Financial risk management objectives and policies (continued)**

The interest rate exposure of the company as at 31 December 2008 is shown in the table below.

	Interest rate			
	Fixed	Floating	Zero	Total
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Trade debtors	-	-	931	931
<b>Financial liabilities</b>				
Overdrafts	-	-	-	-
Group creditors	-	-	1,980	1,980
Trade creditors	-	-	1,375	1,375

### **Credit risk**

The company's principal financial asset is trade debtors. The principal credit risk therefore arises from the company's trade debtors.

In order to manage credit risk the director sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the financial controller on a regular basis in conjunction with debt ageing and collection history.

### **The director**

Mr K Jahanshad is the sole director of the company and served throughout the year.

D Graham resigned as a director on 9 April 2008.

### **Qualifying third party indemnity provision**

During the financial year, a qualifying third party indemnity provision for the benefit of the director was in force.

### **Director's responsibilities for the financial statements**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 year. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Director's responsibilities for the financial statements (continued)**

The director is 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 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the director is aware:

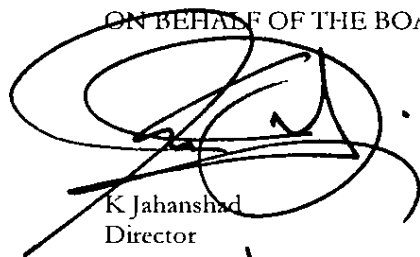
- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A large, stylized handwritten signature in black ink, appearing to be 'K Jahanshad', is written over the text 'ON BEHALF OF THE BOARD' and the name 'K Jahanshad'.

K Jahanshad  
Director

13 August 2009





Grant Thornton

## Report of the independent auditor to the members of LaserPerformance (Europe) Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 9 to 21 together with the full financial statements of LaserPerformance (Europe) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2008.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. 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 special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

The director is responsible for preparing the abbreviated accounts in accordance with the provisions of section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act and whether the abbreviated accounts have been properly prepared in accordance with that provision and report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3, "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered 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 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 9 to 21 have been properly prepared in accordance with that provision.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS

Kettering

*13 August 2009*

## Principal accounting policies

### **Basis of preparation**

The abbreviated accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice).

The company's accounting policies are unchanged compared with the prior year.

### **Tangible assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The periods generally applicable are:

Plant, machinery, tools, fixtures and fittings	3 - 7 years
Moulds	3 - 10 years
Office equipment	3 - 5 years
Motor vehicles and boats	3 - 5 years
Sail school equipment	3 - 5 years

### **Research and development**

Research and development expenditure is charged to profits in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

### **Current tax**

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Foreign exchange gains and losses are credited or charged to the profit and loss account as they arise.

### **Retirement benefits**

#### **Defined contribution pension scheme**

It is the policy of the company to provide for pension liabilities by payments to trusts or insurance companies independent from the finances of the company. For the company's defined contribution pension schemes, contributions are charged to the profit and loss account in the year in respect of which they became payable.

### **Company as lessee**

#### **Finance lease and hire purchase agreements**

Where the company enters into a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset at the present value of the minimum lease payments and is depreciated over the shorter of the lease term and the asset's useful economic life. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element, which reduces the outstanding obligation.

Hire purchase contracts which are of a financing nature are accounted for on a basis similar to finance leases. Other hire purchase contracts are accounted for on a basis similar to operating leases.

#### **Operating lease agreements**

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Rentals under operating leases are charged against profits on a straight-line basis over the period of the lease.

### **Provisions for liabilities and charges**

Provisions (other than provisions for post retirement benefits and deferred taxation) are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

A contingent liability arises where the company has a possible obligation as a result of past events, or where the company has a present obligation as a result of past events, but where the transfer of economic benefit to settle the obligation is not probable, or the amount of the liability cannot be measured with sufficient reliability. Contingent liabilities are disclosed in the notes to the abbreviated accounts.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Abbreviated profit and loss account

	Note	2008 £	2007 £
<b>Gross profit</b>		<b>4,248,019</b>	5,463,777
Other operating income and charges	2	<u>(3,893,433)</u>	<u>(4,074,450)</u>
<b>Operating profit</b>		<b>354,586</b>	1,389,327
Net interest	3	<u>(28,536)</u>	<u>(12,638)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>326,050</b>	1,376,689
Tax on profit on ordinary activities	5	<u>58,138</u>	<u>103,996</u>
<b>Transfer to reserves</b>	15	<u><b>267,912</b></u>	<u>1,272,693</u>

All of the activities of the company are classed as continuing.

There were no recognised gains or losses other than the profit for the financial year.

**The accompanying accounting policies and notes form part of these abbreviated accounts.**

## Abbreviated balance sheet

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	6	<u>466,065</u>	<u>580,416</u>
		466,065	580,416
<b>Current assets</b>			
Stocks	7	1,964,304	1,873,009
Debtors	8	3,716,879	3,517,719
Cash at bank and in hand		<u>159,578</u>	<u>89,641</u>
		5,840,761	5,480,369
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,111,026)</u>	<u>(4,124,354)</u>
<b>Net current assets</b>		<u>1,729,735</u>	<u>1,356,015</u>
<b>Total assets less current liabilities</b>		<b>2,195,800</b>	<b>1,936,431</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<b>(850,000)</b>	<b>(850,000)</b>
<b>Provisions for liabilities and charges</b>	11	<u>(170,144)</u>	<u>(178,687)</u>
		<u><b>1,175,656</b></u>	<u><b>907,744</b></u>
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Profit and loss account	14	<u>1,125,656</u>	<u>857,744</u>
<b>Shareholders' funds</b>	15	<u><b>1,175,656</b></u>	<u><b>907,744</b></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VIII of the Companies Act 1985 relating to medium sized companies.

These abbreviated accounts were approved and authorised for issue by the director on 13 Aug-5 2009

K Jahanshad  
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

## Notes to the abbreviated accounts

### 1 Profit on ordinary activities before taxation

In arriving at the profit on ordinary activities the following items have been charged to the profit and loss account:

	2008 £	2007 £
Auditor's remuneration:		
Audit services	35,000	20,950
Non-audit services	5,000	13,879
Depreciation:		
Tangible fixed assets, owned	176,578	169,100
Tangible fixed assets, held under hire purchase contracts	3,069	6,138
Hire of plant, machinery and vehicles		
Operating leases:		
Land and buildings	230,000	225,000
Other operating leases	13,547	24,695
Foreign exchange (gains)	(43,764)	(186,764)

### 2 Other operating income and charges

	2008 £	2007 £
Other operating income and charges:		
Distribution costs	387,738	479,676
Administrative expenses	3,505,695	3,594,774
	<u>3,893,433</u>	<u>4,074,450</u>

**3 Net interest**

	2008 £	2007 £
On bank loans and overdrafts	(27,958)	(3,231)
Finance charges in respect of finance leases	(578)	(1,348)
Other interest payable	-	(8,059)
	<u>(28,536)</u>	<u>(12,638)</u>

**4 Director and employees**

	2008 £	2007 £
Wages and salaries	1,021,122	976,464
Social security costs	89,594	96,881
Other pension costs	28,560	31,374
	<u>1,139,276</u>	<u>1,104,719</u>

The average number of employees of the company during the year was:

	2008	2007
By category:		
Office and management	10	9
Distribution and selling	18	20
Instructors and coaches	14	15
	<u>42</u>	<u>44</u>

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments	62,698	123,945
Pension contributions to money purchase pension schemes	4,167	8,167
	<u>66,865</u>	<u>132,112</u>

During the year 1 director (2007 - 1 director) participated in money purchase pension schemes.

Payments amounting to £20,000 (2007 - £nil) were made to Blue Creek Enterprises LLC for the services of Mr Jahanshad.



## 5 Taxation on profit on ordinary activities

The tax charge represents:

	2008 £	2007 £
Corporation tax @ 28.5% (2007 - 30%)	-	191,035
Adjustment in respect of prior year	63,727	-
	<u>63,727</u>	<u>191,035</u>
Origination/reversal of timing differences	(5,589)	(87,039)
	<u>58,138</u>	<u>103,996</u>

### Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28.5% (2007 - 30%). The differences are explained as follows:

	2008 £	2007 £
Profit on ordinary activities before tax	326,050	1,376,689
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	92,924	413,007
Effect of:		
Expenses not deductible for tax purposes	4,378	47,341
Differences between capital allowances and depreciation	7,807	(13,573)
Other timing differences	3,797	-
Group relief claimed	(108,906)	(255,740)
Adjustment in respect of prior year	63,727	-
	<u>63,727</u>	<u>191,035</u>
Current tax charge for the year	<u>63,727</u>	<u>191,035</u>

The company is in discussion with H M Revenue and Customs regarding the quantum of tax arising on the disposal of Intellectual Property in 2005. Discussions with H M Revenue and Customs are continuing over a potential tax liability, however the directors are confident that no liability exists.

**6 Tangible fixed assets**

	Motor vehicles and boats £	Other plant and machinery £	Fixtures, fittings, tools and equipment £	Sailing School Equipment £	Total £
Cost					
At 1 January 2008	153,333	296,868	3,054,611	56,742	3,561,554
Additions	-	-	56,063	9,233	65,296
At 31 December 2008	153,333	296,868	3,110,674	65,975	3,626,850
Depreciation					
At 1 January 2008	125,129	288,905	2,543,647	23,457	2,981,138
Provided in the year	13,251	4,712	147,998	13,686	179,647
At 31 December 2008	138,380	293,617	2,691,645	37,143	3,160,785
Net book amount at 31 December 2008	<u>14,953</u>	<u>3,251</u>	<u>419,029</u>	<u>28,832</u>	<u>466,065</u>
Net book amount at 31 December 2007	<u>28,204</u>	<u>7,963</u>	<u>510,964</u>	<u>33,285</u>	<u>580,416</u>

The net book value of fixed assets includes an amount of £11,252 (2007 - £14,321) in respect of sailing school equipment held under finance leases. Depreciation provided on these assets in 2008 was £3,069 (2007 - £6,138). Included within fixtures, fittings, tools and equipment is an amount of £12,808 (2007 - £137,906) which has not been subject to depreciation since the asset is in the course of construction.

**7 Stocks**

	2008 £	2007 £
Finished goods and goods for resale	<u>1,964,304</u>	<u>1,873,009</u>

**8 Debtors**

	2008 £	2007 £
Trade debtors	930,818	2,449,981
Amounts owed by group undertakings	2,289,193	710,039
Other debtors	30,836	56,477
Prepayments and accrued income	373,404	214,183
Deferred tax asset (Note 12)	92,628	87,039
	<u>3,716,879</u>	<u>3,517,719</u>

**9 Creditors: amounts falling due within one year**

	2008 £	2007 £
Trade creditors	1,374,931	1,272,430
Amounts owed to group undertakings	1,980,180	994,919
Overdraft	-	937,420
Corporation tax	254,762	544,675
Other tax and social security	28,084	30,908
Accruals and deferred income	341,217	296,975
Other creditors	131,852	41,009
Finance leases	-	6,018
	<u>4,111,026</u>	<u>4,124,354</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company. The finance lease liabilities are secured on the assets to which they relate.

**10 Creditors: amounts falling due after more than one year**

	2008 £	2007 £
Loan from Full Moon Holdings Limited	<u>850,000</u>	<u>850,000</u>

The loan from Full Moon Holdings Limited is unsecured and interest free with no fixed repayment terms.

**11 Provisions for liabilities and charges**

	Total £	Warranty £	Restructuring and dilapidation costs £
At 1 January 2008	178,687	70,492	108,195
Provided during the year	61,949	61,949	-
Utilised during the year	(70,492)	(70,492)	-
At 31 December 2008	<u>170,144</u>	<u>61,949</u>	<u>108,195</u>

The warranty provision is the company's best estimate of the cost of fulfilling this obligation, based on the underlying claims rate by product line.

Dilapidations are provided for as part of the company's leasehold agreement.

**12 Deferred taxation**

Deferred tax assets are recognised as set out below:

	2008 £	2007 £
Differences between capital allowances and depreciation	24,835	18,391
Other timing differences	<u>67,793</u>	<u>68,648</u>
	<u>92,628</u>	<u>87,039</u>

**13 Share capital**

	2008 £	2007 £
Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**14 Profit and loss account**

	2008 £	2007 £
At 1 January 2008	857,744	(414,949)
Retained profit for the year	<u>267,912</u>	<u>1,272,693</u>
At 31 December 2008	<u>1,125,656</u>	<u>857,744</u>

**15 Reconciliation of movements in shareholders' funds**

	2008 £	2007 £
Profit for financial year and net increase in shareholders' funds	267,912	1,272,693
Opening shareholders' funds	907,744	(364,949)
Closing shareholders' funds	1,175,656	907,744

**16 Capital commitments**

The company had no capital commitments at 31 December 2008 or 31 December 2007.

**17 Contingent liabilities**

The company has executed an unlimited guarantee in respect of its holding company, Full Moon Holdings Limited, and its fellow subsidiaries Laser Sailboats Limited and Dart Catamarans International Limited, as security for the group overdraft facility and the loan held in Full Moon Holdings Limited. At 31 December 2008 this amounted to £6,446,340 (2007 - £8,614,787).

**18 Leasing commitments**

Operating lease payments amounting to £237,102 (2007 - £238,720) are due within one year. The leases to which these amounts relate expire as follows:

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	-	-	6,250	9,027
Between one and five years	-	7,102	-	-
More than five years	230,000	-	223,443	-
	230,000	7,102	229,693	9,027

**19 Pension schemes**

The company operates two defined contribution pension schemes covering those employees who wish to take part. The pension costs represent the contributions payable to the pension schemes in respect of the accounting period.

The total pension cost to the company was £28,560 (2007 - £31,374).

**20 Interest rate swap**

An interest rate swap agreement has been entered into with Barclays Capital. The agreement commenced on 30 April 2007 and terminates on 30 March 2012.

The interest rate swap has been set up to transfer the risk of the floating interest rate taken out on the £7,500,000 loan with Barclays Bank plc by the company's parent, Full Moon Holdings Limited for a fixed rate of 5.99%.

The fair value of the swap at the year end calculated by Barclays Capital was a liability of £315,221. This has not been provided for within the balance sheet.

**21 Transactions with related parties**

During the year the company made sales of £15,754 (2007 - £10,527) to McLaren Europe Limited, a related party due to common control by Spring Meadow Holdings Limited. During the year the company made purchases of £120 (2007 - £3,195) from McLaren Europe Limited. At the year end the company owed McLaren Europe Limited £1,662 (2007 - £65,171).

As a wholly owned subsidiary of Full Moon Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose other transactions with members of the group headed by that company.

**22 Ultimate parent undertaking**

The director considers that Full Moon Holdings Limited is the intermediate holding company and the controlling related party by virtue of its shareholding is Sina Holdco Limited. The ultimate parent undertaking is Spring Meadow Holdings Limited, a company registered in the British Virgin Islands.

The largest group of undertakings for which group accounts are drawn up is at the Sina Holdco Limited level.