

**ATEX FACTORS LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2008**

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# **ATEX FACTORS LIMITED**

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**ATEX FACTORS LIMITED**  
**COMPANY INFORMATION**

**DIRECTORS:**

N D Hammond  
S J Hammond

**SECRETARY:**

S J Hammond

**REGISTERED OFFICE:**

Canal Street  
Brierley Hill  
West Midlands  
DY5 1JR

**REGISTERED NUMBER:**

1258655

**ACCOUNTANTS:**

Mazars LLP  
The Broadway  
Dudley  
West Midlands  
DY1 4PY

**BANKERS:**

National Westminster Bank PLC  
53 Market Street  
Kingswinford  
West Midlands  
DY6 9LD

## **ATEX FACTORS LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 31 December 2008.

### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the company continued to be the factoring of goods to the motor trade.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### **DIVIDENDS**

An interim dividend of £nil (2007: £1,800) per share on the issued ordinary share capital amounting to £nil (2007: £180,000) was paid during the year. The directors do not recommend the payment of a final dividend.

### **DIRECTORS**

The directors set out below have held office during the whole of the period from 1 January 2008 to the date of this report.

In accordance with the articles of association, none of the directors retire by rotation.

N D Hammond

S J Hammond

### **TREASURY OPERATIONS AND FINANCIAL INSTRUMENTS**

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include an overdraft, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations. In accordance with the company's treasury policy, derivative instruments are not entered into for speculative purposes.

### **LIQUIDITY RISK**

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its businesses.

# **ATEX FACTORS LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **INTEREST RATE RISK**

The company is exposed to cash flow interest rate risk on floating rate deposits and bank overdrafts. The company does not use interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

### **FOREIGN CURRENCY RISK**

The company has no foreign currency risk.

### **DIRECTORS INDEMNITY**

The directors have confirmed that the company does have Directors' and Officers' Insurance in place.

### **RESPONSIBILITIES OF DIRECTORS**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **BY ORDER OF THE BOARD**

**Approved by the board on 31 August 2009  
and signed on its behalf by**

S J Hammond  
Secretary



**ATEX FACTORS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
TURNOVER	2	449,051	470,843
Cost of sales		<u>( 285,098)</u>	<u>( 293,145)</u>
GROSS PROFIT		163,953	177,698
Distribution costs		<u>( 72,781)</u>	<u>( 69,884)</u>
Administrative expenses		<u>( 45,715)</u>	<u>( 49,727)</u>
OPERATING PROFIT		45,457	58,087
Interest receivable and similar income		<u>31,107</u>	<u>36,837</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	76,564	94,924
Taxation on profit on ordinary activities	6	<u>( 16,076)</u>	<u>( 18,638)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>60,488</u>	<u>76,286</u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

The profit for the year has been calculated on the historical cost basis.

**ATEX FACTORS LIMITED****BALANCE SHEET AT 31 DECEMBER 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	15,861	13,113
<b>CURRENT ASSETS</b>			
Stocks	9	45,207	49,473
Debtors	10	865,044	842,546
Cash at bank and in hand		4,247	9,520
		914,498	901,539
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	( 305,558)	( 350,339)
<b>NET CURRENT ASSETS</b>		608,940	551,200
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		624,801	564,313
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	( - )	( - )
<b>NET ASSETS</b>		624,801	564,313
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account		624,701	564,213
<b>SHAREHOLDERS' FUNDS</b>	14	624,801	564,313

For the year ended 31 December 2008 the company was entitled to exemption from the requirement to have an audit under the provisions of sections 249A(1) of the Companies Act 1985.

No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

The directors acknowledge their responsibility for:

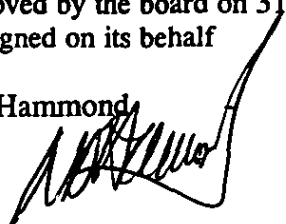
- (a) ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and
- (b) preparing the financial statements which give a true and fair view of the state of the company as at the end of its financial year and of its loss for that financial year in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as they are applicable to the company.

These accounts have been prepared in accordance with the special provision of Part VII of the Companies Act relating to small companies.

Approved by the board on 31 August 2009  
and signed on its behalf

N D Hammond

Director



# **ATEX FACTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

### **1 ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for smaller entities effective January 2007.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Turnover**

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

#### **Depreciation**

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis over their estimated useful life.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method and consists of material costs.

#### **Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences on a full provision basis with the exception of revaluation gains on certain fixed assets.

#### **Pensions**

Contributions payable to the company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

### **2 TURNOVER**

The turnover, pre-tax results and net assets are attributable to the principal activity.

The company operates wholly in the United Kingdom.



# ATEX FACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
<b>3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
The profit on ordinary activities before taxation is stated		
after crediting		
Interest receivable	31,107	36,837
after charging:		
Staff costs (note 4)	98,073	101,233
Depreciation of owned tangible fixed assets	4,249	3,557
Loss on disposal of fixed assets	692	-
<b>4 STAFF COSTS</b>		
Staff costs including directors emoluments:		
Wages and salaries	89,856	90,133
Social security costs	8,217	8,100
Pension	-	3,000
	98,073	101,233
The average number of persons employed by the company (including directors) during the year was as follows:	Number	Number
Management	2	2
Administration	1	1
Production	1	1
Sales and distribution	4	4
Total employees	8	8
<b>5 DIRECTORS</b>		
	£	£
Emoluments:		
Management services	3,333	6,000
Pension	-	3,000
	3,333	9,000

### Interest:

The company trades with other companies beneficially owned by the directors, on terms similar to those available to other customers. In addition, management charges are payable in respect of services provided, at normal commercial rates.

**ATEX FACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2008****5 DIRECTORS (Continued)**

The value of service charges from Atex Products Limited during the year amounted to £5,000 (2007 £5,000). The balance due from Atex Products at 31 December 2008 was £802,976 (2007 £759,296).

The value of purchases from Hammond Chemicals Limited during the year amounted to £64,044 (2007 £72,244).

The balance due to Hammond Chemicals Limited at 31 December 2008 was £246,784 (2007 £285,294).

The value of sales to Hammond Chemicals Limited during the year amounted to £714 (2007 £555).

<b>6</b>	<b>TAXATION</b>	<b>2008 £</b>	<b>2007 £</b>
<b>(a)</b>	<b>Analysis of charge in year</b>		
	UK corporation tax on profit for the year	16,076	18,638
	Adjustment in respect of previous years	-	-
		<u>16,076</u>	<u>18,638</u>
	Total current tax (see (b) below)	16,076	18,638
	Deferred tax:		
	Origination and reversal of timing differences	-	-
		<u>-</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>16,076</u>	<u>18,638</u>
<b>(b)</b>	<b>Factors affecting tax charge for year</b>		
	Profit on ordinary activities before tax	76,564	94,924
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2007 19.75%)	15,887	18,747
	Marginal relief		-
	Depreciation for year in excess of (less than) capital allowances	189	( 109)
		<u>189</u>	<u>( 109)</u>
	Current tax charge for period (see (a) above)	<u>16,076</u>	<u>18,638</u>

**ATEX FACTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
<b>7 DIVIDENDS</b>		
Amounts recognised as distributions to equity holders in the period.		
Interim dividend paid of £Nil per share (2007 £1,800)	<u>-</u>	<u>180,000</u>
<b>8 TANGIBLE FIXED ASSETS</b>		
		Equipment and vehicles £
<b>COST</b>		
At 1 January 2008		50,430
Additions		8,089
Disposals		( 3,058)
		<u>55,461</u>
At 31 December 2008		
<b>ACCUMULATED DEPRECIATION</b>		
At 1 January 2008		37,317
Charge for the year		4,249
Additions		( 1,966)
		<u>39,600</u>
At 31 December 2008		
<b>NET BOOK VALUES</b>		
At 31 December 2008		<u>15,861</u>
At 31 December 2007		<u>13,113</u>
Depreciation rates		15% & 25%
	2008 £	2007 £
<b>9 STOCKS</b>		
Goods for resale	<u>45,207</u>	<u>49,473</u>

**ATEX FACTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>10</b>	<b>DEBTORS</b>	<b>2008 £</b>	<b>2007 £</b>
	Due within one year:		
	Trade debtors	62,068	83,250
	Amounts due from related companies	802,976	759,296
		<u>865,044</u>	<u>842,546</u>
<b>11</b>	<b>CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>		
	Trade creditors	23,783	26,259
	Amount due to related companies	246,784	285,294
	Corporation tax	16,076	18,638
	Other taxation and social security costs	11,649	12,981
	Accruals	7,266	7,167
		<u>305,558</u>	<u>350,339</u>
<b>12</b>	<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
	Deferred taxation		
	The full potential liability in respect of timing differences arising on:		
	Excess of tax allowances over depreciation	<u>-</u>	<u>-</u>
	Deferred tax movements:	£	
	Balance at 1 January 2008	-	
	Transfer at profit and loss account (note 6)	<u>-</u>	
	Balance at 31 December 2008	<u>-</u>	

**ATEX FACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
<b>13 SHARE CAPITAL</b>		
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
 <b>14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</b>		
Profit for the financial year	60,488	76,286
Dividend paid	<u>-</u>	<u>( 180,000)</u>
Net increase in shareholder's funds	60,488	( 103,714)
Opening shareholder's funds	<u>564,313</u>	<u>668,027</u>
Closing shareholder's funds	<u>624,801</u>	<u>564,313</u>