

REGISTERED NUMBER: 1665842 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007
FOR
SIGNATURE PERSONALISED PRODUCTS (UK) LTD**

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SIGNATURE PERSONALISED PRODUCTS (UK) LTD

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for the Year Ended 30 April 2007

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SIGNATURE PERSONALISED PRODUCTS (UK) LTD

COMPANY INFORMATION
for the Year Ended 30 April 2007

DIRECTORS:

R M Plath
L M Barnett
C M Plath

SECRETARY:

A E Southworth

REGISTERED OFFICE:

Unit 2
Canary Way
Agecroft Commerce Park
Swinton
Manchester
M27 8AW

REGISTERED NUMBER:

1665842 (England and Wales)

AUDITORS:

DTE Business Advisory Services Limited
Chartered Accountants
Registered Auditors
DTE House
Hollins Mount
Bury
Lancashire
BL9 8AT

BANKERS

Alliance & Leicester Commercial Bank plc
Bridle Road
Bootle
Merseyside
GIR 0AA

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

REPORT OF THE DIRECTORS for the Year Ended 30 April 2007

The directors present their report with the financial statements of the company for the year ended 30 April 2007

CESSATION OF TRADING

The company ceased trading on 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company was that of promotion, marketing, advertising and publicity consultants. On 31 March 2007 the company ceased trading and as such all its assets have been written down to their recoverable amounts and all liabilities have been recorded.

REVIEW OF BUSINESS

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

The company's performance has further declined and as per previous years RESOLUTION the board decided at the EGM, held on 14 March 2007 to -

- 1 Cease trading as at 31 March 2007 and make FINAL ACCOUNTS
- 2 Sell off the remaining assets/goodwill to the major owner/parent which is Morgenrot Chevaliers Plc
- 3 Pay out the shareholders, excepting 20 shares plus three years listing / report fees etc
- 4 Sharevalue payable as per current share / tax rules

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2007

EVENTS SINCE THE END OF THE YEAR

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2006 to the date of this report

R M Plath
L M Barnett
C M Plath

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is not company policy to follow any standard or code on payment practice. However, the company's policy is to settle the terms of payment with its suppliers when agreeing terms of transaction and to ensure that its suppliers are made aware of those terms of payment. The average creditor payment period as at 30 April 2007 was 38 days (2006 - 55 days).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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 judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

**REPORT OF THE DIRECTORS
for the Year Ended 30 April 2007**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, DTE Business Advisory Services Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



R M Plath - Director

Date

20/02/2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SIGNATURE PERSONALISED PRODUCTS (UK) LTD

We have audited the financial statements of Signature Personalised Products (UK) Ltd for the year ended 30 April 2007 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 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 an 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages two and three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
SIGNATURE PERSONALISED PRODUCTS (UK) LTD**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

DTE Business Advisory Services Limited

DTE Business Advisory Services Limited
Chartered Accountants
Registered Auditors
DTE House
Hollins Mount
Bury
Lancashire
BL9 8AT

Date *26th July 2007.*

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2007

| | Notes | 2007 £ | 2006 £ |
|---|-------|------------------------|---------------------|
| TURNOVER | 2 | 265,065 | 296,830 |
| Cost of sales | | <u>(197,284)</u> | <u>(210,956)</u> |
| GROSS PROFIT | | 67,781 | 85,874 |
| Administrative expenses | | <u>(83,261)</u> | <u>(79,586)</u> |
| OPERATING (LOSS)/PROFIT | 4 | (15,480) | 6,288 |
| Interest receivable and similar income | 5 | <u>468</u> | <u>521</u> |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (15,012) | 6,809 |
| Tax on (loss)/profit on ordinary activities | 6 | <u>(247)</u> | <u>(397)</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | <u><u>(15,259)</u></u> | <u><u>6,412</u></u> |

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

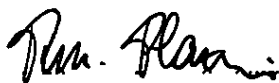
BALANCE SHEET
30 April 2007

| | Notes | 2007 £ | 2006 £ |
|--|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 548 | 16 |
| CURRENT ASSETS | | | |
| Stocks | 8 | - | 5,939 |
| Debtors | 9 | 43,930 | 38,273 |
| Cash at bank | | 14,566 | 44,564 |
| | | <u>58,496</u> | <u>88,776</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | (25,654) | (40,143) |
| NET CURRENT ASSETS | | <u>32,842</u> | <u>48,633</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>33,390</u> | <u>48,649</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 3,000 | 3,000 |
| Share premium | 13 | 1,700 | 1,700 |
| Profit and loss account | 13 | 28,690 | 43,949 |
| SHAREHOLDERS' FUNDS | 18 | <u>33,390</u> | <u>48,649</u> |

The financial statements were approved by the Board of Directors on its behalf by

20/07/2007

and were signed on



R M Plath - Director

The notes form part of these financial statements

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

**CASH FLOW STATEMENT
for the Year Ended 30 April 2007**

| | | 2007 £ | 2006 £ |
|---|-----------------------|------------------------|----------------------|
| Net cash (outflow)/inflow from operating activities | Notes 1 | (29,339) | 30,603 |
| Returns on investments and servicing of finance | 2 | 468 | 521 |
| Taxation | | (422) | - |
| Capital expenditure | 2 | (705) | - |
| (Decrease)/Increase in cash in the period | | <u><u>(29,998)</u></u> | <u><u>31,124</u></u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| (Decrease)/Increase in cash in the period | | <u>(29,998)</u> | <u>31,124</u> |
| Change in net funds resulting from cash flows | | <u>(29,998)</u> | <u>31,124</u> |
| Movement in net funds in the period | | <u>(29,998)</u> | <u>31,124</u> |
| Net funds at 1 May | | <u>44,564</u> | <u>13,440</u> |
| Net funds at 30 April | | <u><u>14,566</u></u> | <u><u>44,564</u></u> |

The notes form part of these financial statements

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 April 2007**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

| | 2007 | 2006 |
|--|-----------------|---------------|
| | £ | £ |
| Operating (loss)/profit | (15,480) | 6,288 |
| Depreciation charges | 173 | 65 |
| Decrease/(Increase) in stocks | 5,939 | (43) |
| (Increase)/Decrease in debtors | (5,832) | 3,438 |
| (Decrease)/Increase in creditors | (14,139) | 20,855 |
| | <u>(29,339)</u> | <u>30,603</u> |
| Net cash (outflow)/inflow from operating activities | <u>(29,339)</u> | <u>30,603</u> |

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

| | 2007 | 2006 |
|--|--------------|------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 468 | 521 |
| | <u>468</u> | <u>521</u> |
| Net cash inflow for returns on investments and servicing of finance | <u>468</u> | <u>521</u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (705) | - |
| | <u>(705)</u> | <u>-</u> |
| Net cash outflow for capital expenditure | <u>(705)</u> | <u>-</u> |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 5 06 | Cash flow | At |
|--------------|---------------|-----------------|---------------|
| | £ | £ | 30 4 07 |
| | | | £ |
| Net cash | | | |
| Cash at bank | 44,564 | (29,998) | 14,566 |
| | <u>44,564</u> | <u>(29,998)</u> | <u>14,566</u> |
| Total | <u>44,564</u> | <u>(29,998)</u> | <u>14,566</u> |

The notes form part of these financial statements

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 April 2007

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have not been prepared on the going concern basis. The company has not traded since 31 March 2007, and is not expected to trade in the future. No adjustments have been made to the accounts as all the assets are considered recoverable, and will be used to pay external creditors.

Accounting convention

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

Turnover

Turnover represents sales of goods, excluding value added tax. Sale of goods are recognised when the company has delivered products to the customer, the customer accepted the products and collectability of the related receivables is fairly assured.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------|
| Plant and machinery | - 25% on cost |
| Fixtures and fittings | - 25% on cost |

Stocks

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

Cost represents actual purchase price.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2 TURNOVER

The turnover and loss (2006 - profit) before taxation are attributable to the one principal activity of the company.

3 STAFF COSTS

| | 2007 | 2006 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | 29,826 | 33,421 |
| Social security costs | 2,635 | 3,026 |
| Other pension costs | 110 | 120 |
| | <u>32,571</u> | <u>36,567</u> |

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2007

3 STAFF COSTS - continued

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

| | 2007 | 2006 |
|----------------------------|----------|----------|
| Administration and selling | 1 | 1 |
| Management | <u>1</u> | <u>1</u> |
| | <u>2</u> | <u>2</u> |

4 OPERATING (LOSS)/PROFIT

The operating loss (2006 - operating profit) is stated after charging

| | 2007 £ | 2006 £ |
|-----------------------------|---------------|---------------|
| Depreciation - owned assets | 173 | 65 |
| Auditors' remuneration | <u>1,725</u> | <u>1,575</u> |
| Directors' emoluments | <u>15,150</u> | <u>18,400</u> |

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

5 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2007 £ | 2006 £ |
|--------------------------|------------|------------|
| Deposit account interest | <u>468</u> | <u>521</u> |

6 TAXATION

Analysis of the tax charge

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

| | 2007 £ | 2006 £ |
|---|------------|------------|
| Current tax | | |
| UK corporation tax | - | 350 |
| Underprovision in prior year | <u>72</u> | <u>-</u> |
| Total current tax | 72 | 350 |
| Deferred tax | <u>175</u> | <u>47</u> |
| Tax on (loss)/profit on ordinary activities | <u>247</u> | <u>397</u> |

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2007

6 TAXATION - continued

Factors affecting the tax charge

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

| | 2007 £ | 2006 £ |
|---|-----------------|--------------|
| (Loss)/profit on ordinary activities before tax | <u>(15,012)</u> | <u>6,809</u> |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 19%) | (2,852) | 1,294 |
| Effects of | | |
| Excess of capital allowances over depreciation | (45) | (47) |
| Marginal relief | - | (880) |
| Loss relief carried forward | 2,897 | - |
| Underprovision in prior year | 72 | - |
| Loss relief utilised | <u>-</u> | <u>(17)</u> |
| Current tax charge | <u>72</u> | <u>350</u> |

7 TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|-----------------------|-----------------------------|----------------------------------|---------------|
| COST | | | |
| At 1 May 2006 | 9,796 | 5,925 | 15,721 |
| Additions | 705 | - | 705 |
| At 30 April 2007 | <u>10,501</u> | <u>5,925</u> | <u>16,426</u> |
| DEPRECIATION | | | |
| At 1 May 2006 | 9,780 | 5,925 | 15,705 |
| Charge for year | 173 | - | 173 |
| At 30 April 2007 | <u>9,953</u> | <u>5,925</u> | <u>15,878</u> |
| NET BOOK VALUE | | | |
| At 30 April 2007 | <u>548</u> | <u>-</u> | <u>548</u> |
| At 30 April 2006 | <u>16</u> | <u>-</u> | <u>16</u> |

8 STOCKS

| | 2007 £ | 2006 £ |
|--------|-----------|--------------|
| Stocks | <u>-</u> | <u>5,939</u> |

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2007

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2007 | 2006 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 42,898 | 37,386 |
| VAT | 860 | - |
| Deferred tax asset | - | 175 |
| Prepayments and accrued income | 172 | 712 |
| | <u>43,930</u> | <u>38,273</u> |

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2007 | 2006 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 20,562 | 31,840 |
| Corporation tax | - | 350 |
| Social security and other taxes | 151 | 987 |
| Other creditors | - | 57 |
| Accrued expenses | 4,941 | 6,909 |
| | <u>25,654</u> | <u>40,143</u> |

11 DEFERRED TAX

| | £ |
|--------------------------|----------|
| Balance at 1 May 2006 | (175) |
| Movement in year | 175 |
| | <u>-</u> |
| Balance at 30 April 2007 | <u>-</u> |

12 CALLED UP SHARE CAPITAL

| Authorised Number | Class | Nominal value | 2007 £ | 2006 £ |
|-------------------------------|----------|------------------|---------------|---------------|
| 10,000 | Ordinary | £1 | <u>10,000</u> | <u>10,000</u> |
| | | | | |
| Allotted and issued Number | Class | Nominal value | 2007 £ | 2006 £ |
| 3,000 | Ordinary | £1 | <u>3,000</u> | <u>3,000</u> |

SIGNATURE PERSONALISED PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2007

13 RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|----------------------|------------------------------------|-----------------------|---------------|
| At 1 May 2006 | 43,949 | 1,700 | 45,649 |
| Deficit for the year | (15,259) | | (15,259) |
| At 30 April 2007 | <u>28,690</u> | <u>1,700</u> | <u>30,390</u> |

14 ULTIMATE PARENT COMPANY

The ultimate parent company is Morgenrot Chevaliers Plc, a company incorporated in England & Wales

15 RELATED PARTY DISCLOSURES

During the year the company traded with its ultimate parent company, Morgenrot Chevaliers Plc on the following basis

| | 2007 £ | 2006 £ |
|--|-----------|-----------|
| Sales to parent undertaking | 4,952 | 4,136 |
| Purchases from parent undertaking | 140,026 | 171,518 |
| Management charges paid to parent undertaking | 12,900 | 9,460 |
| Share of overheads recharged by parent company | 19,597 | 15,047 |
| Rent paid by parent company | 8,000 | 5,760 |

Included in trade creditors is £6,673 (2006 - £29,816) owing to Morgenrot Chevaliers Plc Included in Trade debtors is £nil (2006 - £97) owing from Morgenrot Chevaliers Plc

16 POST BALANCE SHEET EVENTS

The company last transacted on 31 March 2007, and no activity has taken place since then It is intended that the company will remain dormant until such time as it is struck off the register of companies No adjustments have been made to the accounts as all assets are considered recoverable and all known liabilities have been included within the financial statements

17 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R M Plath by virtue of his majority share holding in the ultimate parent company, Morgenrot Chevaliers Plc

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2007 £ | 2006 £ |
|---|---------------|---------------|
| (Loss)/Profit for the financial year | (15,259) | 6,412 |
| Net (reduction)/addition to shareholders' funds | (15,259) | 6,412 |
| Opening shareholders' funds | 48,649 | 42,237 |
| Closing shareholders' funds | <u>33,390</u> | <u>48,649</u> |

| | | |
|-----------|-------|---|
| D.T.E. | W.P. | |
| | CORR. | |
| H.M.I.T. | | |
| REGISTRAR | | ✓ |
| BANK | | |
| TAX FILE | | |
| A.J.T. | | |