

Target Direct (Holdings) Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2008

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COMPANIES HOUSE

Target Direct (Holdings) Limited

COMPANY INFORMATION

DIRECTORS

V C Holdaway
M Bentley
M Scott
S M Pidgeon

SECRETARY

V C Holdaway

COMPANY NUMBER

02786070

REGISTERED OFFICE

St James's House
St James Square
Cheltenham
GL50 3PR

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6AD

Target Direct (Holdings) Limited

DIRECTORS' REPORT

for the year ended 31 December 2008

The directors submit their report and the financial statements of Target Direct (Holdings) Limited for the year ended 31 December 2008.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of a holding company. There are no plans to change the nature or scope of activities for the foreseeable future. Given the non trading status of the company, its principal risks and key performance indicators are those affecting its subsidiaries. These are detailed in the accounts of those entities.

DIVIDENDS

The directors recommend the payment of a dividend of £1,115,893 (2007:£nil).

DIRECTORS

The present members of the Board are as listed on page 1. The following changes occurred during the year:

G James	resigned 25 April 2008
V C Holdaway	appointed 25 April 2008
K B Steeds	deceased 18 December 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records 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 requirements of 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.

Target Direct (Holdings) Limited

DIRECTORS' REPORT *(continued)*

for the year ended 31 December 2008

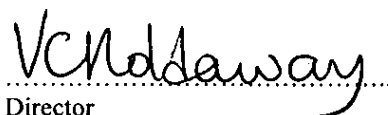
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Directors and signed on behalf of the Board


.....

Director

Date:

20th August 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TARGET DIRECT (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 10.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 accounts. 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 consider 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.

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 31 December 2008 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6AD

Date: 29-07-2009

Target Direct (Holdings) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	Notes	2008 £	2007 £
TURNOVER	2	1,115,893	-
Administrative expenses		14,772	(14,841)
PROFIT/(LOSS) BEFORE TAXATION	3	1,130,665	(14,841)
Taxation	4	(2,424)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	9	1,128,241	(14,841)

All results arise from continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Target Direct (Holdings) Limited

BALANCE SHEET

31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	5	470,896	470,896
CURRENT ASSETS			
Debtors	6	164,526	978,529
CREDITORS: Amounts falling due within one year	7	-	(826,351)
NET CURRENT ASSETS		164,526	152,178
TOTAL ASSETS LESS CURRENT LIABILITIES		635,422	623,074
CAPITAL AND RESERVES			
Called up share capital	8	74,449	74,449
Share premium account	9	529,836	529,836
Capital redemption reserve	9	33,561	33,561
Profit and loss account	9	(2,424)	(14,772)
EQUITY SHAREHOLDER'S FUNDS		635,422	623,074

Approved by the board and authorised for issue on

20th August 2009

Director

VCHS Laway

Target Direct (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CONSOLIDATION

The company has taken advantage of the exemption available to it under Companies Act 1985 from preparing consolidated financial statements as it is a wholly owned subsidiary undertaking of a company preparing publicly available consolidated financial statements which include the results of the Target Direct (Holdings) Limited group. Accordingly, these financial statements present information about the company as an individual undertaking and not its group.

CASH FLOW STATEMENT

The company has taken advantage of the exemption available to it under Financial Reporting Standard Number 1, ("FRS 1") from preparing a cash flow statement as the company is a wholly owned subsidiary undertaking of a company preparing consolidated publicly available financial statements.

2 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit/(loss) before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

3 PROFIT/(LOSS) BEFORE TAXATION

	2008 £	2007 £
Profit/(loss) before taxation is stated after charging:		
Auditor's remuneration	-	-
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

The company had no employees and the directors received no specific emoluments for their services to the company. The remuneration of the auditor was borne by a subsidiary undertaking.

4 TAXATION

	2008 £	2007 £
Current taxation:		
UK corporation tax	(2,028)	-
Adjustments in respect of previous years	4,452	-
	<u>2,424</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities		
	<u>2,424</u>	<u>-</u>
Factors affecting the tax charge for the year:		
Profit/(loss) on ordinary activities before taxation	1,130,665	(14,841)
Profit/(loss) on ordinary activities at 28% (2007: 30%)	316,586	(4,452)
Effects of:		
Expenses not deductible for tax purposes/income not taxable	(318,614)	-
Prior year tax adjustment	4,452	4,542
	<u>2,424</u>	<u>-</u>
Current tax credit for the year		
	<u>2,424</u>	<u>-</u>

Target Direct (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2008

5 INVESTMENTS

	Shares in group undertakings £
Cost:	
At 1 January 2008 and 31 December 2008	<u>651,968</u>
Amounts written off:	
At 1 January 2008 and 31 December 2008	<u>181,072</u>
Net book value	
At 1 January 2008 and 31 December 2008	<u><u>470,896</u></u>

Details of the investments held by the company during the year and at the year end were as follows:

	Country of registration	Class of capital held	Proportion held	Nature of business	Capital and reserves £	Result for financial year £
Tangible Response Limited	England & Wales	Equity	100%	Advertising & marketing	(81,755)	(258,031)
Brightsource Limited	England & Wales	Equity	100%	Print management	185,405	457,933
Tangible Data Limited	England & Wales	Equity	100%	Database analysis & consultancy	226,246	32,788
Target 7-26 Limited	Scotland	Equity	100%	Non trading	8,482	-
The Target Agency Limited	England & Wales	Equity	100%	Dormant	2	-

6 DEBTORS

	2008 £	2007 £
Amounts owed by group undertakings	164,526	976,105
Taxation recoverable	-	2,424
	<u><u>164,526</u></u>	<u><u>978,529</u></u>

Target Direct (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2008

7 CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	-	811,510
Accruals and deferred income	-	14,841
	<u>-</u>	<u>826,351</u>

The amounts due to group undertakings are unsecured, bear interest at a commercial rate and have no fixed date of repayment.

8 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
10,001,600 ordinary shares of £0.01 each	<u>100,016</u>	<u>100,016</u>
Allotted, issued and fully paid:		
7,444,933 ordinary shares of £0.01 each	<u>74,449</u>	<u>74,449</u>

9 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2007	74,449	529,836	33,561	69	637,915
Loss for the year	-	-	-	(14,841)	(14,841)
At 31 December 2007	<u>74,449</u>	<u>529,836</u>	<u>33,561</u>	<u>(14,772)</u>	<u>623,074</u>
Profit for the year	-	-	-	1,128,241	1,128,241
Dividends	-	-	-	(1,115,893)	(1,115,893)
At 31 December 2008	<u>74,449</u>	<u>529,836</u>	<u>33,561</u>	<u>(2,424)</u>	<u>635,422</u>

10 CONTINGENT LIABILITIES

The company has guaranteed the borrowings of its four subsidiaries Tangible Response Limited, Brightsource Limited, Tangible Data Limited and Target 7-26 Limited. Borrowings at 31 December 2008 totalled nil (2007: £ nil).

11 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of a company preparing consolidated accounts into which the results of Target Direct (Holdings) Limited are consolidated. The company has therefore taken advantage of the exemption available under FRS 8 from disclosing transactions with members of the Group.

Target Direct (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2008

12 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The directors consider that the ultimate and immediate parent undertaking of this company is Cello Group plc, a company incorporated in England and Wales.

Cello Group plc is a publicly listed company trading on the Alternative Investment Market. A list of its shareholders can be seen in the annual report of this company.

Target Direct (Holdings) Limited does not produce consolidated financial statements. Cello Group plc is the smallest and largest group into which the results of the company are consolidated.