

A S H S LIMITED

Abbreviated Accounts

For The Year Ended 31st December 2007

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A S H S LIMITED

**Contents of the Abbreviated Accounts
For The Year Ended 31st December 2007**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

A S H S LIMITED

Company Information
For The Year Ended 31st December 2007

DIRECTORS

Mrs A S Seymour
Miss L J M Ephson
Mr H J Seymour
Mr D Ortu
Mr J Drinkwater
Mrs S E A Westerman
Miss C H Southworth

SECRETARY

Mr M W Hindmarch

REGISTERED OFFICE

The Stable Block
Plough Brewery
Battersea
London
SW8 3JX

REGISTERED NUMBER

3142746

AUDITORS:

Wilkins Kennedy
Chartered Accountants
& Registered Auditors
Bridge House
London Bridge
London
SE1 9QR

BANKERS

HSBC Plc
48 High Street
Rayleigh
Essex
SS6 7JH

A S H S LIMITED

Report of the Directors For The Year Ended 31st December 2007

The directors present their report with the accounts of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, manufacture and sale of luxury fashion handbags and accessories

The principal activity of the company's subsidiaries, ASHS USA Limited and ASHS East Coast Limited, was that of the retail only of luxury fashion handbags and accessories

REVIEW OF BUSINESS

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

Principal Risks and Uncertainties

The principal risk lies in the retention of key personnel within the business. We endeavour to keep them by providing an attractive environment in which to work, along with interesting financial packages to provide incentives. Another risk is of external competitors copying our propositions, whether wholly or in part.

The uncertainties revolve around the general economic climate that surrounds most luxury brands at this time along with the ability to satisfy the changing demands of a rapidly evolving and increasing market place.

Fair Review of business

The company distributes luxury products around the world through both Retail and Wholesale channels. We have many stores located in all of the major fashion cities.

Operating in an increasingly competitive market place the company, for the 12 months ending 31st December 2007, has continued to grow its business both domestically and internationally to a point where the Turnover growth over last year was some 48%.

Investments of both a capital and revenue nature have continued throughout the group to continue to support the global growth of the brand. The management team has been bolstered with the welcome addition of both an executive director and operational managers. The addition of three new stores in the year has increased exposure to the brand and remains a key strategy in the growth of the company.

Due to the innovative nature of the business, the market penetration has significantly improved due to a number of very impressive product launches in both the year under review and months running up to the date of this report.

It is the business's strategy to continue expanding at a fairly healthy pace for the foreseeable future with new stores being opened in key locations that will support the brand's position.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2007.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2007 to the date of this report.

Mrs A S Seymour
Miss L J M Ephon
Mr H J Seymour
Mr D Ortu
Mr J Drinkwater
Mrs S E A Westerman

A.S.H.S. LIMITED

**Report of the Directors
For The Year Ended 31st December 2007**

DIRECTORS - continued

Other changes in directors holding office are as follows

Miss C H Southworth - appointed 17th October 2007

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, bank loans, trade debtors/creditors and inter-company loans. The purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining balances on high interest/money market facilities that are easily accessible should funds be required quickly. The company feels that given the high percentage of cash asset, the liquidity risk is not thought to be material.

In respect of inter-company loans the company manages the liquidity risk by reviewing the overall debt/funds position on a monthly basis. Where possible balances are repaid when funds are available to ensure liquidity risk is minimised around the group.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

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

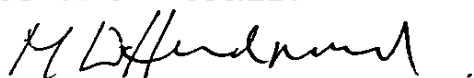
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr M W Hindmarch - Secretary

27th October 2008

**Report of the Independent Auditors to
A S H S Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages five to seventeen, together with the financial statements of A S H S Limited for the year ended 31st December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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

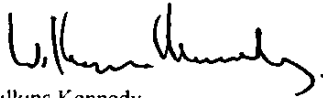
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of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



Wilkins Kennedy
Chartered Accountants
& Registered Auditors
Bridge House
London Bridge
London
SE1 9QR

27th October 2008

A S H S LIMITED

**Abbreviated Profit and Loss Account
For The Year Ended 31st December 2007**

	Notes	2007 £	2006 £
GROSS PROFIT		6,720,889	4,884,479
Administrative expenses		(6,386,473)	(4,607,055)
OPERATING PROFIT	3	334,416	277,424
Interest receivable and similar income		30,670	23,839
		365,086	301,263
Interest payable and similar charges	4	(29,408)	(80,658)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		335,678	220,605
Tax on profit on ordinary activities	5	(157,507)	(16,568)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		178,171	204,037

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

A S H S LIMITED

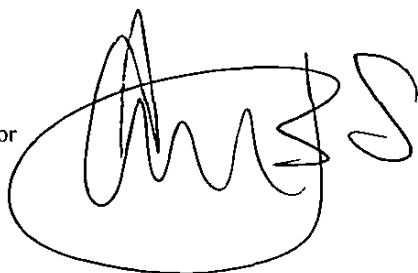
**Abbreviated Balance Sheet
31st December 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	6	1	1
Tangible assets	7	2,093,234	374,231
Investments	8	2	2
		<u>2,093,237</u>	<u>374,234</u>
CURRENT ASSETS			
Stocks	9	4,600,119	3,668,308
Debtors	10	1,833,181	1,700,169
Cash at bank and in hand		10,202	1,327,596
		<u>6,443,502</u>	<u>6,696,073</u>
CREDITORS			
Amounts falling due within one year	11	(2,347,168)	(1,514,323)
NET CURRENT ASSETS		<u>4,096,334</u>	<u>5,181,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,189,571	5,555,984
CREDITORS			
Amounts falling due after more than one year	12	(330,782)	(32,873)
PROVISIONS FOR LIABILITIES	16	<u>(174,603)</u>	<u>(17,096)</u>
NET ASSETS		<u>5,684,186</u>	<u>5,506,015</u>
CAPITAL AND RESERVES			
Called up share capital	17	67,147	67,147
Share premium	18	3,829,090	3,829,090
Profit and loss account	18	1,787,949	1,609,778
SHAREHOLDERS' FUNDS	22	<u>5,684,186</u>	<u>5,506,015</u>

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

The financial statements were approved by the Board of Directors on 27th October 2008 and were signed on its behalf by

Mrs A S Seymour - Director



The notes form part of these abbreviated accounts

A S H S LIMITED
Cash Flow Statement
For The Year Ended 31st December 2007

	Notes	2007 £	2006 £
Net cash outflow from operating activities	1	(96,767)	(1,080,651)
Returns on investments and servicing of finance	2	1,262	(56,819)
Taxation		(82,206)	(426)
Capital expenditure	2	(1,944,651)	(262,165)
		(2,122,362)	(1 400,061)
Financing	2	326,102	3,592,932
(Decrease)/Increase in cash in the period		(1,796,260)	2,192,871
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		(1,796,260)	2,192,871
Cash (inflow)/outflow from (increase)/decrease in debt		(334,531)	61,781
Change in net funds resulting from cash flows		(2,130,791)	2,254,652
Movement in net funds in the period		(2,130,791)	2,254,652
Net funds/(debt) at 1st January		1,232,942	(1,021,710)
Net (debt)/funds at 31st December		(897,849)	1,232,942

The notes form part of these abbreviated accounts

A S H S LIMITED

**Notes to the Cash Flow Statement
For The Year Ended 31st December 2007**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	334,416	277,424
Depreciation charges	225,645	160,880
Increase in stocks	(931,811)	(1,545,573)
Increase in debtors	(124,580)	(243,918)
Increase in creditors	399,563	270,536
Net cash outflow from operating activities	<u>(96,767)</u>	<u>(1,080,651)</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	30,670	23,839
Interest paid	(29,408)	(80,658)
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>1,262</u>	<u>(56,819)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(1)
Purchase of tangible fixed assets	(1,944,651)	(262,164)
Net cash outflow for capital expenditure	<u>(1,944,651)</u>	<u>(262,165)</u>
Financing		
New loans in year	400,000	-
Loan repayments in year	(65,466)	(61,781)
Amount withdrawn by directors	-	(23,576)
Share issue	-	3,846,237
Amounts loaned to group companies	(8,432)	(167,948)
Net cash inflow from financing	<u>326,102</u>	<u>3,592,932</u>

The notes form part of these abbreviated accounts

A S.H.S LIMITED

**Notes to the Cash Flow Statement
For The Year Ended 31st December 2007**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/07 £	Cash flow £	At 31/12/07 £
Net cash			
Cash at bank and in hand	1,327,596	(1,317,394)	10,202
Bank overdraft	-	(478,866)	(478,866)
	<u>1,327,596</u>	<u>(1,796,260)</u>	<u>(468,664)</u>
Debt			
Debts falling due within one year	(61,781)	(36,622)	(98,403)
Debts falling due after one year	<u>(32,873)</u>	<u>(297,909)</u>	<u>(330,782)</u>
	<u>(94,654)</u>	<u>(334,531)</u>	<u>(429,185)</u>
Total	<u>1,232,942</u>	<u>(2,130,791)</u>	<u>(897,849)</u>

The notes form part of these abbreviated accounts

ASHS LIMITED

Notes to the Abbreviated Accounts For The Year Ended 31st December 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Intangible Assets

Intangible assets are carried at historical cost values

Tangible fixed assets

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

Short leasehold	- Depreciated over the period of the lease
Fixtures and fittings	- Depreciated over the period of the lease
Motor vehicles	- 25% on reducing balance

Stocks

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

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities

Consolidation

The financial statements contain information about ASHS Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small or medium sized group.

Pensions

The Company operates a money purchase pension scheme for certain employees. The cost of the contribution is charged to the profit and loss account as incurred.

2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	<u>2,688,007</u>	<u>2,011,817</u>

A S H S LIMITED

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31st December 2007**

2 STAFF COSTS - continued

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

	2007	2006
Sales	50	41
Production	7	8
Administration and management	12	11
	<u>69</u>	<u>60</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Other operating leases	1,266,371	934,688
Depreciation - owned assets	225,649	160,880
Auditors' remuneration	30,000	21,937
	<u>1,522,020</u>	<u>1,117,505</u>

Directors' emoluments	<u>514,317</u>	<u>350,480</u>
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Information regarding the highest paid director is as follows

	2007 £	2006 £
Emoluments etc	<u>178,813</u>	<u>100,875</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank interest	<u>29,408</u>	<u>80,658</u>

5 TAXATION

Analysis of the tax charge

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

	2007 £	2006 £
Current tax		
UK corporation tax	-	17,376
Deferred tax	157,507	(808)
Tax on profit on ordinary activities	<u>157,507</u>	<u>16,568</u>

UK corporation tax has been charged at 19.75% (2006 - 19%)

A.S H S LIMITED

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31st December 2007**

5 TAXATION - continued

Factors affecting the tax charge

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

	2007 £	2006 £
Profit on ordinary activities before tax	<u>335,678</u>	<u>220,605</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.750% (2006 - 19%)	66,296	41,915
Effects of Depreciation	44,564	30,567
Entertaining	182	87
Capital Allowances	(111,042)	(30,055)
Group loss relief	-	(25,138)
Current tax charge	<u>-</u>	<u>17,376</u>

6 INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1st January 2007 and 31st December 2007	<u>1</u>
NET BOOK VALUE	
At 31st December 2007	<u>1</u>
At 31st December 2006	<u>1</u>

A.S H S LIMITED

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31st December 2007**

7 TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2007	540,260	597,083	25,150	1,162,493
Additions	300,000	1,644,651	-	1,944,651
At 31st December 2007	840,260	2,241,734	25,150	3,107,144
DEPRECIATION				
At 1st January 2007	472,422	296,976	18,863	788,261
Charge for year	13,500	205,862	6,287	225,649
At 31st December 2007	485,922	502,838	25,150	1,013,910
NET BOOK VALUE				
At 31st December 2007	354,338	1,738,896	-	2,093,234
At 31st December 2006	67,838	300,107	6,287	374,232

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st January 2007 and 31st December 2007	2
NET BOOK VALUE	
At 31st December 2007	2
At 31st December 2006	2

The company's investments at the balance sheet date in the share capital of companies include the following

ASHS USA Limited

Country of incorporation England & Wales

Nature of business Retailer of handbags and fashion accessories

	% holding	2007 £	2006 £
Class of shares			
Ordinary	100.00		
Aggregate capital and reserves		(75,826)	(153,230)
Profit/(Loss) for the year		77,404	(33,957)

A.S.H.S. LIMITED

Notes to the Abbreviated Accounts - continued
For The Year Ended 31st December 2007

8 FIXED ASSET INVESTMENTS - continued

ASHS East Coast Limited

Country of incorporation England & Wales

Nature of business Retailer of handbags and fashion accessories

Class of shares	% holding
Ordinary	100.00

	2007 £	2006 £
Aggregate capital and reserves	(347,235)	(200,921)
Loss for the year	<u>(146,314)</u>	<u>(141,822)</u>

9 STOCKS

	2007 £	2006 £
Stocks	<u>4,600,119</u>	<u>3,668,308</u>

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	600,641	562,002
Amounts owed by group undertakings	725,060	716,628
Other debtors	507,480	421,539
	<u>1,833,181</u>	<u>1,700,169</u>

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank loans and overdrafts (see note 13)	577,269	61,781
Trade creditors	1,507,573	1,193,921
Corporation Tax	-	82,206
Other creditors	262,326	176,415
	<u>2,347,168</u>	<u>1,514,323</u>

'Other creditors' include £102,607 (2006: £111,017) in respect of taxation and social security

12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Bank loans (see note 13)	<u>330,782</u>	<u>32,873</u>

A S H S LIMITED

Notes to the Abbreviated Accounts - continued **For The Year Ended 31st December 2007**

13 LOANS

An analysis of the maturity of loans is given below

	2007 £	2006 £
Amounts falling due within one year or on demand		
Bank overdrafts	478,866	-
Bank loans	98,403	61,781
	<u>577,269</u>	<u>61,781</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	74,232	32,873
	<u>74,232</u>	<u>32,873</u>
Amounts falling due between two and five years		
Bank loans and overdrafts	256,550	-
	<u>256,550</u>	<u>-</u>

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007 £	2006 £	2007 £	2006 £
Expiring				
Within one year	538,616	490,315	11,891	11,696
Between one and five years	476,858	372,217	-	-
	<u>1,015,474</u>	<u>862,532</u>	<u>11,891</u>	<u>11,696</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2007 £	2006 £
Bank overdraft	478,866	-
Bank loans	429,185	94,654
	<u>908,051</u>	<u>94,654</u>

The bank overdrafts are secured by a charge over all of the company's assets

A S H S LIMITED

Notes to the Abbreviated Accounts - continued **For The Year Ended 31st December 2007**

16 PROVISIONS FOR LIABILITIES

	2007 £	2006 £
Deferred tax		
Accelerated capital allowances	174,603	17,096
	<u>174,603</u>	<u>17,096</u>
		Deferred tax £
Balance at 1st January 2007		17,096
Movement in provision		157,507
		<u>157,507</u>
Balance at 31st December 2007		174,603
		<u>174,603</u>

17 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid			2007 £	2006 £
Number	Class	Nominal value		
40,320	Ordinary	£1	40,320	40,320
10,786	Ordinary	50p	5,393	5,393
21,434	Preferred Ordinary	£1	21,434	21,434
			<u>67,147</u>	<u>67,147</u>

The breakdown of the 50p ordinary shares is shown in the table below -

Share Type	No of shares in issue 2007	No of shares in issue 2006	£2007	£2006
Ordinary "A" 50p each	4,143	4,143	2,072	2,072
Ordinary "B" 50p each	4,143	4,143	2,072	2,072
Ordinary "C" 50p each	1,250	1,250	625	625
Ordinary "D" 50p each	1,250	1,250	625	625

The ordinary £1 shares are broken down into 40,319 ordinary shares and 1 Ordinary "E" share

On any return of assets on liquidation, reduction of capital or otherwise (except on a redemption or purchase by the company of any shares), the surplus assets of the company remaining after the payment of its liabilities will be applied firstly to the Preferred Ordinary shares and subsequently to the remaining Ordinary shareholders

18 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2007	1,609,778	3,829,090	5,438,868
Profit for the year	178,171		178,171
	<u>1,787,949</u>	<u>3,829,090</u>	<u>5,617,039</u>
At 31st December 2007	1,787,949	3,829,090	5,617,039

ASHS LIMITED

Notes to the Abbreviated Accounts - continued For The Year Ended 31st December 2007

19 CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	-	-

20 TRANSACTIONS WITH DIRECTORS

There are no transactions with directors to disclose other than those disclosed below

During 2006 Mrs Seymour assigned trademarks in her name to the company under a Deed of Assignment for the total value of £1. Mrs Seymour has made an election for holdover relief on this assignment which has passed the eventual capital gains liability onto the company. At present it is not possible to evaluate the potential liability to capital gains tax but it is not considered to impact on the going concern assessment.

21 RELATED PARTY DISCLOSURES

During the period the Company entered into a number of transactions with related parties, all of which are undertaken in the normal course of trading. Details of these are set out below.

During the year the company sold goods in the normal course of business to ASHS USA Limited, a company wholly owned by ASHS Limited, at a value of £165,251 (2006 £186,688). Amounts owed by ASHS USA Limited amounted to £229,725 (2006 £286,608) at the year end.

Also during the year the company sold goods during the normal course of business to ASHS East Coast Limited, a company wholly owned by ASHS Limited, at a value of £111,807 (2006 £117,568). Amounts owed by ASHS East Coast Limited amounted to £495,335 (2006 £430,020) at the year end.

Payments have been made in the period in respect of consultancy services received during the year from M W Hindmarch, a related party by virtue of his shareholding. These payments totalled £11,000 for the year (2006 £7,350), the balance owed at the year end was £Nil (2006 £Nil).

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	178,171	204,037
Cash share issue	-	3,846,237
Net addition to shareholders' funds	178,171	4,050,274
Opening shareholders' funds	5,506,015	1,455,741
Closing shareholders' funds	5,684,186	5,506,015