

Registered number 3357718

Ultimate Products Limited  
Annual report and financial statements  
for the year ended 31 July 2010

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# **Ultimate Products Limited**

## **Annual report and financial statements for the year ended 31 July 2010**

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# Ultimate Products Limited

## Directors and advisers

### Directors

S Showman

A Gossage

B Franks

I Storey (Resigned 5 March 2010)

D Bloomfield (Appointed 19 March 2010)

### Company Secretary

G Screawn

### Registered Office

Manor Mill

Victoria Street

Chadderton

Oldham

OL9 0DD

### Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants & Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

### Bankers

HSBC

1<sup>st</sup> Floor

4 Hardman Square

Spinningfields

Manchester

M3 3EB

# Ultimate Products Limited

## Directors' report for the year ended 31 July 2010

The directors present their annual report and the audited financial statements of the company for the year ended 31 July 2010

### Business review and principal activities

The principal activity of the company during the year was the sourcing, import and sale of housewares, electrical products, furniture, flooring, lighting, watches, toys and outdoor products

On 19 March 2010, the company acquired the trade and certain assets of the Luggage and Small Leather Goods divisions of Japinda Group Limited, a business whose principal activity was the design and sale of luggage

On 7 June 2010, the company acquired the trade and certain assets of the Small Domestic Appliance division of Appliance 365 Limited, a business whose principal activity was the sourcing and sale of small domestic electrical appliances

The company performed satisfactorily given the general economic climate. The company's performance should be considered in the context of the performance of the Ultimate Products Holdings group as a whole

### Results and dividends

The company's profit for the financial year is £1,831,000 (2009 £1,943,000). The directors do not propose a dividend for the year (2009 £nil)

### Future prospects

Whilst the current economic climate remains challenging, the directors consider that the company is well placed to continue to perform satisfactorily

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and international retailers, employee retention, and product availability. Further discussion of these risks and uncertainties, in the context of the Ultimate Products Holdings group as a whole is provided in the company's annual report which does not form part of this report

### Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business of Ultimate Products Limited

### Donations

During the year, the company made charitable donations of £4,860 (2009 £9,886) principally to local charities serving the communities in which the company operates

### Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment

### Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through meetings of the Employee Consultation Group. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests

### Directors

The directors who held office during the year and up until the date of signing of these financial statements are disclosed on page 1 to these financial statements

# Ultimate Products Limited

## Directors' report for the year ended 31 July 2010 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires 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 the applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that are sufficient to show and explain the company's transactions and 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 2006. 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.

### Auditors and disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he 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.

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board



G Screawn  
Company Secretary  
29 November 2010

# Ultimate Products Limited

## Independent auditors' report to the members of Ultimate Products Limited

We have audited the financial statements of Ultimate Products Limited for the year ended 31 July 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or

## **Ultimate Products Limited**

### **Independent auditors' report to the members of Ultimate Products Limited (continued)**

- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Ian Marsden (Senior Statutory Auditor)**

**For and on behalf of PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Manchester

29 November 2010

# Ultimate Products Limited

## Profit and loss account for the year ended 31 July 2010

	Note	Continuing operations Ongoing £'000	Continuing operations: Acquisitions £'000	Total 2010 £'000	2009 £'000
Turnover	2	49,798	4,484	54,282	50,837
Cost of sales		(36,927)	(3,650)	(40,577)	(37,412)
<b>Gross profit</b>		<b>12,871</b>	<b>834</b>	<b>13,705</b>	<b>13,425</b>
Distribution costs		(731)	(127)	(858)	(847)
Administrative expenses		(9,522)	(687)	(10,209)	(9,983)
Other operating income		15	-	15	15
<b>Operating profit</b>	3	<b>2,633</b>	<b>20</b>	<b>2,653</b>	<b>2,610</b>
Interest payable	6			(47)	(27)
<b>Profit on ordinary activities before taxation</b>				<b>2,606</b>	<b>2,583</b>
Tax on profit on ordinary activities	7			(775)	(640)
<b>Profit for the financial year</b>				<b>1,831</b>	<b>1,943</b>

There were no gains or losses for the financial year, other than those reported in the profit and loss account

There are no differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

During the year, the company acquired the trade and certain assets of the Luggage and Small Leather Goods divisions of Japinda Group Limited and the Small Domestic Appliances division of Appliance 365 Limited. The results of these entities since acquisition are shown separately above.

All activities derive from continuing operations

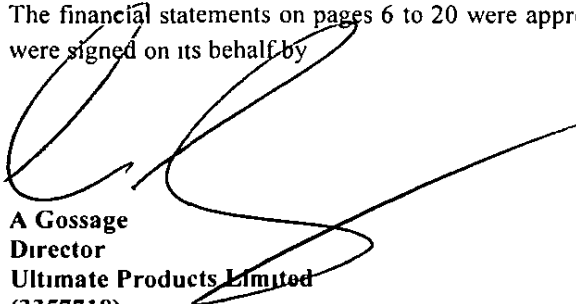


# Ultimate Products Limited

## Balance sheet as at 31 July 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
<b>Fixed assets</b>					
Goodwill	8	1,342		873	
Tangible fixed assets	9	1,100		1,092	
			2,442		1,965
<b>Current assets</b>					
Stock	10	5,455		3,803	
Debtors	11	12,295		9,099	
Cash at bank and in hand		563		-	
			18,313		12,902
Creditors: amounts falling due within one year	12		(8,631)		(4,574)
<b>Net current assets</b>			9,682		8,328
<b>Total assets less current liabilities</b>			12,124		10,293
<b>Net assets</b>			12,124		10,293
<b>Capital and reserves</b>					
Called up share capital	15		-		-
Profit and loss account	16		12,124		10,293
<b>Total shareholders' funds</b>	17		12,124		10,293

The financial statements on pages 6 to 20 were approved by the board of directors on 29 November 2010 and were signed on its behalf by

  
**A Gossage**  
**Director**  
**Ultimate Products Limited**  
**(3357718)**

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010

### 1 Accounting policies

#### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below. These policies have been applied on a consistent basis with the prior year.

#### Going Concern

The Company and the Ultimate Products Holdings Limited Group meet their day to day working capital requirements via a bank overdraft and revolving credit facility forming part of a wider banking facility with HSBC which is due for renewal in October 2013.

The Group's forecasts and projections, which take account of possible changes in trading performance show that the Group is expected to be able to operate within the level of these facilities until their renewal.

After making enquiries, including forecasts and projections, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, a going concern basis is considered appropriate in preparing the annual report and financial statements.

#### Turnover

The amounts shown as turnover represent the amounts invoiced to external customers, excluding value added tax. Turnover is recognised at the point at which goods are despatched to the customer.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	-	20% - 50% straight line
Motor vehicles	-	25% straight line
Leasehold property improvements	-	20% straight line

#### Stocks

Stocks are valued using a first in, first out method and are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in the normal course of business in bringing the products to their present location and condition.

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Operating leases

Rentals applicable to leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Pension costs

The company makes contributions to defined contribution pension schemes for certain employees. These schemes are administered separately and their assets are held separate from those of the company. The annual contributions payable are charged to the profit and loss account.

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 1 Accounting policies (continued)

#### Goodwill

Goodwill represents the excess of the fair value of the consideration attributed to an acquisition in excess of the fair value of the net assets acquired at the date of acquisition. This goodwill is capitalised at cost and amortised on a straight line basis over an estimated useful economic life of up to 10 years.

#### Taxation

Corporation tax is provided on taxable profits at the current rate of 28% (2009: 28%).

#### Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### Foreign currencies

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Cash flow

The company has taken advantage of the exemption under FRS1 from preparing a cash flow statement on the grounds that it is a subsidiary undertaking whose parent undertaking prepares group accounts incorporating a consolidated cash flow statement.

### 2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2010 £'000	2009 £'000
United Kingdom	46,150	43,661
Europe	4,983	4,947
Rest of world	3,149	2,229
	<b>54,282</b>	<b>50,837</b>

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 3 Operating profit

Operating profit is stated after charging	2010 £'000	2009 £'000
Amortisation of goodwill (note 8)	108	-
Depreciation (note 9)	503	516
Loss on disposal of tangible fixed assets	1	82
Operating lease costs		
Land and buildings	199	351
Plant and equipment	105	10
Auditors' remuneration – audit services	23	20
Auditors' remuneration – taxation services	9	16

### 4 Particulars of employees

The average number of staff employed by the company, including directors, during the financial year amounted to

By Activity	2010 No.	2009 No.
Sales	39	40
Distribution	32	31
Administration	102	93
	173	164

The aggregate payroll costs of the above were

	2010 £'000	2009 £'000
Wages and salaries	7,114	6,102
Social security costs	724	530
Other pension costs	50	27
	7,888	6,659

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 5 Directors' emoluments

	2010 £'000	2009 £'000
Emoluments (excluding pension contributions)	586	535
Value of company pension contributions to money purchase schemes	26	29
	612	564

#### Emoluments of highest paid director:

	2010 £'000	2009 £'000
Emoluments (excluding pension contributions)	216	198
Value of company pension contributions to money purchase schemes	14	14
	230	212

The number of directors who are accruing benefits under company pension schemes was as follows

	2010 No.	2009 No
Money purchase schemes	2	2

### 6 Interest payable

	2010 £'000	2009 £'000
Interest payable on bank borrowings	30	12
Other interest	17	15
	47	27

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 7 Tax on profit on ordinary activities

	2010 £'000	2009 £'000
<b>Current tax</b>		
UK corporation tax on profit of the period	760	777
Foreign tax	16	-
Adjustments in respect of prior years	16	(94)
<b>Total current tax charge</b>	<b>792</b>	<b>683</b>
<b>Deferred tax</b>		
Origination & reversal of timing differences	(2)	(44)
Adjustments in respect of prior years	(21)	1
Effect of decrease in tax rate on opening deferred tax asset (see note below)	6	-
<b>Total deferred tax credit</b>	<b>(17)</b>	<b>(43)</b>
<b>Tax on profit on ordinary activities</b>	<b>775</b>	<b>640</b>

#### Factors affecting current tax charge

The tax assessed for the year is higher (2009 lower) than the average standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £'000	2009 £'000
<b>Profit on ordinary activities before tax</b>	<b>2,606</b>	<b>2,583</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	730	723
Effects of		
Expenses not deductible for tax purposes	28	12
Depreciation in excess of capital allowances and other timing differences	2	44
Group relief claimed not paid	-	(2)
Foreign tax	16	-
Adjustments in respect of prior years	16	(94)
<b>Total current tax charge</b>	<b>792</b>	<b>683</b>

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantially enacted on 20 July 2010 and that will be effective from 1 April 2011 the relevant deferred tax balance was re-measured

Further reductions in the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantially enacted at the balance sheet date and, therefore, are not recognised in these financial statements

## Ultimate Products Limited

### Notes to the financial statements for the year ended 31 July 2010 (continued)

#### 8 Goodwill

	2010 £'000
<b>Cost</b>	
At 31 July 2009	895
Additions (see (ii) and (iii) below)	563
Fair value adjustment (see (i) below)	14
<b>At 31 July 2010</b>	<b>1,472</b>
<b>Accumulated amortisation</b>	
At 31 July 2009	22
Charge for the year	108
<b>At 31 July 2010</b>	<b>130</b>
<b>Net book value</b>	
<b>At 31 July 2010</b>	<b>1,342</b>
<b>At 31 July 2009</b>	<b>873</b>

##### (i) Fair value adjustment to goodwill on acquisition of Intempo Digital Limited

On 21 April 2009, the company acquired the trade, stock and liabilities of Intempo Digital Limited. As permitted by FRS7, 'Fair Values in Acquisition Accounting', the provisional valuation of the assets and liabilities acquired at that date has been amended in these, the first post acquisition financial statements, giving rise to additional goodwill of £14,000.

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 8 Goodwill (continued)

#### (ii) Acquisition of trade and assets of Japinda Group Limited

On 19 March 2010, the company acquired the trade and certain assets of the Luggage and Small Leather Goods divisions of Japinda Group Limited. The consideration cost was broken down as follows

	£'000
Cash	686
Fees	71
<b>Total consideration</b>	<b>757</b>

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair values to the company

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	11	-	11
Stock	400	(20)	380
Other debtors and prepayments	137	-	137
Trade creditors	(47)	-	(47)
Other creditors and accruals	(165)	(34)	(199)
Provisions	-	(23)	(23)
<b>Net assets acquired</b>	<b>336</b>	<b>(77)</b>	<b>259</b>

Purchased goodwill has therefore arisen in the accounts, calculated as follows

	£'000
Consideration	757
Net assets acquired	(259)
<b>Goodwill</b>	<b>498</b>

#### Pre-acquisition trading performance

Since Ultimate Products Limited acquired the trade and assets of only the Luggage and Small Leather Goods divisions of Japinda Group Limited, not the company as a whole, the results of this business since the beginning of its financial year to the date of acquisition and for its previous financial year are not available



# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 8 Goodwill (continued)

#### (iii) Acquisition of trade and assets of Appliance 365 Limited

On 7 June 2010, the company acquired the trade and assets Appliance 365 Limited. The consideration cost was broken down as follows:

	£'000
Cash	180
Deferred consideration	142
Fees	22
<b>Total consideration</b>	<b>344</b>

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair values to the company:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Stock	325	(9)	316
Other debtors and prepayments	6	-	6
Provisions	(8)	(35)	(43)
<b>Net assets acquired</b>	<b>323</b>	<b>(44)</b>	<b>279</b>

Purchased goodwill has therefore arisen in the accounts, calculated as follows:

	£'000
Consideration	344
Net assets acquired	(279)
<b>Goodwill</b>	<b>65</b>

#### Pre-acquisition trading performance

The pre-acquisition trading performance of Appliance 365 Limited has not been disclosed on the grounds that it is not considered to be a substantial acquisition as defined by FRS6.

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 9 Tangible fixed assets

	Leasehold property improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 August 2009	22	2,244	86	2,352
Additions	-	511	6	517
Disposals	-	-	(6)	(6)
<b>At 31 July 2010</b>	<b>22</b>	<b>2,755</b>	<b>86</b>	<b>2,863</b>
<b>Accumulated depreciation</b>				
At 1 August 2009	7	1,216	37	1,260
Charge for the year	1	486	16	503
<b>At 31 July 2010</b>	<b>8</b>	<b>1,702</b>	<b>53</b>	<b>1,763</b>
<b>Net book value</b>				
<b>At 31 July 2010</b>	<b>14</b>	<b>1,053</b>	<b>33</b>	<b>1,100</b>
At 31 July 2009	15	1,028	49	1,092

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 10 Stocks

	2010 £'000	2009 £'000
Goods for resale	5,455	3,803

The directors do not believe there is a material difference between the book value and replacement value of stocks

### 11 Debtors

	2010 £'000	2009 £'000
Trade debtors	9,499	5,725
Amounts owed by group undertakings	1,594	2,608
Deferred tax asset (note 13)	161	144
Other debtors and prepayments	1,041	622
	12,295	9,099

All debtors fall due within one year of the balance sheet date

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

### 12 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Bank overdraft	-	165
Trade creditors	3,307	1,394
Amounts owed to group undertakings	2,312	918
Corporation tax liability	166	343
Other taxation and social security	649	173
Other creditors and accruals	2,197	1,581
	8,631	4,574

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 13 Deferred taxation

Deferred taxation in the accounts consists of

	2010 Provided £'000	2009 Provided £'000
Depreciation in excess of capital allowances	161	144
<b>Deferred tax asset</b>	<b>161</b>	<b>144</b>

	2010 £'000	2009 £'000
At 1 August 2009	144	101
Origination & reversal of timing differences	23	43
Effect of decrease in tax rate on opening deferred tax asset	(6)	-
<b>At 31 July 2010</b>	<b>161</b>	<b>144</b>

### 14 Commitments under operating leases

	2010		2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within 1 year	-	-	7	68
Within 2 to 5 years	183	51	180	-
After more than 5 years	-	-	-	-
	<b>183</b>	<b>51</b>	<b>187</b>	<b>68</b>

# Ultimate Products Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 15 Called up share capital

Authorised share capital:

	2010 £	2009 £
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	2010 £	2009 £
100 Ordinary shares of £1 each	100	100

### 16 Reserves

	Profit and loss account £'000
At 1 August 2009	10,293
Profit for the financial year	1,831
At 31 July 2010	12,124

### 17 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	1,831	1,943
Opening shareholders' funds	10,293	8,350
Closing shareholders' funds	12,124	10,293

### 18 Contingencies

At the year end the group had contracted to purchase an amount of US\$ \$2,000,000 (2009 US\$7,750,000) under foreign exchange forward contracts. These contracts are being accounted for in accordance with UK GAAP hedge accounting as they mature.

The company is jointly and severally liable for all amounts owed in respect of bank loans by its parent undertaking, Ultimate Products Holdings Limited, under a cross-guarantee, which at 31 July 2010 amounted to £11,088,000 (2009 £5,850,000).

# **Ultimate Products Limited**

## **Notes to the financial statements for the year ended 31 July 2010 (continued)**

### **19 Transactions with related parties**

The company occupies premises owned by the Ultimate Products Pension Scheme, of which B Franks is a trustee. During the year the company paid rent of £180,000 (2009 £180,000) to the Scheme.

The company has taken advantage of the exemption available under FRS8 in order not to disclose intra-group transactions.

### **20 Ultimate parent undertaking**

The immediate and ultimate parent undertaking is Ultimate Products Holdings Limited, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Ultimate Products Holdings Limited consolidated financial statements can be obtained from the Company Secretary at Manor Mill, Victoria Street, Chadderton, Oldham, OL9 0DD.

### **21 Ultimate controlling party**

The company's parent undertaking, Ultimate Products Holdings Limited, is not controlled by any one individual as defined by FRS 8, Related Party Disclosures.

Lloyds Development Capital Limited and Lloyds TSB Ventures Nominees Limited together hold 46.1% (2009 46.2%) of the issued share capital of Ultimate Products Holdings Limited. The remaining shares are held by management, none of whom individually control the company.