

Unbeadable Limited

Financial statements

For the year ended 31 January 2007

Grant Thornton 



Company No. 3682106

Officers and professional advisers

Company registration number

3682106

Registered office

Unit G3
Wyther Lane Industrial Estate
Wyther Green
Leeds
LS5 3AR

Directors

Mr A J L Buckley
Mr M J Hirschel
Mr N Myers

Secretary

Mr N Myers

Auditor

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
No 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 January 2007. The comparative figures are for the period from 1 January 2005 to 31 January 2006.

Principal activities and business review

The comparative figures are for the period from 1 January 2005 to 31 January 2006.

The principal activity of the company during the year was that of jewellery design, manufacturing and marketing.

The trading results for the year and the company's financial position at the end of the period are as shown in the financial statements.

Directors

The directors who served the company during the year were as follows:

Mr A J L Buckley
Ms A Van de Pol
Mr N J Thompson
Mr M J Hirschel
Mr I V Potter

Mr A J Buckley is a director of the ultimate parent undertaking and his interests in the shares of the ultimate parent undertaking are as disclosed in that company's accounts. None of the other directors had any interests in the shares of the company or ultimate parent undertaking at any time during the year under review.

Mr M J Hirschel was appointed as a director on 6 June 2006.
Mr I V Potter was appointed as a director on 1 June 2006 and resigned on 30 March 2007.
Mr N J Thompson was appointed as a director on 15 June 2007.
Ms A Van de Pol retired as a director on 1 June 2006.
Mr N J Thompson retired as a director on 9 June 2006.

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

Directors' responsibilities (continued)

- to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

M N Myers
Secretary
30 July 2007



Report of the independent auditor to the members of Unbeadable Limited

We have audited the financial statements of Unbeadable Limited for the year ended 31 January 2007 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 20. 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 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 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 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.

Report of the independent auditor to the members of Unbeadable Limited (continued)

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.

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 January 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



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LEEDS
17 September 2007

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies have remained unchanged from the previous period and are set out below

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Revenue is recognised upon despatch of the goods from the warehouse or upon receipt of a call off order

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	33% straight line
Plant & Machinery	-	25% straight line
Motor Vehicles	-	25% straight line

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating 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.

Foreign currencies

Transactions in foreign currencies are translated at the average exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange rate differences are dealt with through the profit and loss account.

Profit and loss account

		Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
	Note		
Turnover		1,237,336	2,382,236
Cost of sales		575,876	1,018,544
Gross profit		661,460	1,363,692
Other operating charges	1	773,195	631,059
Operating (loss)/profit	2	(111,735)	732,633
Interest receivable		46,983	12,880
(Loss)/profit on ordinary activities before taxation		(64,752)	745,513
Tax on (loss)/profit on ordinary activities	5	(15,965)	227,000
(Loss)/profit for the financial year	15	(48,787)	518,513

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

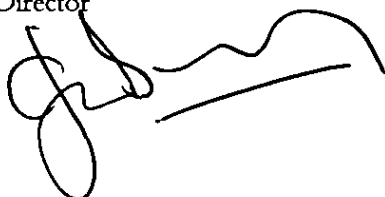
Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	7	1	1
Tangible assets	8	25,327	14,484
		<u>25,328</u>	<u>14,485</u>
Current assets			
Stocks	9	39,872	29,700
Debtors	10	668,774	982,438
Cash at bank		61,164	107,629
		<u>769,810</u>	<u>1,119,767</u>
Creditors: amounts falling due within one year	11	73,797	364,124
Net current assets		<u>696,013</u>	<u>755,643</u>
Total assets less current liabilities		<u>721,341</u>	<u>770,128</u>
Capital and reserves			
Called-up equity share capital	14	100	100
Profit and loss account	15	721,241	770,028
Shareholders' funds	16	<u>721,341</u>	<u>770,128</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on 30 July 2007 and are signed on their behalf by

Mr A J L Buckley
Director



Notes to the financial statements

1 Other operating charges

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Administrative expenses	<u>773,195</u>	<u>631,059</u>

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Depreciation of owned fixed assets	17,370	4,779
Auditor's remuneration		
- Audit of accounts	2,000	3,000
- Tax compliance	1,000	2,000
Operating lease costs		
Plant and equipment	6,124	7,293
Other	<u>36,138</u>	<u>36,138</u>

Audit fees for the company in 2007 were met by its parent company

3 Particulars of employees

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

	Year to 31 Jan 07 No	Period from 1 Jan 05 to 31 Jan 06 No
Number of production staff	14	13
Number of selling and distribution staff	2	2
Number of management and administrative staff	9	9
	<u>25</u>	<u>24</u>

The aggregate payroll costs of the above were

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Wages and salaries	498,859	413,499
Social security costs	41,362	32,783
Other pension costs	5,170	—
	<u>545,391</u>	<u>446,282</u>

4 Directors

Remuneration in respect of directors was as follows

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Emoluments	62,050	15,898
Value of company pension contributions to money purchase schemes	4,800	—
	<u>66,850</u>	<u>15,898</u>

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

	Year to 31 Jan 07 No	Period from 1 Jan 05 to 31 Jan 06 No
Money purchase schemes	<u>1</u>	<u>—</u>

5 Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	(15,965)	227,000
Total current tax	<u>(15,965)</u>	<u>227,000</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
(Loss)/profit on ordinary activities before taxation	(64,752)	745,513
Profit/(loss) on ordinary activities by rate of tax	(19,426)	223,654
Expenses not deductible for tax purposes	1,241	2,462
Depreciation for period in excess of capital allowances	3,300	(82)
Rounding on tax charge	(115)	966
Prior year adjustments	(965)	-
Total current tax (note 5(a))	<u>(15,965)</u>	<u>227,000</u>

6 Dividends

Dividends on shares classed as equity

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Paid during the year		
Equity dividends on ordinary shares	—	55,000

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2006 and 31 January 2007	<u>1</u>
Amortisation	
At 1 February 2006 and 31 January 2007	<u>—</u>
Net book value	
At 31 January 2007	<u><u>1</u></u>
At 31 January 2006	<u><u>1</u></u>

8 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 February 2006	2,643	37,931	—	40,574
Additions	<u>—</u>	<u>449</u>	<u>27,765</u>	<u>28,214</u>
At 31 January 2007	<u>2,643</u>	<u>38,380</u>	<u>27,765</u>	<u>68,788</u>
Depreciation				
At 1 February 2006	1,021	25,070	—	26,091
Charge for the year	<u>882</u>	<u>9,546</u>	<u>6,942</u>	<u>17,370</u>
At 31 January 2007	<u>1,903</u>	<u>34,616</u>	<u>6,942</u>	<u>43,461</u>
Net book value				
At 31 January 2007	<u><u>740</u></u>	<u><u>3,764</u></u>	<u><u>20,823</u></u>	<u><u>25,327</u></u>
At 31 January 2006	<u>1,622</u>	<u>12,861</u>	<u>—</u>	<u>14,483</u>

9 Stocks

	2007 £	2006 £
Raw materials	15,420	7,781
Work in progress	<u>24,452</u>	<u>21,919</u>
	<u><u>39,872</u></u>	<u><u>29,700</u></u>

10 Debtors

	2007	2006
	£	£
Trade debtors	46,758	356,987
Amounts owed by group undertakings	549,376	600,000
Corporation tax repayable	965	—
Other debtors	71,675	25,451
	<u>668,774</u>	<u>982,438</u>

11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	2,488	—
Trade creditors	48,984	61,696
Amounts owed to group undertakings	818	—
Corporation tax	—	227,000
Other taxation and social security	19,683	70,426
Other creditors	1,824	5,002
	<u>73,797</u>	<u>364,124</u>

12 Commitments under operating leases

At 31 January 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	—	—	—	2,480
Within 2 to 5 years	36,138	4,344	36,138	2,481
After more than 5 years	—	1,560	—	—
	<u>36,138</u>	<u>5,904</u>	<u>36,138</u>	<u>4,961</u>

13 Related party transactions

The company was under the control of Buckley Jewellery Limited throughout the current year. As it was a 100% wholly owned subsidiary of this entity no transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

14 Share capital

Authorised share capital

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid

	2007		2006
	No	£	No
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

15 Profit and loss account

	Year to 31 Jan 07	Period from 1 Jan 05 to 31 Jan 06
	£	£
Balance brought forward	770,028	306,515
(Loss)/profit for the financial year	(48,787)	518,513
Equity dividends paid	-	(55,000)
Balance carried forward	<u>721,241</u>	<u>770,028</u>

16 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
(Loss)/profit for the financial year	(48,787)	518,513
Equity dividends paid	-	(55,000)
Net (reduction)/addition to shareholders' funds	(48,787)	463,513
Opening shareholders' funds	770,128	306,615
Closing shareholders' funds	<u>721,341</u>	<u>770,128</u>

17 Pensions

The company has not operated, or contributed to any pension scheme on behalf of its employees, although it has made pension contributions to certain employees personal pension plans

18 Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 January 2007 or 31 January 2006

19 Capital commitments

The directors have confirmed that there were no capital commitments at 31 January 2007 or 31 January 2006

20 Ultimate parent undertaking and controlling related party

From 1 December 2005 the company was under the control of Mr A J Buckley who is the Chief Executive and majority shareholder of Buckley Jewellery Limited

The directors consider that the ultimate parent undertaking is Buckley Jewellery Ltd Consolidated accounts incorporating the results of Unbeadable Limited may be obtained from Unit 3, Wyther Lane Industrial Estate, Wyther Green, Leeds, LS5 3AR.