

Retail Display Limited

Directors' report and financial statements

for the year ended 31 August 2005



Registration number 3792259

Retail Display Limited

Company information

Directors	D M Dalton I S Parker G McMeechan
Secretary	G McMeechan
Company number	3792259
Registered office	6 Clarendon Drive Wymbush Milton Keynes MK8 8DA
Auditors	Haines Watts Kingswood House The Avenue Cliftonville Northampton NN1 5BT

Retail Display Limited

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Retail Display Limited

Directors' report for the year ended 31 August 2005

The directors present their report and the financial statements for the year ended 31 August 2005.

Principal activity

The principal activity of the company was that of manufacturers of racking systems for retailers.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/08/05	01/09/04
D M Dalton	Ordinary shares	-	-
I S Parker	Ordinary shares	-	-
G McMeechan	Ordinary shares	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

31/3/06
This report was approved by the Board on and signed on its behalf by



G McMeechan
Secretary

Retail Display Limited

Independent auditors' report to the shareholders of Retail Display Limited

We have audited the financial statements of Retail Display Limited for the year ended 31 August 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report 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 United Kingdom Auditing Standards 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.

Retail Display Limited

Independent auditors' report to the shareholders of Retail Display Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Haines Watts

**Haines Watts
Chartered Accountants and
Registered auditors**

11/4/06.

**Kingswood House
The Avenue
Cliftonville
Northampton
NN1 5BT**

Retail Display Limited

Profit and loss account for the year ended 31 August 2005

		2005	2004
	Notes	£	£
Turnover	2	3,065,947	2,387,992
Cost of sales		(2,191,321)	(1,843,518)
Gross profit		<u>874,626</u>	<u>544,474</u>
Administrative expenses		(779,035)	(487,978)
Operating profit	3	<u>95,591</u>	<u>56,496</u>
Other interest receivable and similar income		2,498	-
Interest payable and similar charges		(34,921)	(49,551)
Profit on ordinary activities before taxation		<u>63,168</u>	<u>6,945</u>
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		<u>63,168</u>	<u>6,945</u>
Retained profit for the year		<u>63,168</u>	<u>6,945</u>
Accumulated loss brought forward		(252,284)	(259,229)
Accumulated loss carried forward		<u>(189,116)</u>	<u>(252,284)</u>

The notes on pages 6 to 10 form an integral part of these financial statements.

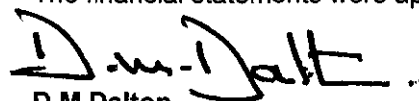
Retail Display Limited

Balance sheet as at 31 August 2005

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		21,000		22,500
Tangible assets	6		89,510		95,539
			<u>110,510</u>		<u>118,039</u>
Current assets					
Stocks		258,767		196,664	
Debtors	7	245,826		619,913	
Cash at bank and in hand		100		603	
		<u>504,693</u>		<u>817,180</u>	
Creditors: amounts falling due within one year	8	(592,380)		(930,746)	
Net current liabilities			<u>(87,687)</u>		<u>(113,566)</u>
Total assets less current liabilities			22,823		4,473
Creditors: amounts falling due after more than one year	9		(11,939)		(56,757)
Net assets/(liabilities)			<u>10,884</u>		<u>(52,284)</u>
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss account			(189,116)		(252,284)
Shareholders' funds			<u>10,884</u>		<u>(52,284)</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 31/3/06 and signed on its behalf by


D M Dalton
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Retail Display Limited

Notes to the financial statements for the year ended 31 August 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10 - 33% Straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Retail Display Limited

Notes to the financial statements for the year ended 31 August 2005

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2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	1,500	1,500
Depreciation and other amounts written off tangible assets	13,579	54,129
Auditors' remuneration	9,393	8,563
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	-	3,234
	<u> </u>	<u> </u>

4. Directors' emoluments

	2005 £	2004 £
Remuneration and other benefits	-	15,000
	<u> </u>	<u> </u>

5. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 September 2004	30,000	30,000
At 31 August 2005	<u>30,000</u>	<u>30,000</u>
Provision for diminution in value		
At 1 September 2004	7,500	7,500
Charge for year	1,500	1,500
At 31 August 2005	<u>9,000</u>	<u>9,000</u>
Net book values		
At 31 August 2005	<u>21,000</u>	<u>21,000</u>
At 31 August 2004	<u>22,500</u>	<u>22,500</u>

Retail Display Limited

Notes to the financial statements for the year ended 31 August 2005

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6. Tangible fixed assets	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 September 2004	150,110	22,872	43,558	216,540
Additions	7,550	-	-	7,550
At 31 August 2005	157,660	22,872	43,558	224,090
Depreciation				
At 1 September 2004	63,492	14,682	42,827	121,001
Charge for the year	12,219	1,170	190	13,579
At 31 August 2005	75,711	15,852	43,017	134,580
Net book values				
At 31 August 2005	81,949	7,020	541	89,510
At 31 August 2004	86,618	8,190	731	95,539

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2005		2004	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	7,021	1,170	67,861	4,861

7. Debtors	2005 £	2004 £
Trade debtors	194,013	546,194
Amounts owed by group undertakings	-	16,755
Other debtors	51,813	56,964
	245,826	619,913

Retail Display Limited

Notes to the financial statements for the year ended 31 August 2005

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8. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	186,633	197,092
Bank loan	-	12,500
Net obligations under finance leases and hire purchase contracts	3,818	20,326
Trade creditors	203,524	258,851
Amounts owed to group undertaking	29,915	-
Other taxes and social security costs	70,966	73,024
Other creditors	90,524	362,953
Accruals and deferred income	7,000	6,000
	<u>592,380</u>	<u>930,746</u>

Included within other creditors is an amount due to G E Capital Commercial Finance of £80,150 (2004: £326,537) which is secured against trade debtors.

9. Creditors: amounts falling due after more than one year	2005 £	2004 £
Directors loan	10,600	51,600
Net obligations under finance leases and hire purchase contracts	1,339	5,157
	<u>11,939</u>	<u>56,757</u>

10. Share capital	2005 £	2004 £
Authorised		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Retail Display Limited

Notes to the financial statements for the year ended 31 August 2005

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11. Financial commitments

At 31 August 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Expiry date:		
Between one and five years	81,000	-
In over five years	-	81,000
	<u>81,000</u>	<u>81,000</u>

12. Related party transactions

2005 £	2004 £
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Throughout the year the company undertook transactions with the following related parties:

Retail Display holdings Limited - Parent company

Transactions:

Management charges	268,000	92,800
Goods paid for on behalf of parent company	170,178	-
Sale of fixed assets	-	156,500
	<u>268,000</u>	<u>92,800</u>

Amounts due to Retail Display Holdings Limited at 31 August 2005	<u>29,915</u>	<u>(16,755)</u>
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All transactions were on an arms length basis.

13. Ultimate parent undertaking

The company's immediate parent undertaking is Retail Display Holdings Limited, a company registered in England and Wales. The parent company owns 100% of the share capital of Retail Display Limited.