

**GLOW DESIGNS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR TO 31 DECEMBER 2006**

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# **Glow Designs Limited**

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**Glow Designs Limited**  
**Directors and Advisers**

**Directors**

Simon Harrison

**Secretary and Registered office**

William Grove

18 Mansell Street, London, E1 8AA

**Auditors**

Menzies

Chartered Accountants

**Company registration number**

3971549

# **Glow Designs Limited**

## **Report of the Directors**

The director presents his report and the audited financial statements for the year ended 31 December 2006

### **Principal activity**

The principal activity of the Company is web site design and IT support

### **Results and dividend**

The loss for the year on ordinary activities before taxation, amounted to £35,503 (2005 Loss £32,431) The director does not recommend the payment of a dividend for the year

### **Directors and their interests**

S Harrison is a director of the parent company and his interest is disclosed in the accounts of that company

There were no share options granted to the director

### **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

### **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 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 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 director is aware

there is no relevant audit information of which the company's auditor is unaware, and

the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

### **BY ORDER OF THE BOARD**



William Grove  
Secretary  
16 April 2007

**Glow Designs Limited**  
**Independent Auditors' Report to the Shareholders**  
**31 December 2006**

We have audited the financial statements of Glow Designs Limited for the year ended 31 December 2006 on pages 4 to 8, which have been prepared on the basis of the accounting policies set out on page 6

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read 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 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.

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.

**GOING CONCERN**

In forming an opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the continuing support of the ultimate parent company to enable the company to continue as a going concern as set out in the accounting policies. In view of the significance of this support we consider it should be drawn to your attention, but our opinion is not qualified in this respect.

**OPINION**

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit 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 Directors' Report is consistent with the financial statements.

*Menzies*  
**MENZIES** Chartered Accountants & Registered Auditors  
Neville House  
55 Eden Street  
Kingston upon Thames, Surrey, KT1 1BW

*16 April 2007*

**Glow Designs Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2006**

	Notes	2006 £	2005 £
<b>Turnover</b>	<b>2</b>	140,980	128,884
Cost of sales and administrative expenses		<u>( 176,667)</u>	<u>( 161,315)</u>
<b>Operating loss</b>	<b>4</b>	( 35,687)	( 32,431)
Interest receivable		<u>184</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		( 35,503)	( 32,431)
Taxation on ordinary activities	<b>5</b>	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<u><u>( 35,503)</u></u>	<u><u>( 32,431)</u></u>

There were no recognised gains or losses other than the loss on ordinary activities above

All amounts relate to continuing activities

The notes on pages 6 to 8 form part of these accounts

**Glow Designs Limited**  
**Balance Sheet**  
**As at 31 December 2006**

	Notes	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	<u>186</u>	<u>248</u>
<b>CURRENT ASSETS</b>			
Debtors	7	58,906	25,275
Cash at bank		<u>30,123</u>	<u>7,233</u>
		89,029	32,508
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(121,081)</u>	<u>(29,119)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(32,052)</u>	<u>3,389</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u><u>(31,866)</u></u>	<u><u>3,637</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account	10	<u>(31,966)</u>	<u>3,537</u>
<b>EQUITY SHAREHOLDERS' FUND</b>	11	<u><u>(31,866)</u></u>	<u><u>3,637</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the Board of Directors on 16 April 2007 and were signed on its behalf by

S Harrison



) Director

The notes on pages 6 to 8 form part of these accounts

**Glow Designs Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2006**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

The financial statements have been prepared on a going concern basis as Hyde Holdings Limited, the parent company, has confirmed that it will continue to support the Company

**Fixed assets and depreciation**

Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset over their expected useful lives. The rates generally applicable are -

Computer equipment - 33 33% per annum on original cost

Fixtures and fittings - 25% per annum on written down cost

**Pensions**

The company contributes 6% of employee salary to either a Group Personal Pension Plan set up by the company, or to an employees personal pension

**Deferred taxation**

Deferred tax is provided for when timing difference occur due to the different treatment of transactions for tax and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

**Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified

**Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

**Investments**

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using the trade date accounting

**Going concern**

As at the balance sheet date the liabilities of Glow Design Limited exceeded its assets by £31,866. Included in creditors due within one year are amounts due to group companies totalling £81,271. The ultimate parent company, Hyde Holdings Limited, has confirmed that it will support the company and provide working capital to enable the company to continue as a going concern

**2 TURNOVER**

Turnover represents the value of fees receivable and accrued for work done in the year, excluding value added tax and is all earned in the United Kingdom

**3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit is arrived at after charging

	2006	2005
	£	£
Auditors' remuneration	1,000	1,000
Depreciation of tangible fixed assets	62	83



# Glow Designs Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2006

### 4 DIRECTORS AND EMPLOYEES

All directors and employees were employed by a fellow subsidiary. The management fee payable to that subsidiary included the following directors' and employees' emoluments

	2006 £	2005 £
Directors' emoluments	-	-
Aggregate emoluments	-	-
Company contributions to Group Personal Pension Plan in respect of directors	-	-
Other pension contributions	-	-

The number of directors accruing benefits under the Group Personal Pension Plan was Nil (2005 Nil)

The Group provides pension benefits for its employees, details of which are provided in the Group accounts

### 5 TAXATION ON ORDINARY ACTIVITIES

	2006 £	2005 £
Corporation tax charge for the year	-	-

Corporation tax is charged at Nil% (2005 Nil%)

### 6 FIXED ASSETS

	Computer equipment £	Fixtures & Fittings £	Total £
<b>Cost</b>			
Balance b/fwd	15,298	600	15,898
Additions	-	-	-
	15,298	600	15,898
<b>Depreciation</b>			
Balance b/fwd	15,298	352	15,650
Charge for the period	-	62	62
	15,298	414	15,712
<b>Net book value</b>			
As at 31 December 2006	-	186	186
As at 31 December 2005	-	248	248

### 7 DEBTORS

	2006 £	2005 £
<b>Amounts falling due within one year</b>		
Trade debtors	33,518	13,385
Amounts due from Group Companies	-	-
Prepayments and accrued income	25,388	11,890
	58,906	25,275

# Glow Designs Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2006

<b>8 CREDITORS</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
Amounts owed to Group Companies	81,271	27,619
Trade creditors	2,310	-
Corporation tax creditor	-	-
Accruals	37,500	1,500
	<u>121,081</u>	<u>29,119</u>
<b>9 CALLED UP SHARE CAPITAL</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised, issued and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>10 PROFIT AND LOSS ACCOUNT</b>		<b>£</b>
1 January 2006		3,537
Loss for the financial period		<u>(35,503)</u>
31 December 2006		<u>(31,966)</u>
<b>11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Retained loss for the financial year	(35,503)	(32,431)
Opening shareholders' funds	<u>3,637</u>	<u>36,068</u>
Closing shareholders' funds	<u>(31,866)</u>	<u>3,637</u>

### 12 GUARANTEES

The company is party to an unlimited multilateral guarantee with certain other group undertakings. At 31 December 2006 there was no contingent liability (2005: £Nil) in respect of this agreement.

### 13 ULTIMATE PARENT COMPANY

The ultimate parent company of Glow Designs Limited is Hyde Holdings Limited, a company registered in England and Wales.

At the year end Glow Designs Limited was controlled by S Harrison by virtue of his shareholding and directorship in Hyde Holdings Limited.

### 14 RELATED PARTY TRANSACTIONS

During the year the company paid management charges of £101,673 (2005: £157,170) and made sales of £46,242 (2005: £40,620) to J E Hyde & Co Limited. J E Hyde & Co Limited is a fellow subsidiary of Hyde Holdings Limited. At 31 December 2006 the company owed Hyde Holdings Limited group companies net balances of £81,271 (2005: £27,619).

### 15 STATUS

The Company is registered in England and Wales.