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LITTLE LABELS LIMITED  
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2005



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**LITTLE LABELS LIMITED**

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**LITTLE LABELS LIMITED**  
**OFFICERS AND ADVISERS**

<b>DIRECTOR</b>	Mr P F C Renn
<b>SECRETARY</b>	Mrs P J Renn
<b>COMPANY NUMBER</b>	04273230
<b>REGISTERED OFFICE</b>	Snooks Barn Church Lane Farley Hill Berkshire RG7 1UP
<b>BANKERS</b>	Barclays Bank plc 30 Market Square Witney Oxfordshire OX28 6BJ
<b>ACCOUNTANTS</b>	Morgan Harris Accountants 114 High Street Witney Oxfordshire OX28 6HT

## **LITTLE LABELS LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2005**

The director presents his report and the financial statements for the year ended 31 January 2005.

#### **DIRECTORS' RESPONSIBILITIES**

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, 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 a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is the retail supply of children's designer clothes.

#### **DIRECTOR AND HIS INTERESTS**

The director who held office during the year and his beneficial interest in the shares of the company was as follows:

#### **ORDINARY SHARES OF £1 EACH**

	<b>END OF YEAR NO.</b>	<b>START OF YEAR NO.</b>
Mr P F C Renn	2	2

#### **ELECTION TO DISPENSE LAYING ACCOUNTS**

In accordance with s.252, Companies Act 1985, the company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting.

#### **SMALL COMPANY PROVISIONS**

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

Approved by the Board on the 22 June 2006 and signed on its behalf by:



Mrs P J Renn  
Company Secretary

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED FINANCIAL STATEMENTS OF  
LITTLE LABELS LIMITED**

In accordance with the engagement letter dated 3 November 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

You have acknowledged on the balance sheet as at 31 January 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Morgan Harris  
Accountants  
114 High Street  
Witney  
Oxfordshire  
OX28 6HT  
23 June 2006

**LITTLE LABELS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2005**

	NOTE	2005 £	2004 £
Turnover	2	667,144	598,944
Cost of sales		(391,562)	(310,365)
<b>Gross profit</b>		<u>275,582</u>	<u>288,579</u>
Administrative expenses		(369,738)	(310,156)
<b>Operating loss</b>	3	<u>(94,156)</u>	<u>(21,577)</u>
Interest payable and similar charges		(7,945)	(2,461)
<b>Loss on ordinary activities before taxation</b>		<u>(102,101)</u>	<u>(24,038)</u>
Retained loss brought forward		(71,631)	(47,593)
<b>Retained loss carried forward</b>		<u><u>(173,732)</u></u>	<u><u>(71,631)</u></u>

The notes on pages 6 to 9 form an integral part of these financial statements.

**LITTLE LABELS LIMITED**  
**BALANCE SHEET AS AT 31 JANUARY 2005**

		2005		2004	
	NOTE	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		113,235		147,347
<b>Current assets</b>					
Stocks	6	291,261		276,126	
Debtors	7	38,638		36,374	
Cash in hand		<u>6,199</u>		<u>5,307</u>	
		336,098		317,807	
<b>Creditors: Amounts falling due within one year</b>	8	<u>(620,750)</u>		<u>(530,670)</u>	
<b>Net current liabilities</b>			<u>(284,652)</u>		<u>(212,863)</u>
<b>Total assets less current liabilities</b>			(171,417)		(65,516)
<b>Creditors: Amounts falling due after more than one year</b>	9		<u>(2,313)</u>		<u>(6,113)</u>
<b>Net liabilities</b>			<u><u>(173,730)</u></u>		<u><u>(71,629)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		2		2
Profit and loss reserve			<u>(173,732)</u>		<u>(71,631)</u>
<b>Equity shareholders' deficit</b>			<u><u>(173,730)</u></u>		<u><u>(71,629)</u></u>

For the financial year ended 31 January 2005, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985; and no notice has been deposited under section 249B(2) requesting an audit. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the Companies Act 1985, so far as applicable to the company.

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

These accounts were approved by the Director on the 22 June 2006



Mr P F C Renn  
Director

The notes on pages 6 to 9 form an integral part of these financial statements.

## **LITTLE LABELS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2005**

#### **1 ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION**

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

##### **CASH FLOW STATEMENT**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

##### **GOING CONCERN**

The balance sheet shows a deficiency of assets of £173,730. Due to the continued support of the director and creditors, these financial statements have been prepared on a going concern basis.

##### **TURNOVER**

Turnover represents the invoiced value of sales of goods, net of value added tax.

##### **DEPRECIATION**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Short leasehold	20% straight line basis
Motor vehicles	25% reducing balance basis
Office equipment	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

##### **STOCK**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

##### **HIRE PURCHASE AND FINANCE LEASE CONTRACTS**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

##### **OPERATING LEASES**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **2 TURNOVER**

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

**LITTLE LABELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2005**

..... continued

**3 OPERATING LOSS**

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of tangible fixed assets	<u>38,228</u>	<u>35,919</u>

**4 DIRECTOR'S EMOLUMENTS**

The director's emoluments for the year are as follows:

	2005 £	2004 £
Director's emoluments (including benefits in kind)	<u>10,400</u>	<u>10,400</u>

**5 TANGIBLE FIXED ASSETS**

	LEASEHOLD PROPERTY £	FIXTURES AND FITTINGS £	MOTOR VEHICLES £	OFFICE EQUIPMENT £	TOTAL £
<b>COST</b>					
As at 1 February 2004	140,362	33,329	12,376	5,190	191,257
Additions	<u>4,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,116</u>
As at 31 January 2005	<u>144,478</u>	<u>33,329</u>	<u>12,376</u>	<u>5,190</u>	<u>195,373</u>
<b>DEPRECIATION</b>					
As at 1 February 2004	30,894	9,789	1,547	1,681	43,911
Charge for the year	<u>28,758</u>	<u>5,885</u>	<u>2,707</u>	<u>877</u>	<u>38,227</u>
As at 31 January 2005	<u>59,652</u>	<u>15,674</u>	<u>4,254</u>	<u>2,558</u>	<u>82,138</u>
<b>NET BOOK VALUE</b>					
As at 31 January 2005	<u>84,826</u>	<u>17,655</u>	<u>8,122</u>	<u>2,632</u>	<u>113,235</u>
As at 31 January 2004	<u>109,468</u>	<u>23,540</u>	<u>10,829</u>	<u>3,509</u>	<u>147,346</u>

**HIRE PURCHASE AGREEMENTS**

Included within the total net book value of tangible fixed assets is £8,122 (**2004** - £10,830) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £2,707 (**2004** - £1,547).

**LITTLE LABELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2005**

..... continued

**6 STOCKS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Stock	290,274	274,892
Stock of packaging and labels	987	1,234
	<u>291,261</u>	<u>276,126</u>

**7 DEBTORS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Other debtors	17,424	20,625
Prepayments and accrued income	21,214	15,749
	<u>38,638</u>	<u>36,374</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank overdraft	80,048	78,632
Obligations under finance leases and hire purchase contracts	3,799	3,590
Trade creditors	98,268	174,407
Social security and other taxes	7,335	8,462
Other creditors	86	722
Director's current account	420,038	254,008
Accruals and deferred income	11,176	10,849
	<u>620,750</u>	<u>530,670</u>

The director's current account is interest free and there is no fixed date for repayment.

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Obligations under finance leases and hire purchase contracts	<u>2,313</u>	<u>6,113</u>

**LITTLE LABELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2005**

..... continued

**10 SHARE CAPITAL**

	2005 £	2004 £
<b>AUTHORISED</b>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**11 OPERATING LEASE COMMITMENTS**

As at 31 January 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Between two and five years	<u>96,170</u>	<u>90,880</u>
	<u>96,170</u>	<u>90,880</u>

**12 RELATED PARTIES**

**CONTROLLING ENTITY**

The company is controlled by the director Mr P F C Renn who owns 100% of the called up share capital.