Propeller (GB) Limited

Abbreviated accounts

Registered number 04281103

31 May 2012

Contents

KPMG LLP
Quayside House
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Newcastle upon Tyne
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United Kingdom

Independent auditor's report to Propeller (GB) Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Propeller (GB) Limited for the year ended 31 May 2012, prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006 Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a 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, for our work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 *The special auditor's report on abbreviated accounts in the United Kingdom* issued by the Auditing Practices Board In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 (3) of the Companies Act 2006 and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

26 February 2013

Balance Sheet
at 31 May 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	2	104,860	115,179
Tangible assets	3	221,072	249,853
		325,932	365,032
Current assets			
Stocks		1,405,517	1,140,056
Debtors		1,854,647	1,227,038
Cash at bank and in hand		24,788	291,777
		3,284,952	2,658,871
Creditors: amounts falling due within one year	4	(2,785,140)	(1,970,065)
Net current assets		499,812	688,806
Total assets less current liabilities		825,744	1,053,838
Creditors: amounts falling due after more than one year	4	(625,832)	(782,960)
Provisions for liabilities		(55,656)	(62,246)
Net assets		144,256	208,632
Capital and reserves			
Called up share capital	5	4	4
Profit and loss account		144,252	208,628
Shareholders' funds		144,256	208,632

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small company regime.

These abbreviated accounts were approved by the board of directors on 25 February 2013 and were signed on its behalf by.

CE Young
Director

Company registered number: 04281103

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

Going concern

The Company is financed by a combination of retained trading profits, unsecured and secured loans, an invoice discounting facility and equity investment Demand for the company's products and services continues to grow and the company's financial forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available to meet its liabilities as they fall due In December 2012 the parent company, Propeller Holdings Limited, received further equity investment and the Company also received a further working capital facility After making enquiries the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future Accordingly these financial statements have been prepared on a going concern basis

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably

Intangible assets are amortised to nil by equal annual instalments over their useful economic lives of 5 years

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Computer equipment	-	12 5%-25% straight line
Motor vehicles	-	25% reducing balance
Plant and machinery	-	15% reducing balance
Equipment, fixtures & fittings	-	25% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Post-retirement benefits

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Turnover

Turnover from the sale of goods is recognised in the profit and loss account, net of discounts and VAT, when the significant risks and rewards of ownership have transferred to the buyer

Turnover from the provision of services is recognised in the profit and loss account when the service has been complete

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Notes *(continued)*

2 Intangible fixed assets

	Research and Development £
Cost	
At beginning of year	121,283
Additions	11,482
At end of year	132,765
Amortisation and impairment	
At beginning of year	6,104
Charge for year	21,801
At end of year	27,905
Net book value	
At 31 May 2012	**104,860**
At 31 May 2011	115,179

3 Tangible fixed assets

	Total £
Cost	
At beginning of year	420,663
Additions	50,191
At end of year	470,854
Depreciation	
At beginning of year	170,810
Charge for year	78,972
At end of year	249,782
Net book value	
At 31 May 2012	**221,072**
At 31 May 2011	249,853

Notes *(continued)*

4 Creditors: amounts falling due within one year and in more than one year

Creditors include amounts totalling £1,769,946 *(2011 £1,758,780)* which are secured by way of a fixed and floating charge over the company's assets

5 Called up share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
4 *(2011 4)* ordinary shares of £1 each	**4**	4

6 Related party disclosures

Propeller (GB) Limited is a subsidiary of Propeller Holdings Limited, the ultimate parent company, registered in Great Britain

The group headed by Propeller Holdings Limited qualifies as a small group and has taken advantage of the exemption to prepare group financial statements