

Overseas Trading Limited

Registered number 04442532

Abbreviated accounts

For the year ended 31 May 2010

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OVERSEAS TRADING LIMITED

COMPANY INFORMATION

Directors	R B Segal J R Buitekant P R Jennings
Company secretary	J R Buitekant
Company number	04442532
Registered office	Top Floor, Tayson House Methley Road West Yorkshire WF10 1PA WF10 1PA
Auditors	Mazars LLP Chartered Accountants & Registered Auditors Mazars House Gelderd Road Gildersome Leeds LS27 7JN
Bankers	HSBC Bank Plc 33 Park Row Leeds West Yorkshire LS1 1LD

OVERSEAS TRADING LIMITED

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OVERSEAS TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

The directors present their report and the financial statements for the year ended 31 May 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Principal activities

The principal activity of the company is the sourcing and distribution of food and non-food products to the wholesale and retail trade.

Business review

We consider the key performance indicators to include turnover, gross margin and operational costs.

The company was affected by the current downturn and the reduction of trade with one of its' major customers. These factors resulted in reduction of turnover during the year. Costs were directly managed to mitigate the impact of the turnover reduction resulting in an increase in gross margin. We continue to negotiate the most favourable terms with our suppliers. During the year the company performed a detailed review of its' stock holdings. This review resulted in a write off of irrecoverable stock.

Strict credit control procedures have kept bad debts at low levels. Other operational and administrative expenses have remained relatively consistent during the year.

During the year the company implemented a new accounting system. This system will give management greater control over the stock and financial management functions. The new accounting system will give management greater control over the direct costs enabling them to focus their efforts on improving gross margin.

Trading conditions in our industry continue to be challenging with reduced levels of activity across all retail sectors. We continue to provide a first class service to our customers at competitive prices and are ideally placed to take advantage of any increase in retail activity.

OVERSEAS TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

We have prepared detailed budgets and cash flow projections which we regularly update in the light of the current economic climate. On the basis of these projections we believe that the company can continue to operate within its existing banking facilities and therefore we deem it appropriate that the financial statements should be prepared on a going concern basis.

We will continue to monitor the performance of the company against detailed forecast and industry performance on a regular basis.

Financial instruments and principal risks

The company's principal financial instruments comprise bank balances, bank loans and overdrafts and foreign exchange contracts. The main purpose of these instruments is to raise funds for and finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances, bank loans and overdrafts the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of available funds and funding at the best possible rates of interest.

The company protects itself from adverse foreign exchange currency fluctuations by entering into the appropriate level of forward exchange contracts. This policy enables the company to protect its gross margin in the short term.

Results and dividends

The loss for the year, after taxation, amounted to £87,044 (2009 - loss £82,372).

The directors do not recommend the payment of a dividend for the year ended 31 May 2010.

Directors

The directors who served during the year were

R B Segal
J R Burtekant
P R Jennings (appointed 21 May 2010)

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

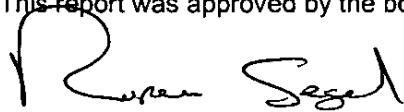
OVERSEAS TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 25TH February 2011 and signed on its behalf



R B Segal
Director

OVERSEAS TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO OVERSEAS TRADING LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the abbreviated Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and related notes, together with the financial statements of Overseas Trading Limited for the year ended 31 May 2010 prepared under section 396 of the Companies Act 2006

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 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. This report, including our opinion, has been prepared for and only for the company's members, as a body. 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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Mazars LLP

Mazars LLP, Chartered Accountants (Registered Auditors)

Ian Wrightson (Senior Statutory Auditor)

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date *25 February 2011*

OVERSEAS TRADING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2010

	Note	2010 £	2009 £
Turnover	1	11,507,641	16,332,660
Gross profit		1,725,459	1,984,966
Administrative expenses		(1,763,419)	(1,891,158)
Operating (loss)/profit	2	(37,960)	93,808
Interest receivable and similar income		-	2,656
Interest payable and similar charges	5	(91,192)	(212,832)
Loss on ordinary activities before taxation		(129,152)	(116,368)
Tax on loss on ordinary activities	6	42,108	33,996
Loss for the financial year	14	(87,044)	(82,372)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

OVERSEAS TRADING LIMITED

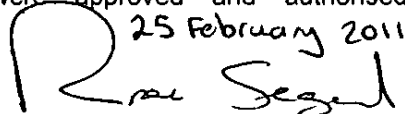
Registered number 04442532

ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	7		156,500		50,580
Current assets					
Stocks	8	2,131,166		2,472,691	
Debtors	9	1,988,346		3,236,903	
Cash at bank and in hand		194,510		1,102,633	
		<u>4,314,022</u>		<u>6,812,227</u>	
Creditors , amounts falling due within one year	10	<u>(3,793,457)</u>		<u>(6,125,669)</u>	
Net current assets			520,565		686,558
Total assets less current liabilities			<u>677,065</u>		<u>737,138</u>
Creditors : amounts falling due after more than one year	11		<u>(378,177)</u>		<u>(351,206)</u>
Net assets			<u>298,888</u>		<u>385,932</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		<u>298,788</u>		<u>385,832</u>
Shareholders' funds	15		<u>298,888</u>		<u>385,932</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of the Companies Act relating to medium companies, as required by section 445(3) of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on

25 February 2011


R B Segal
Director

The notes on pages 8 to 17 form part of these financial statements

OVERSEAS TRADING LIMITED

ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2010

	Note	2010 £	2009 £
Net cash flow from operating activities	16	1,417,014	(860,092)
Returns on investments and servicing of finance	17	(91,192)	(210,176)
Taxation		(82,368)	-
Capital expenditure and financial investment	17	(66,693)	-
Cash inflow/(outflow) before financing		1,176,761	(1,070,268)
Financing	17	(638,069)	(266,673)
Increase/(Decrease) in cash in the year		538,692	(1,336,941)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE YEAR ENDED 31 MAY 2010

	2010 £	2009 £
Increase/(Decrease) in cash in the year	538,692	(1,336,941)
Cash outflow from decrease in debt and lease financing	638,069	266,673
Change in net debt resulting from cash flows	1,176,761	(1,070,268)
New finance lease	(57,744)	-
Other non-cash changes	-	210,621
Movement in net debt in the year	1,119,017	(859,647)
Net debt at 1 June 2009	(4,154,438)	(3,294,791)
Net debt at 31 May 2010	(3,035,421)	(4,154,438)

The notes on pages 8 to 17 form part of these financial statements

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

1. Accounting Policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% reducing balance
Furniture, fittings & equipment	-	25% reducing balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

1. Accounting Policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2 Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	13,055	16,465
- held under finance leases	1,132	395
Auditors' remuneration	12,000	12,000
Operating lease rentals		
- other operating leases	18,482	30,046
Difference on foreign exchange	7,001	(108,790)
Profit/loss on sale of tangible assets	4,330	-

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

3. Staff costs

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	734,994	810,884
Social security costs	81,288	103,415
	<u>816,282</u>	<u>914,299</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010	2009
Directors	2	2
Sales	4	5
Office	15	17
	<u>21</u>	<u>24</u>

4. Directors' remuneration

	2010 £	2009 £
Emoluments	<u>178,770</u>	<u>177,297</u>

5. Interest payable

	2010 £	2009 £
On bank loans and overdrafts	51,168	117,309
On finance leases and hire purchase contracts	2,186	634
Other interest payable	37,838	94,889
	<u>91,192</u>	<u>212,832</u>

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

6 Taxation

	2010 £	2009 £
Analysis of tax credit in the year		
Current tax (see note below)		
Adjustments in respect of prior periods	(10,083)	(33,996)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	14,678	-
Tax losses carried forward	(46,703)	-
	<u> </u>	<u> </u>
Total deferred tax (see note 12)	(32,025)	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	(42,108)	(33,996)
	<u> </u>	<u> </u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 21% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	(129,152)	(116,368)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(36,163)	(24,437)

Effects of.

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,398	1,624
Depreciation for year in excess of capital allowances	(21,679)	706
Tax losses utilised	31,361	22,107
Adjustments to tax charge in respect of prior periods	-	(33,996)
	<u> </u>	<u> </u>
Current tax credit for the year (see note above)	(10,083)	(33,996)
	<u> </u>	<u> </u>

Factors that may affect future tax charges

The company has tax losses of £186,834 (2009 - £nil) which are available for set off against future taxable income A deferred tax asset has been recognised relating to these tax losses

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

7. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 June 2009	62,352	53,360	115,712
Additions	40,457	91,680	132,137
Disposals	(37,402)	-	(37,402)
At 31 May 2010	65,407	145,040	210,447
Depreciation			
At 1 June 2009	39,610	25,522	65,132
Charge for the year	7,101	7,086	14,187
On disposals	(25,372)	-	(25,372)
At 31 May 2010	21,339	32,608	53,947
Net book value			
At 31 May 2010	44,068	112,432	156,500
At 31 May 2009	22,742	27,838	50,580

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Motor vehicles	26,032	-
Furniture, fittings and equipment	30,580	1,186
	56,612	1,186

8. Stocks

	2010 £	2009 £
Finished goods	2,131,166	2,472,691

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

9. Debtors

	2010 £	2009 £
Trade debtors	1,634,013	2,571,563
Amounts owed to related parties	146,324	450,733
Other debtors	137,595	-
Prepayments and accrued income	38,389	214,607
Deferred tax asset (see note 12)	32,025	-
	<u>1,988,346</u>	<u>3,236,903</u>

10. Creditors: Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdraft	2,209,362	3,414,758
Net obligations under finance leases and hire purchase contracts	17,493	661
Trade creditors	282,462	357,108
Corporation tax	-	52,720
Social security and other taxes	26,209	141,655
Other creditors	976,105	1,841,652
Accruals	281,826	317,115
	<u>3,793,457</u>	<u>6,125,669</u>

The bank loans and overdraft are secured by a fixed and floating charge over all the assets of the business and a charge over contract monies

Included under other creditors is £976,105 (2009 - £1,841,652) relating to the invoice financing facility on which security is held. The security is a charge over the company's trade debtors

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

11. Creditors: Amounts falling due after more than one year

	2010 £	2009 £
Net obligations under finance leases and hire purchase contracts	26,971	-
Directors' loan account	351,206	351,206
	<u>378,177</u>	<u>351,206</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2010 £	2009 £
Between one and five years	<u>26,971</u>	<u>-</u>

12. Deferred taxation

	2010 £	2009 £
At beginning of year	-	-
Released during year	32,025	-
At end of year	<u>32,025</u>	<u>-</u>

The deferred taxation balance is made up as follows

	2010 £	2009 £
Accelerated capital allowances	(20,114)	-
Tax losses carried forward	52,139	-
	<u>32,025</u>	<u>-</u>

13. Share capital

	2010 £	2009 £
Authorised, allotted, called up and fully paid		
50 Ordinary 'A' shares shares of £1 each	50	50
50 Ordinary 'B' shares shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Ordinary 'A' shares and Ordinary 'B' shares hold the same voting rights and rank pari passu

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

14. Reserves

	Profit and loss account £
At 1 June 2009	385,832
Loss for the year	(87,044)
	<u>298,788</u>
At 31 May 2010	<u>298,788</u>

15 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' funds	385,932	468,304
Loss for the year	(87,044)	(82,372)
	<u>298,888</u>	<u>385,932</u>
Closing shareholders' funds	<u>298,888</u>	<u>385,932</u>

16. Net cash flow from operating activities

	2010 £	2009 £
Operating (loss)/profit	(37,960)	93,808
Depreciation of tangible fixed assets	14,187	16,860
Profit on disposal of tangible fixed assets	4,330	-
Decrease in stocks	341,525	281,603
Decrease/(increase) in debtors	1,320,313	(532,103)
Decrease in creditors	(225,381)	(720,260)
	<u>1,417,014</u>	<u>(860,092)</u>
Net cash inflow/(outflow) from operating activities	<u>1,417,014</u>	<u>(860,092)</u>

17 Analysis of cash flows for headings netted in cash flow statement

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	-	2,656
Interest paid	(89,006)	(212,198)
Hire purchase interest	(2,186)	(634)
	<u>(91,192)</u>	<u>(210,176)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(91,192)</u>	<u>(210,176)</u>

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

17. Analysis of cash flows for headings netted in cash flow statement (continued)

	2010 £	2009 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(74,393)	-
Sale of tangible fixed assets	7,700	-
Net cash outflow from capital expenditure	<u>(66,693)</u>	<u>-</u>
	2010 £	2009 £
Financing		
New secured loans	-	25,000
Repayment of loans	(624,128)	(499,132)
Repayment of finance leases	(13,941)	(3,161)
Loans from directors	-	210,620
Net cash outflow from financing	<u>(638,069)</u>	<u>(266,673)</u>

18. Analysis of changes in net debt

	1 June 2009 £	Cash flow £	Other non-cash changes £	31 May 2010 £
Cash at bank and in hand	1,102,633	(908,123)	-	194,510
Bank overdraft	(2,790,630)	581,268	-	(2,209,362)
Proceeds of factored debts	(1,841,652)	865,547	-	(976,105)
	<u>(3,529,649)</u>	<u>538,692</u>	<u>-</u>	<u>(2,990,957)</u>
Debt.				
Finance leases	(661)	13,941	(57,744)	(44,464)
Debts due within one year	(624,128)	624,128	-	-
Net debt	<u>(4,154,438)</u>	<u>1,176,761</u>	<u>(57,744)</u>	<u>(3,035,421)</u>

OVERSEAS TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2010

19 Operating lease commitments

At 31 May 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010 £	2009 £
Expiry date.		
Within 1 year	-	2,740
Between 2 and 5 years	9,906	8,220
	<u>9,906</u>	<u>8,220</u>

Other financial commitments

At 31 May 2010 the company entered into the following foreign exchange forward contracts amounting to £4,161,174 to purchase United States Dollars on the following dates

	\$
30 September 2010	2,000,000
16 December 2010	2,000,000
31 May 2011	2,500,000

20 Controlling party

The ultimate controlling parties are the directors of the company