

Bluwstuff Limited

Directors' report and consolidated  
financial statements

Registered number 04549651

31 December 2011

THURSDAY



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## Directors' report

The directors present their annual report and the financial statements of the company and the group for the year ended 31 December 2011

### Principal activity

The principal activity of the group in the year under review was that of design, development, distribution and sales of gift and toy products

### Business review

The results for the year are set out on page 3

The year ended 31 December 2011 was a difficult year for the Group. The economic slow-down meant that sales fell and retailers shifted their business fulfilment from FOB to Domestic, which generated additional costs for the business.

We took prior year charges to the value of £345,263 in the 2011 accounts. The impact of taking those charges out is shown below

		Before Adjustments	Prior Year Adjustments	After Adjustments
	Note	2011 £	2011 £	2011 £
<b>Turnover</b>		4,658,242	(28,408)	4,629,834
Cost of sales		(3,336,181)	(169,544)	(3,505,725)
		<u>1,322,061</u>	<u>(197,952)</u>	<u>1,124,109</u>
<b>Gross profit</b>		1,322,061	(197,952)	1,124,109
Administrative expenses		(2,206,943)	(147,312)	(2,354,255)
		<u>(884,882)</u>	<u>(345,263)</u>	<u>(1,230,146)</u>
<b>Operating loss</b>		(884,882)	(345,263)	(1,230,146)
Interest receivable and similar income		0		0
Interest payable and similar charges	6	(363,047)		(363,047)
		<u>(1,247,930)</u>	<u>(345,263)</u>	<u>(1,593,194)</u>
<b>Loss on ordinary activities before taxation</b>	3	(1,247,930)	(345,263)	(1,593,194)
Tax charge on loss on ordinary activities	5	-	-	-
		<u>(1,247,930)</u>	<u>(345,263)</u>	<u>(1,593,194)</u>
<b>Loss for the financial year after taxation</b>		<u>(1,247,930)</u>	<u>(345,263)</u>	<u>(1,593,194)</u>

During the year the business appointed a new chairman who has been instrumental in providing new direction to focus on large customers and large opportunities going forward to grow the Revenue number. At the same time the group has embarked on an aggressive cost reduction exercise to reduce its break-even position without affecting the overall business performance. This has now been fully executed reducing the annual overhead from £2.2m to £1.2m.

Early in 2012 agreement was made with the shareholders to restructure the balance sheet, converting debt to equity and securing working capital funding from the shareholder base.

The group continues to produce innovative products for the market and is confident its ability to do so will make recovery from the 2011 results achievable. The company has continued to increase presence in the lucrative toy and licensed products market as it sets out to lessen reliance on the Christmas gift market and spread sales smoothly over the calendar year.

### Directors

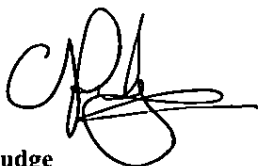
The directors who held office during the period were as follows

C Rudge  
I Harkin (resigned 31/01/2011)  
M Aldridge  
B Turner

**Going concern**

The financial statements have been prepared on a going concern basis for the reasons explained in the Basis of Preparation on page 8

By order of the board



**C Rudge**  
*Director*

Bluwstuff Limited  
4th Floor  
220 Queenstown Road  
London  
SW8 4LP

Date 28/9/12

## Consolidated profit and loss account

for the year to 31 December 2011

	Note	Continuing operations 2011 £	Continuing operations 2010 £	Discontinued operations 2010 £	Total 2010 £
<b>Turnover</b>		<b>4,629,834</b>	5,266,428	3,357	5,269,785
Cost of sales		(3,505,725)	(3,558,192)	(11,589)	(3,569,781)
<b>Gross profit</b>		<b>1,124,109</b>	1,708,236	(8,232)	1,700,004
Administrative expenses		(2,354,255)	(1,822,149)	(99,063)	(1,921,212)
<b>Operating loss</b>		<b>(1,230,146)</b>	(113,913)	(107,295)	(221,208)
Interest receivable and similar income		0	9,785	-	9,785
Interest payable and similar charges	6	(363,047)	(223,318)	-	(223,318)
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,593,194)</b>	(327,446)	(107,295)	(434,741)
Tax charge on loss on ordinary activities	5	-	-	-	-
<b>Loss for the financial year after taxation</b>		<b>(1,593,194)</b>	(327,446)	(107,295)	(434,741)

## Consolidated balance sheet

at 31 December 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Intangible assets	7	196,090	278,810
Tangible assets	8	166,345	141,575
Investment	9	150	150
		<hr/>	<hr/>
Total fixed assets		362,585	420,535
<b>Current assets</b>			
Stocks		477,081	495,368
Debtors	10	1,254,935	937,864
Cash at bank and in hand		80,202	58,502
		<hr/>	<hr/>
Total current assets		1,812,218	1,491,734
<b>Creditors</b> amounts falling due within one year	11	(3,440,059)	(1,655,238)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		(1,627,841)	(163,504)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		(1,265,256)	257,031
<b>Creditors</b> amounts falling due after more than one year	12	(2,712,566)	(2,631,081)
<b>Provisions for liabilities</b>			-
		<hr/>	<hr/>
<b>Net liabilities</b>		(3,977,822)	(2,374,050)
		<hr/>	<hr/>
<b>Share capital and reserves</b>			
Called up share capital	14	47,624	47,624
Profit and loss account	15	(4,025,446)	(2,421,674)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>		(3,977,822)	(2,374,050)
		<hr/>	<hr/>

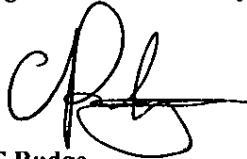
The directors are satisfied that the group is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the group keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the group as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small groups under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 28/9/12 and are signed on their behalf by



**C Rudge**  
*Director*

Registered number 04549651

## Company balance sheet

at 31 December 2011

	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Intangible assets	7		-		-
Tangible assets	8		9,568		15,682
Investment	9		202		202
			<hr/>		<hr/>
Total fixed assets			9,770		15,884
<b>Current assets</b>					
Debtors	10	1,098,929		1,738,528	
Cash at bank and in hand		34,680		8,198	
		<hr/>		<hr/>	
Total current assets		1,133,609		1,746,726	
<b>Creditors: amounts falling due within one year</b>	11	(1,803,042)		(1,089,142)	
		<hr/>		<hr/>	
<b>Net current assets</b>			(669,433)		657,584
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			(659,663)		673,468
			<hr/>		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	12		(2,616,139)		(2,484,455)
			<hr/>		<hr/>
<b>Net liabilities</b>			(3,275,802)		(1,810,987)
			<hr/>		<hr/>
<b>Share capital and reserves</b>					
Called up share capital	14		47,624		47,624
Profit and loss account	15		(3,323,426)		(1,858,611)
			<hr/>		<hr/>
<b>Shareholders' deficit</b>			(3,275,802)		(1,810,987)
			<hr/>		<hr/>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The directors acknowledge their responsibilities for

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These financial statements were approved by the directors and authorised for issue on 28/9/12 and are signed on their behalf by

C Rudge  
Director





**Consolidated Statement of Total Recognised Gains and Losses**  
*for the year ended 31 December 2011*

	2011 £	2010 £
<b>Loss for the financial year</b>		
Group	(1,593,194)	(434,741)
Foreign currency translation differences	(10,578)	48,824
<b>Total recognised gains and losses relating to the financial year</b>	<u>(1,603,772)</u>	<u>(358,917)</u>

## 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 s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings as at 31 December 2011. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

#### ***Going Concern***

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £1,627,841 (company net current liabilities of £669,433) and net liabilities of £3,977,822 (company £3,275,802) which the directors believe to be appropriate for the reasons set out below. The group and the company rely on their working capital on an invoice discounting arrangement and the ongoing availability of funds from shareholder investors of the group by way of secured and unsecured loan notes and preference shares.

The directors have carried out an assessment of the group's and the company's ability to continue as a going concern.

In carrying out that assessment, the directors have prepared financial forecasts including cash-flow forecasts up until December 2013 and have considered borrowing requirements, contingent liabilities, their products and markets and the wider economy. This process includes the consideration of future events which are inherently uncertain.

In 2012 agreement was reached with the shareholder group to convert historical debt into equity. At the same time they agreed a working capital facility which the group has successfully utilised during 2012. It is forecast that the group will make a small profit for 2012.

As such the directors believe that the business has been turned around from the losses made in 2011 and has funding to allow it to trade as a going concern.

## Notes (continued)

### *Cash flow statement*

Under FRS 1 the Company and the Group are exempt from the requirement to prepare a cash flow statement on the grounds of their size

### *Turnover*

The turnover shown in the profit and loss account represents the total amount earned by the company for goods supplied and services provided, excluding VAT

### *Goodwill*

Goodwill represents the excess of the purchase price over the fair value of the net assets of the business acquired and is amortised over its expected useful life of five years

### *Investments*

Investments in subsidiary undertakings, associates and joint ventures are stated at cost

### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows

Improvement to property	-	Straight line over the life of the lease
Fixtures and fittings	-	33% on cost
Website	-	50% on cost
Computer equipment	-	33% on cost
Tools and equipment	-	33% on cost

### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

### *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### *Operating lease agreements*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

## 2 Turnover

Included in the group's turnover of £4,629,834 is £440,623 derived from Europe (excluding UK) and £1,605,737 derived from the rest of the world. The balance of £2,583,474 is derived from the UK.

## Notes (continued)

### 3 Loss on ordinary activities before taxation

	2011 £	2010 £
<i>Loss on ordinary activities before taxation is stated after charging.</i>		
Depreciation - owned assets	100,861	82,666
Amortisation of intangible fixed assets	82,720	95,540
Directors' emoluments and other benefits	161,000	55,867
Operating lease costs - land and buildings	131,157	86,867
Fees payable to the auditor in respect of - audit fees	-	22,500
- taxation services	-	3,000
	<u>          </u>	<u>          </u>

### 4 Staff numbers and costs

The average number of persons employed by the Group (including the Directors) during the year, analysed by category, was as follows

Number of employees	2011	2010
Sales	7	10
Administration	18	22
	<u>          </u>	<u>          </u>
	25	32
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	880,190	852,277
Social security costs	78,625	82,210
	<u>          </u>	<u>          </u>
	958,815	934,487
	<u>          </u>	<u>          </u>

The average number of persons employed by the Company (including the Directors) during the year, analysed by category, was as follows

Number of employees	2011	2010
Sales	4	3
Administration	8	14
	<u>          </u>	<u>          </u>
	12	17
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	584,280	551,471
Social security costs	60,413	57,447
	<u>          </u>	<u>          </u>
	644,693	608,918
	<u>          </u>	<u>          </u>

## Notes (continued)

### 5 Taxation

#### Analysis of tax charge

##### Analysis of charge in period

	2011 £	2010 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
<i>Foreign tax</i>		
Foreign corporation tax	-	-
Adjustment in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Reversal of timing differences	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

##### Factors affecting the tax charge for the current period

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(1,593,194)	(434,741)
	<hr/>	<hr/>
Current tax at 26.5% (2010: 28%)	(422,196)	(121,727)
<i>Effects of</i>		
Amounts not deductible for tax purposes	654	(15,802)
Capital allowances for period in excess of/(less than) depreciation	(2,051)	(323)
Tax losses carried forward	426,034	142,333
Lower tax rates on overseas earnings	(2,441)	(4,481)
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

At 31 December 2011 the company had tax losses carried forward of approximately £3.0m (2010: £1.7m) on which deferred tax assets have not been recognised due to the uncertainty of the timing of their potential use.

## Notes (continued)

### 6 Interest payable and similar charges

	2011 £	2010 £
Interest paid on preference shares	-	-
On all other loans	554,324	223,318
Net exchange losses	-	-
	<u>554,324</u>	<u>223,218</u>

### 7 Intangible fixed assets

Company and Group	Group Goodwill £	Company Goodwill £
<i>Cost</i>		
At beginning of year	469,890	-
Exchange rate movement	-	-
Disposal	-	-
	<u>469,890</u>	<u>-</u>
<b>At end of year</b>	<u>469,890</u>	<u>-</u>
<i>Amortisation</i>		
At beginning and end of year	191,080	-
Charge for the year	82,720	-
Disposal	-	-
	<u>273,800</u>	<u>-</u>
<b>At end of year</b>	<u>273,800</u>	<u>-</u>
<i>Net book value</i>		
<b>At 31 December 2011</b>	<u>196,090</u>	<u>-</u>
At 31 December 2010	<u>278,810</u>	<u>-</u>

## Notes (continued)

### 8 Tangible fixed assets

Group	Improvements to property £	Fixtures and fittings £	Website £	Computer equipment £	Tools and equipment £	Total £
<b>Cost</b>						
At beginning of year	18,880	38,922	44,390	104,606	172,967	379,765
Additions	-	697	-	5,998	120,043	126,738
Exchange rate movements	46	1,354	-	5,764	426	7,590
Disposal	-	-	-	-	-	-
<b>At end of year</b>	<b>18,926</b>	<b>40,973</b>	<b>44,390</b>	<b>116,368</b>	<b>293,436</b>	<b>513,093</b>
<b>Depreciation</b>						
At beginning of year	7,493	29,034	43,595	89,116	68,952	238,190
Charge for the year	5,708	7,797	795	7,941	78,620	100,861
Exchange rate movements	17	1,388	-	7,124	168	8,697
Disposal	-	-	-	-	-	-
<b>At end of year</b>	<b>13,218</b>	<b>38,219</b>	<b>44,390</b>	<b>104,181</b>	<b>147,740</b>	<b>347,748</b>
<b>Net book value</b>						
At 31 December 2011	<b>5,708</b>	<b>2,754</b>	<b>-</b>	<b>12,187</b>	<b>145,696</b>	<b>166,345</b>
At 31 December 2010	11,387	9,888	795	15,490	104,015	141,575

Tangible Fixed assets Company	Fixtures and fittings £	Website £	Computer equipment £	Total £
<b>Cost</b>				
At beginning of year	8,008	44,390	64,125	116,523
Additions	272	-	2,313	2,585
<b>At end of year</b>	<b>8,280</b>	<b>44,390</b>	<b>66,438</b>	<b>119,108</b>
<b>Depreciation</b>				
At beginning of year	5,847	43,595	51,399	100,841
Charge for year	1,601	795	6,303	8,699
<b>At end of year</b>	<b>7,448</b>	<b>44,390</b>	<b>57,702</b>	<b>109,540</b>
<b>Net book value</b>				
At 31 December 2011	<b>832</b>	<b>-</b>	<b>8,735</b>	<b>9,568</b>
At 31 December 2010	2,161	795	12,726	15,682

## Notes (continued)

### 9 Fixed asset investment

#### Group

	Other investment £
<i>Cost and net book value</i>	
At beginning of year	150
Additions	-
	<hr/>
<b>At end of the year</b>	<b>150</b>
	<hr/>

#### Company

	Other investment £	Shares in group undertakings £	Total £
<i>Cost and net book value</i>			
At beginning of year	150	52	202
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At the end of the year</b>	<b>150</b>	<b>52</b>	<b>202</b>
	<hr/>	<hr/>	<hr/>

The other investment relates to a 15% shareholding in Challenge Limited

	Country of Incorporation	Principal activity	Class and Percentage of shares Held
<i>Subsidiary undertakings</i>			
Bluw (Hong Kong) Limited	China	Trading of innovative novelty gift products	Ordinary 100%
Bluw Inc	USA	Trading of innovative novelty gift products	Ordinary 100%
Bluw Limited	United Kingdom	Trading of innovative novelty gift products	Ordinary 100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial years were as follows

	31 December 2011 Capital and Reserves £	31 December 2011 Profit/ (loss) for the year £
Bluw (Hong Kong) Limited	186,898	9,212
Bluw Inc	(1,012,912)	(298,518)
Bluw Limited	124,988	151,365
	<hr/>	<hr/>



## Notes (continued)

### 10 Debtors amounts falling due within one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Trade debtors	962,334	767,374	-	13,800
Amounts owed by group undertakings	-	-	962,071	1,684,436
Other debtors	292,601	170,490	136,858	40,292
	<u>1,254,935</u>	<u>937,864</u>	<u>1,098,929</u>	<u>1,738,528</u>

### 11 Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Bank loans	50,561	47,369	-	-
Short term investor finance	800,000	-	800,000	-
Invoice discounting	679,427	479,046	-	-
Trade creditors	1,349,198	632,011	333,124	247,069
Taxation and social security	55,239	158,844	456	108,144
Amounts owed to group undertakings	-	-	315,947	472,753
Other creditors	245,376	233,089	190,370	232,202
Accruals and deferred income	260,258	104,979	163,145	28,794
	<u>3,440,059</u>	<u>1,655,238</u>	<u>1,803,042</u>	<u>1,089,142</u>

The bank loan is guaranteed by a related party (see note 16)

The invoice discounting facilities are secured by the trade debtors of the group

## Notes (continued)

### 12 Creditors: amounts falling due after more than one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Bank loans	96,426	146,626	-	-
Term loans	1,052,065	1,052,065	1,052,065	1,052,065
Trade finance loans	680,497	730,497	680,497	730,497
Ancillary loans	120,032	96,082	120,032	96,032
Loan notes	35,000	-	35,000	-
Preference shares	412,548	412,548	412,548	412,548
Zero coupon secondary preference shares	315,998	193,313	315,998	193,313
Total	<u>2,712,566</u>	<u>2,631,081</u>	<u>2,616,140</u>	<u>2,484,455</u>

The bank loan is guaranteed by a related party (see note 16)

The company has 412,548 redeemable preference shares of £1 each. These are redeemable at par on 31 December 2012. They rank higher than any other class of share in the event of a return of capital or a liquidation. Subject to the availability of distributable reserves, dividends of 5% per annum are payable on 31 December each year. No dividends have been paid to date.

During the year £122,685 of Zero Coupon Secondary Preference Shares were issued in lieu of interest accruing on amounts owed to related parties (see note 16).

### 13 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
<i>Expiring</i>				
In less than one year	60,582	86,867	-	31,594
Between two and five years	27,500	-	27,500	-
Total	<u>88,082</u>	<u>86,687</u>	<u>27,500</u>	<u>31,594</u>

### 14 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
47,624 ordinary shares of £1 each (2010: 47,624 of £1 each)	<u>47,624</u>	<u>47,624</u>

**Notes** *(continued)*

**15 Reserves**

<b>Group</b>	<b>Profit and loss account £</b>
At beginning of year	(2,421,674)
Exchange rate movements	(10,578)
Loss for the year	(1,593,194)
	<hr/>
At end of year	<b>4,025,446</b>
	<hr/>
<b>Company</b>	<b>Profit and loss account £</b>
At beginning of year	(1,858,611)
Loss for the year	(1,464,815)
	<hr/>
At end of year	<b>3,323,426</b>
	<hr/>

## Notes (continued)

### 16 Related party disclosures

In accordance with the exemption allowed by Financial Reporting Standard 8, "Related Party Disclosures", transactions with other wholly owned undertakings within the Bluwstuff Group have not been disclosed in these financial statements

Included in creditors falling due within one year and falling due after more than one year are the following amounts due to related parties

	2011 £	2010 £
<b><u>Falling due within one year</u></b>		
Other loans	324,683	232,173
Short term loans	800,000	-
	<hr/>	<hr/>
Total	1,124,683	232,173
	<hr/>	<hr/>
<b><u>Falling due after more than one year</u></b>		
Term loans	1,052,065	1,052,065
Trade finance loans	680,497	730,497
Ancillary loans	120,032	96,032
Other loans	35,000	-
Preference shares	412,548	412,548
Zero coupon secondary preference shares	315,998	193,313
	<hr/>	<hr/>
Total	2,616,140	2,484,455
	<hr/>	<hr/>
Total	3,740,823	2,716,628
	<hr/>	<hr/>

The above amounts are due to the following related parties

	2011 £	2010 £
Carlos Investment S A	1,665,315	1,440,344
Brit Investments S A	515,735	427,991
Spencer Holdings	230,244	220,234
A Rudge	49,487	47,336
C Rudge	47,550	44,350
I Harkin	50,050	14,350
R Aldridge	614,829	434,473
MAldridge	83,300	87,550
G Aldridge	134,313	-
Parkdale Holdings Limited	275,000	-
Eldon Holdings Limited	75,000	-
	<hr/>	<hr/>
	3,740,823	2,716,628
	<hr/>	<hr/>

**Notes** *(continued)*

The Trade Finance Loans are subject to interest charged at 10% per annum

The Term Loans is subject to interest charged at 5% per annum

Of the Ancillary Loans £95,032 is subject to interest charged at 5% and £25,000 is subject to interest charged at 10% per annum

Included in creditors is a bank loan in the sum £146,987 (2010 £193,995) which originates in one of the company's subsidiary companies, Bluw Hong Kong Limited. This loan has been secured by a personal guarantee from C Rudge, a director of the company.

**17 Post balance sheet events**

Since the end of the year the group has obtained additional trade finance from Carlos Investments SA in the sum of £400,000 secured as a debenture on company stock and assets.

**18 Ultimate controlling party**

In the opinion of the directors there is no ultimate controlling party.