Expert Imaging Limited

Director's report and financial statements

Registered number 4625136

For the year ended 31 December 2010

Contents

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 2010

Principal activities and business review

The company has not traded during the year

Dividends

The director does not recommend the payment of a dividend *(2009 £Nil)*

Political and charitable donations

The company made no donations in the year *(2009 £Nil)*

Directors

The directors who held office during the year were as follows

WP Rollason	(resigned 28 May 2010)
D Cashman	(appointed 26 May 2010, resigned 30 October 2010)
A Hannan	(appointed 25 October 2010)

Disclosure of information to auditors

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

A Hannan
Director

Jessop House
Scudamore Road
Leicester
LE3 1TZ

2 September 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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

KPMG

Independent auditor's report to the members of Expert Imaging Limited

We have audited the financial statements ('the financial statements') of Expert Imaging Limited for the year ended 31 December 2010 set out on pages 4 to 10 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Wayne Cox

Wayne Cox *(Senior Statutory Auditor)* 2 September 2011

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Profit and loss account
for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £000	Period ended 31 December 2009 £000
Turnover	1	-	227
Cost of sales		-	164
Gross profit		-	391
Distribution expenses		-	(135)
Profit on ordinary activities before taxation	2	-	256
Taxation	3	-	13
Profit for the financial year	8	-	269

The company has not traded during the year

The company had no recognised gains or losses other than the result for the year

Balance sheet
at 31 December 2010

	Note	2010 £000	£000	2009 £000	£000
Fixed assets					
Tangible assets	4		-		36
Current assets					
Debtors	5	2,731		2,661	
Cash		12		14	
		2,743		2,675	
Creditors amounts falling due within one year	6	(32)		-	
Net current assets			2,711		2,675
Net assets			2,711		2,711
Capital and reserves					
Called up share capital	7		-		-
Profit and loss account	8		2,711		2,711
Shareholder's funds	9		2,711		2,711

These financial statements were approved by the director on 2 September 2011

A Hannan
Director

Company registered number 4625136

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 under UK Generally Accepted Accounting Practice, in accordance with applicable accounting standards and under the historical cost accounting rules These financial statements are consolidated

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare Group accounts These financial statements therefore present information about the company as an individual undertaking and not about its Group The Company's results are included in the consolidated accounts of Snap Equity Limited, the ultimate parent company

The Company is exempt from the requirement of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary and its cash flows are included within the consolidated cash flow statement of Snap Equity Limited

As the Company is a wholly owned subsidiary of Snap Equity Limited and 100% of the Company's voting rights are controlled within the Group headed by the ultimate parent company, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties)

Going concern

The company and the Group meet their day to day working capital and medium term funding requirements through banking facilities

At the year end the bank facilities included an uncommitted overdraft, available on a seasonal basis which varied between £5million and £18million In addition the Group had a committed loan facility of £20million and £2 625million of loan notes After the year end, the group restructured the bank facilities to include an uncommitted overdraft, available on a seasonal basis which varies between £2million and £10million and a committed loan facility of £28million

The previous and current committed facilities contain certain financial covenants The covenants are tested quarterly and are based around gearing, interest cover, fixed charge cover and debt service The failure of a covenant test renders the entire facilities repayable on demand at the option of the lender As at 2 January 2011 the group was technically in breach of banking covenants although this breach was formally waived and revised facilities and covenants are now in place

The current economic conditions create uncertainty around the level of demand for the group's products However, the Group has opportunities to optimise trading both in store and online and has long-term relationships with many of its key suppliers As a consequence, the directors believe the group is well placed to manage its business risks successfully despite the uncertain economic outlook

The Directors have prepared trading and cash flow forecasts and projections for a period in excess of 1 year from the date of the approval of these financial statements The forecasts prepared make assumptions in respect of future trading conditions which the Directors consider to be reasonable based on the information that is available to them at the time of the approval of these financial statements These forecasts have also been sensitivity-tested for reasonable possible adverse variations in trading performance

The uncommitted overdraft facility currently in place expires in November 2011 However in discussions with the Directors, the Lenders have indicated that subject to the borrowing requirements of the Group being in line with their expectations, which are consistent with the Directors' forecasts, it is their current intention to make facilities available at a level adequate to meet the funding requirements at and beyond the formal facilities renewal date in November 2011 This statement by the lenders is without prejudice to their position, is a statement of their current intention only and does not amount to a binding commitment

Notes *(continued)*

1 Accounting policies *(continued)*

Going concern (continued)

Having considered the statements made by the Lenders and all of the other relevant information available to them at the time of the approval of these financial statements, the Directors have a reasonable expectation that the Company and the Group have and will continue to have adequate resources to continue in operational existence for the immediately foreseeable future The financial statements are therefore prepared on a Going Concern basis as appropriate

Fixed assets and depreciation

Depreciation is provided to write off the cost over the estimated useful lives of tangible fixed assets as follows

Fixtures and equipment (including office equipment) - straight line basis over 10 years

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers

2 Operating profit

	2010	2009
	£000	£000
Operating profit is stated after charging		
Depreciation	-	13

3 Taxation

Analysis of charge for the year

	2010	2009
	£000	£000
UK corporation tax		
Current tax	-	(7)
Deferred tax credit	-	(6)
Tax on profit on ordinary activities	-	(13)

Notes *(continued)*

3 Taxation *(continued)*

Factors affecting the tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 28% (*2009 29%*) The differences are explained below

	2010 £000	2009 £000
Current tax reconciliation		
Profit on ordinary activities before tax	-	256
Current tax at 28% (*2009 29%*)	-	74
Effects of		
Group relief received	-	(81)
Total current tax charge (see above)	-	(7)

Factors that may affect future charges

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011 The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively

4 Tangible fixed assets

	Office equipment £000	Fixtures, fittings, plant & machinery and vehicles £000	Total £000
Cost			
At beginning of year	8	122	130
Transfer to other group companies	(8)	(122)	(130)
At end of year	-	-	-
Depreciation			
At beginning of year	7	87	94
Transfer to other group companies	(7)	(87)	(94)
At end of year	-	-	-
Net book value			
At 31 December 2010	-	-	-
At 31 December 2009	1	35	36

Notes *(continued)*

5 Debtors

	2010 £000	2009 £000
Trade debtors	-	(30)
Amounts receivable from group undertakings	2,731	2,624
Prepayments and accrued income	-	67
	2,731	2 661

6 Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Other creditors	32	-

7 Called up share capital

	2010 £	2009 £
Allotted, called up and fully paid.		
100 ordinary shares of £1 each	100	100

8 Reserves

	2010 £000	2009 £000
At beginning of year	2,711	2,442
Profit for the year	-	269
At end of year	2,711	2,711

9 Reconciliation of movements in shareholder's funds

	2010 £000	2009 £000
Profit for the financial year	-	269
Net movement in shareholder's funds	-	269
Opening shareholder's funds	2,711	2,442
Closing shareholder's funds	2,711	2,711

Notes *(continued)*

10 Contingent liabilities

The company and certain subsidiaries have given joint and several guarantees in connection with all bank facilities provided by the Snap group's principal bankers

The Snap group's banking facilities are subject to a netting facility whereby credit balances may be offset against the indebtedness of other group companies

11 Commitments

The Company has no capital commitments

The Company has no operating leases

12 Ultimate parent company and parent undertaking of larger group

The immediate parent company is The Jessop Group Limited and the ultimate parent company is Snap Equity Limited, both of which are incorporated in England

The largest and smallest group into which the results of the company are consolidated is the group headed by Snap Equity Limited