

COMPANY REGISTRATION NUMBER 5405012

**GE EAGLEMOSS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE 18 MONTHS ENDED**

**31 DECEMBER 2007**

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## **GE EAGLEMOSS LIMITED**

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**GE EAGLEMOSS LIMITED**  
**DIRECTORS AND ADVISERS**

DIRECTORS	M Calmels C Campkin P L Edwards A Gerli
SECRETARY	C Campkin
REGISTERED NUMBER	05405012
REGISTERED OFFICE	1 <sup>st</sup> Floor Beaumont House Avonmore Road London W14 8TS
BANKERS	Barclays 27 Soho Square London W1D 3QR

**GE EAGLEMOSS LIMITED**  
**THE DIRECTORS' REPORT**  
**18 MONTHS ENDED 31 DECEMBER 2007**

The directors have pleasure in presenting their report and the financial statements of the company for the 18 month period ended 31 December 2007

**PRINCIPAL ACTIVITIES & BUSINESS REVIEW**

The principal activities of the company during the period were that of providing publishing consultancy services to overseas publishers and the licensing of partwork material. The directors are not aware, at the date of this report of any likely changes in the company's activities in the forthcoming year.

The company is owned equally between GE Fabbri Limited and Eaglemoss Publishing Group Limited.

The company's key performance indicators during the period were

- Turnover for the 18 months was £323k compared to £332k for the previous 12 months. This represents an annualised fall in turnover of 35%, reflecting tougher trading conditions.
- Operating loss was £454k compared to £1,269 in the previous year.

The company's future plans are to increase activities in China by working with an increasing number of local publishers.

**RESULTS AND DIVIDENDS**

The results of the company for the period as set out on page 5.

**FINANCIAL INSTRUMENTS**

Working capital requirements are met by use of overdrafts and retained profits. In addition, trade debtors and trade creditors arise directly from the company's operations. The company has no significant concentration of credit risk, with exposure being spread over a large number of customers.

The directors monitor the liquidity and cash flow risk of the company carefully. The company has an agreed overdraft limit with the company's bankers to help manage fluctuations in cash flow. Cash flow is monitored by the directors on a regular basis and appropriate action is taken where additional funds are required. There was no exposure to borrowings at the period end.

**DIRECTORS**

The directors who served the company during the period were as follows:

M Calmels  
C J Campkin (Appointed 30 9 2007)  
P L Edwards  
A Gerli  
S Rose (Resigned 30 9 2007)

# **GE EAGLEMOSS LIMITED**

## **THE DIRECTORS' REPORT (Continued)**

**18 MONTHS ENDED 31 DECEMBER 2007**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors



C J Campkin  
Company Secretary  
31<sup>st</sup> October 2008

**GE EAGLEMOSS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**18 MONTHS ENDED 31 DECEMBER 2007**

	Note	18 Months to 31 Dec 2007 £	Year to 30 Jun 2006 £
Turnover		323,115	332,536
Cost of sales		(252,235)	(206,792)
Gross profit		70,880	125,744
Distribution costs		(7,759)	(8,687)
Marketing and promotion		(303,259)	(309,330)
Administrative expenses		(266,862)	(1,098,677)
Operating loss		(507,000)	(1,290,950)
Interest receivable and similar income	2	52,717	21,838
Loss on ordinary activities before taxation	3	(454,283)	(1,269,112)
Taxation	4	-	-
Loss for the financial period		(454,283)	(1,269,112)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

# GE EAGLEMOSS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	As At 31 Dec 07 £	£	As At 30 Jun 06 £	£
<b>Fixed assets</b>					
Investments	5		276,274		276,274
<b>Current assets</b>					
Stock and work in progress	6	127,655		2,389	
Debtors	7	348,652		331,532	
Cash at bank and in hand		733,009		768,924	
			1,209,316		1,102,845
<b>Creditors:</b> Amounts falling due within one year	8	(2,591,181)		(2,030,427)	
<b>Net current assets</b>			(1,381,865)		(927,582)
<b>Total assets less current liabilities</b>			(1,105,591)		(651,308)
<b>Creditors:</b> Amounts falling due after more than one year	9		(994,585)		(994,585)
			(2,100,176)		(1,645,893)
<b>Capital and reserves</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		(2,101,176)		(1,646,893)
<b>Equity shareholders' funds</b>			(2,100,176)		(1,645,893)

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on the 31<sup>st</sup> October 2008 and are signed on their behalf by

C Campkin  
Director

**GE EAGLEMOSS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**18 MONTHS ENDED 31 DECEMBER 2007**

**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable UK accounting standards under the historic cost convention and on the going concern basis

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

**Fixed assets**

All fixed assets are initially recorded at cost

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follow

Equipment	10% on cost
Computers and Software	30% 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

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

**Deferred Taxation**

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted

# GE EAGLEMOSS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 18 MONTHS ENDED 31 DECEMBER 2007

#### 1 Accounting policies (continued)

##### Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

2	Interest receivable	18 months 2007 £	12 months 2006 £
	Bank interest	52,717	21,838
		<hr/>	<hr/>
3	Profit on ordinary activities before taxation	£	£
	Operating profit is stated after charging		
	Auditors remuneration	-	3,000
		<hr/>	<hr/>
4	Taxation	£	£
	UK corporation tax based on the profits for the year at 30% (2006 30%)	-	-
		<hr/>	<hr/>
	Tax charge on profit on ordinary activities	-	-
		<hr/>	<hr/>
	<b>Tax reconciliation</b>	<b>£</b>	<b>£</b>
	Loss on ordinary activities before tax	(454,283)	(1,269,112)
		<hr/>	<hr/>
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(136,285)	(380,734)
	<i>Tax effects of</i>		
	Expenses not deductible for tax purposes	62	-
	Imputed interest – transfer pricing adjustment	(59,896)	-
	Consortium relief of losses	196,119	380,734
		<hr/>	<hr/>
	Tax charge for the year	-	-
		<hr/>	<hr/>

**GE EAGLEMOSS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**18 MONTHS ENDED 31 DECEMBER 2007**

<b>5 Investments</b>	<b>2007 £</b>	<b>2006 £</b>
At 1 July 2006 and 31 December 2007	276,274	276,274

The company holds 100% of the ordinary share capital of GE Eaglemoss Beijing Limited which is incorporated in the People's Republic of China

<b>6 Stock and work in progress</b>	<b>2007 £</b>	<b>2006 £</b>
Work in progress	127,655	2,389

<b>7 Debtors</b>	<b>£</b>	<b>£</b>
Trade debtors	318,261	63,044
Tax recoverable	12,010	-
Amounts owed by group undertakings	1,588	-
Other debtors	16,793	268,488
	348,652	331,532

<b>8 Creditors: amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Trade creditors	33,441	66,804
Amounts owed to group undertakings	2,544,199	1,843,314
Other creditors	13,541	120,309
	2,591,181	2,030,427

<b>9 Creditors: amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
GE Fabbri Ltd	497,292	497,292
Eaglemoss Publications Ltd	497,293	497,293
	994,585	994,585

**GE EAGLEMOSS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**18 MONTHS ENDED 31 DECEMBER 2007**

<b>10 Related party transactions</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amounts owed to related party undertakings		
Eaglemoss Publications Limited	1,771,858	1,414,240
GE Fabbri Limited	1,766,926	927,157
	<hr/>	<hr/>
	3,538,784	2,341,397
	<hr/>	<hr/>
Amounts owed by related party undertakings		
	<b>£</b>	<b>£</b>
GE Eaglemoss Beijing Limited	1,588	196,218
	<hr/>	<hr/>
<b>11 Share Capital</b>		
Authorised, allotted, called up and fully paid share capital	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>12 Profit and loss account</b>	<b>£</b>	<b>£</b>
Balance brought forwards	(1,646,893)	(377,781)
Loss for the period	(454,283)	(1,269,112)
	<hr/>	<hr/>
Balance carried forwards	(2,101,176)	(1,646,893)
	<hr/>	<hr/>
<b>13 Reconciliation of movement in equity shareholders' funds</b>	<b>£</b>	<b>£</b>
Opening equity shareholders' funds	(1,645,893)	(376,781)
Loss for the period	(454,283)	(1,269,112)
	<hr/>	<hr/>
Closing equity shareholders' funds	(2,100,176)	(1,645,893)
	<hr/>	<hr/>