



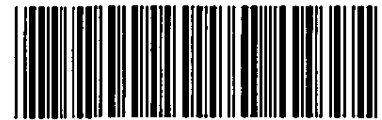
Grant Thornton

# Abbreviated Accounts Footasylum Limited

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For the Year Ended 28 February 2007

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COMPANIES HOUSE

Company No 05535565

## Company information

Registered office	Unit 3 Broadfield Distribution Centre Pilsworth Road Heywood Lancashire OL10 2TA
Directors	S R Makin D M Makin P Atkinson
Secretary	D M Makin
Bankers	Barclays Bank Plc 6th Floor 1 Marsden Street Manchester M2 1HW
Solicitors	Eversheds LLP Eversheds House 70 Great Bridgewater Manchester M1 5ES
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 4 Hardman Square Spinningfields Manchester M3 3EB

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## Independent auditor's report to Footasylum Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the principal accounting policies, balance sheet and the related notes, together with the financial statements of Footasylum Limited for the year ended 28 February 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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 for our audit 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 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "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 consider 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 are properly prepared.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

### Other information

On 15 April 2008 we reported as auditor of the company to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 28 February 2007, and the full text of the company audit report is reproduced on pages 5 to 6 of these financial statements.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

MANCHESTER  
30 April 2008



## Independent auditor's report to the members of Footasylum Limited

We have audited the financial statements of Footasylum Limited for the year ended 28 February 2007 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) under the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## Independent auditor's report to the members of Footasylum Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

#### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 28 February 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

#### Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made within the principal accounting policies concerning the continuing support of its directors. The financial statements have been prepared on a going concern basis the validity of which depends on this continued support. In view of the significance of this support we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

MANCHESTER

~~30 April 2008~~

2 May 2008

## Principal accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

### Going concern

The financial statements have been prepared on a going concern basis. The continuation of the company's activities is dependant upon the continuing support of its directors. The directors have given assurances that they will continue to support the company for the foreseeable future. On this basis they consider that it is appropriate to prepare the financial statements on a going concern basis.

### Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

### Turnover

Turnover is the total amount receivable by the company for goods supplied excluding VAT and trade discounts. Turnover from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods which is at the point of sale within each store,
- it is probable that the economic benefits associated with the transaction will flow to the company, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 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 follows:

Fixtures & fittings	- 10% straight line or over the term of the lease
Computer equipment	- 17 - 25% straight line
Motor vehicles	- 25% reducing balance

During the year, the company has revisited its estimation techniques and have amended the useful economic lives of Fixtures and fittings Computer equipment and Motor vehicles In the opinion of the directors, these revisions represent a fairer reflection of the assets useful economic lives The impact on the depreciation charge in the current financial year amounts to a reduction in the charge by £60,038

#### Stocks

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

#### Operating lease agreements

Operating lease incentives are recognised on a straight-line basis, as a reduction of the rental expense over the shorter of the lease term and the period to the first rent review where market rentals will be payable

#### Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

#### Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that 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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date



### Foreign currencies

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Abbreviated balance sheet

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	1	568,168	48,342
Investments	1	1,185,000	—
		<u>1,753,168</u>	<u>48,342</u>
<b>Current assets</b>			
Stocks		1,272,008	57,742
Debtors		621,121	114,650
Cash at bank		175,773	374,249
		<u>2,068,902</u>	<u>546,641</u>
<b>Creditors: amounts falling due within one year</b>		<u>(966,582)</u>	<u>(48,682)</u>
<b>Net current assets</b>		<u>1,102,320</u>	<u>497,959</u>
<b>Total assets less current liabilities</b>		<u>2,855,488</u>	<u>546,301</u>
		£	£
<b>Creditors: amounts falling due after more than one year</b>	2	5,095,404	699,100
<b>Capital and reserves</b>			
Called-up equity share capital	3	900	900
Profit and loss account		<u>(2,240,816)</u>	<u>(153,699)</u>
<b>Shareholders' deficit</b>		<u>(2,239,916)</u>	<u>(152,799)</u>
		<u>2,855,488</u>	<u>546,301</u>

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

These abbreviated accounts were approved by the directors and authorised for issue on 30 April 2008, and are signed on their behalf by



P Atkinson  
Director

The accompanying accounting policies and notes form part of these abbreviated accounts

## Notes to the abbreviated accounts

### 1 Fixed assets

	<b>Tangible Assets £</b>	<b>Investments £</b>	<b>Total £</b>
Cost			
At 1 March 2006	51,716	—	51,716
Additions	1,374,542	1,185,000	2,559,542
Disposals	(20,500)	—	(20,500)
At 28 February 2007	<u>1,405,758</u>	<u>1,185,000</u>	<u>2,590,758</u>
Depreciation			
At 1 March 2006	3,374	—	3,374
Charge for year	67,500	—	67,500
On disposals	(6,834)	—	(6,834)
Impairment	773,550	—	773,550
At 28 February 2007	<u>837,590</u>	<u>—</u>	<u>837,590</u>
Net book value			
At 28 February 2007	<u>568,168</u>	<u>1,185,000</u>	<u>1,753,168</u>
At 28 February 2006	<u>48,342</u>	<u>—</u>	<u>48,342</u>

The company owns 80% of the issued ordinary share capital of the company listed below,

#### Aggregate capital and reserves

Drome Limited	445,675	476,752
Profit and (loss) for the year		
Drome Limited	(31,077)	140,951

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity



## Notes to the abbreviated accounts

### 2 Creditors amounts falling due after more than one year

Included in creditors falling due after more than one year are directors loans of £4 999,100 (2006 £699,100) respectively These are the maximum amounts outstanding during the year and the loans are non interest bearing

### 3 Share capital

Authorised share capital

	2007	2006
	£	£
1 000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>