# **COMPANY REGISTRATION NUMBER 2149608**

# 151 PRODUCTS LIMITED ABBREVIATED ACCOUNTS 31 DECEMBER 2008

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A34 30/09/2009 25

TLP
Chartered Accountants & Registered Auditor
3 Greengate
Cardale Park
Harrogate
HG3 1GY

# ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

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## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

# PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be that of wholesaling branded domestic products.

151 Products Limited has traded well, and as expected throughout the year, 151 Product Limited is within a stable business environment with expanding markets so is not facing any risks or uncertainties in its trading. The company is in a strong position at the year end and with profits for the year of £80,874 the company is in a position to continue expansion at a similar level in to 2009.

# RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £80,874. The directors have not recommended a dividend.

## FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 12 to the accounts.

### **DIRECTORS**

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

Mr R Shonn

Mr S M Shonn

Mr M W Shonn

Mr J S Shonn

Mr D Shonn

Mr I P George

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgements 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' REPORT (continued)

# YEAR ENDED 31 DECEMBER 2008

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **AUDITOR**

A resolution to re-appoint TLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office: Emperor House 151 Great Ducie Street Manchester Greater Manchester M3 1FB Signed by order of the directors

S M SHONN Company Secretary

Approved by the directors on 12 August 2009

# INDEPENDENT AUDITOR'S REPORT TO 151 PRODUCTS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of 151 Products Limited for the year ended 31 December 2008 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 it 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 THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision 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 Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

3 Greengate Cardale Park Harrogate HG3 1GY

12 August 2009

TLP
Chartered Accountants
& Registered Auditors

# 151 PRODUCTS LIMITED ABBREVIATED PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2008

|                                               |      | 2008      | 2007      |
|-----------------------------------------------|------|-----------|-----------|
|                                               | Note | £         | £         |
| GROSS PROFIT                                  |      | 4,455,564 | 4,161,837 |
| Distribution costs                            |      | 2,009,298 | 1,698,834 |
| Administrative expenses                       |      | 2,301,491 | 2,199,840 |
| OPERATING PROFIT                              | 2    | 144,775   | 263,163   |
| Interest receivable                           |      | 7,084     | 23,435    |
| Interest payable and similar charges          | 5    | (43,628)  | (50,150)  |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | N    | 108,231   | 236,448   |
| Tax on profit on ordinary activities          | 6    | 27,357    | 64,619    |
| PROFIT FOR THE FINANCIAL YEAR                 |      | 80,874    | 171,829   |
| Balance brought forward                       |      | 2,775,305 | 2,603,476 |
| Balance carried forward                       |      | 2,856,179 | 2,775,305 |

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 year as set out above.

# ABBREVIATED BALANCE SHEET

# **31 DECEMBER 2008**

|                                           |      | 2008      | 8         | 2007      |
|-------------------------------------------|------|-----------|-----------|-----------|
|                                           | Note | £         | £         | £         |
| FIXED ASSETS                              |      |           |           |           |
| Tangible assets                           | 7    |           |           | 1,066     |
| CURRENT ASSETS                            |      |           |           |           |
| Stocks                                    | 8    | 3,642,473 |           | 2,782,067 |
| Debtors                                   | 9    | 2,562,801 |           | 2,071,367 |
| Cash at bank and in hand                  |      | 112,262   |           | 241,368   |
|                                           |      | 6,317,536 |           | 5,094,802 |
| CREDITORS: Amounts falling due within one |      |           |           |           |
| year                                      | 11   | 3,460,357 |           | 2,319,563 |
| NET CURRENT ASSETS                        |      |           | 2,857,179 | 2,775,239 |
| TOTAL ASSETS LESS CURRENT LIABILITIES     | ;    |           | 2,857,179 | 2,776,305 |
| CAPITAL AND RESERVES                      |      |           |           |           |
| Called-up equity share capital            | 15   |           | 1,000     | 1,000     |
| Profit and loss account                   |      |           | 2,856,179 | 2,775,305 |
| SHAREHOLDERS' FUNDS                       | 16   |           | 2,857,179 | 2,776,305 |
|                                           |      |           |           |           |

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 12 August 2009, and are signed on their behalf by:

MR S M SHONN

AD M W CHONN

# **CASH FLOW STATEMENT**

# YEAR ENDED 31 DECEMBER 2008

|                                                 | 2008 |   | 2007      |          |
|-------------------------------------------------|------|---|-----------|----------|
|                                                 | Note | £ | £         | £        |
| NET CASH OUTFLOW FROM OPERATING ACTIVITIES      | 17   |   | (602,460) | (52,939) |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 17   |   | (36,544)  | (26,715) |
| TAXATION                                        | 17   |   | (65,051)  | 38,176   |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT    | 17   |   | -         | (1)      |
| DECREASE IN CASH                                | 17   |   | (704,055) | (41,479) |

The notes on pages 7 to 17 form part of these abbreviated accounts.

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

### 1. ACCOUNTING POLICIES

# **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

### 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 follows:

Plant & Machinery - 33% on cost Fixtures & Fittings - 33% on cost Motor Vehicles - 25% on cost 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.

### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

### 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.

### 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.

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

## 1. ACCOUNTING POLICIES (continued)

### **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

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

# NOTES TO THE ABBREVIATED ACCOUNTS

### YEAR ENDED 31 DECEMBER 2008

### 1. ACCOUNTING POLICIES (continued)

### Financial instruments

### Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-forsale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment in derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

# Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

# Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

# Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

# 2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

|                                            | 2008<br>£ | 2007<br>£ |
|--------------------------------------------|-----------|-----------|
| Depreciation of owned fixed assets         | 1,066     | 6,334     |
| Auditor's remuneration - as auditor        | 5,696     | 15,600    |
| Operating lease costs: Other               | 259,875   | 304,874   |
| Net profit on foreign currency translation | (188,415) | (104,869) |

# 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

|                                                | 2008 | 2007 |
|------------------------------------------------|------|------|
|                                                | No   | No   |
| Number of production staff                     | 29   | 29   |
| Number of administrative staff                 | 32   | 32   |
|                                                | 61   | 61   |
| The aggregate payroll costs of the above were: |      |      |
|                                                |      |      |

| 2008      | 2007                           |
|-----------|--------------------------------|
| £         | £                              |
| 1,695,539 | 1,500,186                      |
| 185,834   | 161,111                        |
| 34,987    | 17,734                         |
| 1,916,360 | 1,679,031                      |
|           | 1,695,539<br>185,834<br>34,987 |

# 4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

|                                                                  | 2008<br>£ | 2007<br>£ |
|------------------------------------------------------------------|-----------|-----------|
| Emoluments receivable                                            | 462,682   | 435,227   |
| Value of company pension contributions to money purchase schemes | 33,787    | 15,400    |
|                                                                  | 496,469   | 450,627   |

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

# 4. DIRECTORS' EMOLUMENTS (continued)

| Total emoluments (excluding pension contributions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    | Emoluments of highest paid director:                                                                         | 2008<br>£     | 2007<br>£   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------------------------------------------------------------------------------------------------|---------------|-------------|
| 13,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    | Total emoluments (excluding pension contributions)  Value of company pension contributions to money purchase | 187,707       | 144,600     |
| The number of directors who accrued benefits under company pension schemes was as follows:    2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                                                                                                              | 13,000        | 13,000      |
| Money purchase schemes   2008   No   No   No   No   No   No   2   2   2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |    |                                                                                                              | 200,707       | 157,600     |
| Money purchase schemes   2 2 2 2   2   2   2   2   2   2   2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    | The number of directors who accrued benefits under company pension                                           | schemes was a | ıs follows: |
| Money purchase schemes    2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |                                                                                                              |               |             |
| Interest payable on bank borrowing   36,428   42,845   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,305   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200   7,200 |    | Money purchase schemes                                                                                       |               |             |
| Interest payable on bank borrowing Finance charges $\begin{array}{cccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5. | INTEREST PAYABLE AND SIMILAR CHARGES                                                                         |               |             |
| Interest payable on bank borrowing   7,305   7,305   7,305   43,628   50,150                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                                                                                                              |               |             |
| 6. TAXATION ON ORDINARY ACTIVITIES  (a) Analysis of charge in the year  Current tax:  In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  50,150  2008  £ £ £ £ £ 65,051  65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                                                                                                              | 36,428        | 42,845      |
| 6. TAXATION ON ORDINARY ACTIVITIES  (a) Analysis of charge in the year  2008 £ Current tax:  In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  24,893 65,051 24,893 65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |    | Finance charges                                                                                              |               |             |
| (a) Analysis of charge in the year  2008 £  Current tax:  In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  2008 £  24,893 65,051  24,893 65,051  24,893 65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |                                                                                                              | 75,020        | 30,130      |
| Current tax:  In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10)  Capital allowances  2007 £ £  24,893 65,051  24,893 65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6. | TAXATION ON ORDINARY ACTIVITIES                                                                              |               |             |
| Current tax:  In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10)  Capital allowances  £  £  £  £  Capital allowances  24,893  65,051  24,893  65,051  24,893  65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    | (a) Analysis of charge in the year                                                                           |               |             |
| In respect of the year:  UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  24,893 65,051 24,893 65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                                                                                                              |               |             |
| UK Corporation tax based on the results for the year at 21% (2007 - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  24,893 65,051 65,051 24,893 65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    | Current tax:                                                                                                 |               |             |
| - 30%)  Total current tax  Deferred tax:  Origination and reversal of timing differences (note 10) Capital allowances  24,893  65,051  24,893  65,051  24,893  65,051                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    | In respect of the year:                                                                                      |               |             |
| Deferred tax:  Origination and reversal of timing differences (note 10)  Capital allowances  2,464  (432)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    | · · · · · · · · · · · · · · · · · · ·                                                                        | 24,893        | 65,051      |
| Origination and reversal of timing differences (note 10) Capital allowances  2,464 (432)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    | Total current tax                                                                                            | 24,893        | 65,051      |
| Capital allowances 2,464 (432)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    | Deferred tax:                                                                                                |               |             |
| <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |                                                                                                              | 2 464         | (437)       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    | ·                                                                                                            | <del></del>   |             |

# **NOTES TO THE ABBREVIATED ACCOUNTS**

# YEAR ENDED 31 DECEMBER 2008

# 6. TAXATION ON ORDINARY ACTIVITIES (continued)

# (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2007 - 30%).

| Profit on ordinary activities before taxat                                                                       | ion                       |                             | 2008<br>£<br>108,231                  | 2007<br>£<br>236,448                  |
|------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Profit on ordinary activities by rate of ta<br>Tax disallowables<br>Excess capital allowances<br>Marginal relief | x                         |                             | 22,729<br>6,855<br>(1,948)<br>(2,743) | 70,934<br>6,161<br>(2,466)<br>(9,578) |
| Total current tax (note 6(a))                                                                                    |                           |                             | 24,893                                | 65,051                                |
| TANGIBLE FIXED ASSETS                                                                                            |                           |                             |                                       |                                       |
| 000M                                                                                                             | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Equipment £                           | Total<br>£                            |

| Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£         | Equipment<br>£                                              | Total<br>£                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           |                                     |                                                             |                                                                                                                                                                                                                                    |
| 38,657                    | 63,000                              | 6,499                                                       | 108,156                                                                                                                                                                                                                            |
|                           |                                     |                                                             |                                                                                                                                                                                                                                    |
| 37,591                    | 63,000                              | 6,499                                                       | 107,090                                                                                                                                                                                                                            |
| 1,066                     |                                     | <del></del>                                                 | 1,066                                                                                                                                                                                                                              |
| 38,657                    | 63,000                              | <u>6,499</u>                                                | 108,156                                                                                                                                                                                                                            |
|                           |                                     |                                                             |                                                                                                                                                                                                                                    |
| -                         | _                                   | _                                                           |                                                                                                                                                                                                                                    |
| 1,066                     | =                                   | _                                                           | 1,066                                                                                                                                                                                                                              |
|                           | 38,657<br>37,591<br>1,066<br>38,657 | Machinery £  38,657  63,000  37,591  1,066   38,657  63,000 | Machinery £       Fittings £       Equipment £         38,657       63,000       6,499         37,591       63,000       6,499         1,066       —       —         38,657       63,000       6,499         —       —       6,499 |

# 8. STOCKS

7.

|       | 2008      | 2007      |
|-------|-----------|-----------|
|       | £         | £         |
| Stock | 3,642,473 | 2,782,067 |

# **NOTES TO THE ABBREVIATED ACCOUNTS**

# YEAR ENDED 31 DECEMBER 2008

# 9. DEBTORS

10.

|                                                                                | 2008<br>£                   | 2007<br>£     |
|--------------------------------------------------------------------------------|-----------------------------|---------------|
| Trade debtors                                                                  | 2,374,075                   | 1,968,283     |
| Trade debtors Other debtors                                                    | <b>2,5</b> / <b>4,0</b> / 5 | 50,000        |
| Directors current accounts                                                     | 23,525                      | <del>-</del>  |
| Prepayments and accrued income                                                 | 154,886                     | 40,305        |
| Deferred taxation (note 10)                                                    | 10,315                      | 12,779        |
|                                                                                | 2,562,801                   | 2,071,367     |
| DEFERRED TAXATION                                                              |                             |               |
| The deferred tax included in the Balance sheet is as follows:                  |                             |               |
|                                                                                | 2008                        | 2007          |
|                                                                                | £                           | £             |
| Included in debtors (note 9)                                                   | 10,315                      | 12,779        |
| The movement in the deferred taxation account during the year was:             | )<br>!                      |               |
|                                                                                | 2008                        | 2007          |
|                                                                                | £                           | £             |
| Balance brought forward                                                        | 12,779                      | 12,347        |
| Profit and loss account movement arising during the year                       | (2,464)                     | 432           |
| Balance carried forward                                                        | 10,315                      | 12,779        |
| The balance of the deferred taxation account consists of the tax expressed of: | ffect of timing d           | ifferences in |
|                                                                                | 2008                        | 2007          |
|                                                                                | £                           | £             |
| Excess of depreciation over taxation allowances                                | 10,315                      | 12,779        |
|                                                                                | 10,315                      | 12,779        |
|                                                                                |                             |               |

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

# 11. CREDITORS: Amounts falling due within one year

|                                                         | 2008         |           | 2007      |
|---------------------------------------------------------|--------------|-----------|-----------|
|                                                         | £            | £         | £         |
| Overdrafts                                              |              | 809,002   | 234,053   |
| Trade creditors                                         |              | 1,505,077 | 1,186,435 |
| Amounts owed to group undertakings                      |              | 215,851   | 60,081    |
| Other creditors including taxation and social security: |              |           |           |
| Corporation tax                                         | 24,892       |           | 65,050    |
| PAYE and social security                                | 73,576       |           | 57,590    |
| VAT                                                     | 236,190      |           | 219,195   |
| Other creditors                                         | 8,598        |           | 5,576     |
| Directors current accounts                              | <del>-</del> |           | 25,000    |
|                                                         | <del>-</del> | 343,256   | 372,411   |
| Accruals and deferred income                            |              | 587,171   | 466,583   |
|                                                         |              | 3,460,357 | 2,319,563 |

The company enters into short term "import loan" agreements with the bank, whereby the funds borrowed are secured on the stock purchased.

The bank overdraft is secured by a debenture in favour of HSBC Bank plc, by way of a fixed and floating charge over the assets and undertakings of the business.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

|            | 2008    | 2007    |
|------------|---------|---------|
|            | £       | £       |
| Overdrafts | 809,002 | 234,053 |
|            |         |         |

# 12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

## 12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

## 13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | 2008      |         | 2007      |         |
|--------------------------------|-----------|---------|-----------|---------|
|                                | Land &    | Other   | Land &    | Other   |
|                                | Buildings | Items   | Buildings | Items   |
|                                | £         | £       | £         | £       |
| Operating leases which expire: |           |         |           |         |
| Within 2 to 5 years            | 259,875   | 114,000 | 304,874   | 112,000 |
|                                |           |         |           |         |

### 14. CONTINGENCIES

The company has given an unlimited cross company guarantee in favour of Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances. Also at 31 December 2008 the company has given a guarantee in favour of HM Revenue and Customs for £30,000 (2007 £30,000).

# 15. SHARE CAPITAL

# Authorised share capital:

| 1 000 Ordinami abazas of Cl cook    |       |       | 2008<br>£ | 2007<br>£ |
|-------------------------------------|-------|-------|-----------|-----------|
| 1,000 Ordinary shares of £1 each    |       |       | 1,000     | 1,000     |
| Allotted, called up and fully paid: |       |       |           |           |
|                                     | 2008  |       | 2007      |           |
|                                     | No    | £     | No        | £         |
| Ordinary shares of £1 each          | 1,000 | 1,000 | 1,000     | 1,000     |

# 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                               | 2008      | 2007      |
|-------------------------------|-----------|-----------|
|                               | £         | £         |
| Profit for the financial year | 80,874    | 171,829   |
| Opening shareholders' funds   | 2,776,305 | 2,604,476 |
| Closing shareholders' funds   | 2,857,179 | 2,776,305 |

# **NOTES TO THE ABBREVIATED ACCOUNTS**

# YEAR ENDED 31 DECEMBER 2008

# 17. NOTES TO THE STATEMENT OF CASH FLOWS

# RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

|                                                      |                  | 2008                 | 2007                   |
|------------------------------------------------------|------------------|----------------------|------------------------|
|                                                      |                  | £                    | £                      |
| Operating profit                                     |                  | 144,775              | 263,163                |
| Depreciation                                         |                  | 1,066                | 6,334                  |
| (Increase)/decrease in stocks                        |                  | (860,406)            | 88,850                 |
| Increase in debtors Increase/(decrease) in creditors | •                | (493,898)<br>606,003 | (106,049)<br>(305,237) |
| ,                                                    |                  |                      | `——                    |
| Net cash outflow from operating activities           |                  | (602,460)            | (52,939)               |
| RETURNS ON INVESTMENTS AND SERVI                     | CING OF FINANCE  |                      |                        |
|                                                      |                  | 2008                 | 2007                   |
|                                                      |                  | £                    | £                      |
| Interest received                                    |                  | 7,084                | 23,435                 |
| Interest paid Interest element of hire purchase      |                  | (36,428)<br>(7,200)  | (42,845)<br>(7,305)    |
| •                                                    |                  | (7,200)              | (1,505)                |
| Net cash outflow from returns on investments and     | d servicing of   | (2( 514)             | (07.715)               |
| finance                                              |                  | (36,544)             | (26,715)               |
| TAXATION                                             |                  |                      |                        |
|                                                      |                  | 2008                 | 2007                   |
| m                                                    |                  | £                    | £                      |
| Taxation                                             |                  | (65,051)             | 38,176                 |
| CAPITAL EXPENDITURE                                  |                  |                      |                        |
|                                                      |                  | 2000                 | 2007                   |
|                                                      |                  | 2008<br>£            | 2007<br>£              |
| Receipts from sale of fixed assets                   |                  | _                    | (1)                    |
| Net cash outflow from capital expenditure            |                  |                      |                        |
| Net cash outriow from capital expenditure            |                  |                      | (1)                    |
| RECONCILIATION OF NET CASH FLOW                      | TO MOVEMENT IN N | NET DEBT             |                        |
|                                                      | 2008             |                      | 2007                   |
| D 11 11 11                                           | £                | £                    | £                      |
| Decrease in cash in the period                       | (704,055)        |                      | (41,479)               |
|                                                      |                  | (704,055)            | (41,479)               |
| Change in net debt                                   |                  | (704,055)            | (41,479)               |
| Net funds at 1 January 2008                          | ·                | 7,315                | 48,794                 |
| •                                                    |                  |                      |                        |
| Net debt at 31 December 2008                         | (                | (696,740)<br>——      | 7,315                  |
|                                                      |                  |                      |                        |

# NOTES TO THE ABBREVIATED ACCOUNTS

# YEAR ENDED 31 DECEMBER 2008

# 17. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

# ANALYSIS OF CHANGES IN NET DEBT

|                                                     | At                   |                        | At                   |
|-----------------------------------------------------|----------------------|------------------------|----------------------|
|                                                     | 1 Jan 2008           | Cash flows             | 31 Dec 2008          |
|                                                     | £                    | £                      | £                    |
| Net cash:<br>Cash in hand and at bank<br>Overdrafts | 241,368<br>(234,053) | (129,106)<br>(574,949) | 112,262<br>(809,002) |
|                                                     | 7,315                | (704,055)              | (696,740)            |
| Net debt                                            | 7,315                | (704,055)              | (696,740)            |

# 18. ULTIMATE PARENT COMPANY

The ultimate parent company is Eurostation Limited, company number 4307712. The company is registered in England and Wales and copies of its financial statements are available from Companies House.