

COMPANY REGISTRATION NUMBER 2149608

151 PRODUCTS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012



TLP AUDIT LIMITED
Chartered Accountants & Statutory Auditor
3 Greengate
Cardale Park
Harrogate
HG3 1GY

151 PRODUCTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8

151 PRODUCTS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The company has traded well, and as expected throughout the year. Turnover has increased by £2.2m in 2012 with gross profit margins remaining very similar at 26-28%. The directors have monitored the distribution and administration costs to ensure the company remains profitable.

The company has a strong balance sheet with £4.5m in reserves at the year end. The company will use the reserves to build future growth and sustain the profitability achieved in past years.

The risk and uncertainty in the market is still present, but the directors feel that the company is in a strong position to build on this year's success and continue to trade well in future years.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £477,679. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 15 to the accounts.

DIRECTORS

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

Mr R Shonn
Mr S M Shonn
Mr J S Shonn
Mr D Shonn
Mr I P George

Mr R Shonn, Mr S M Shonn, Mr J S Shonn, Mr D Shonn and Mr I P George are directors of the company's parent, Eurostation Limited.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,

151 PRODUCTS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2012

- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

DONATIONS

During the year the company made the following contributions

	2012	2011
	£	£
Charitable	<u>23,319</u>	<u>11,351</u>

AUDITOR

TLP Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Emperor House
151 Great Ducie Street
Manchester
Greater Manchester
M3 1FB

Signed by order of the directors



MR S M SHONN
Company Secretary

Approved by the directors on 5 September 2013

151 PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 151 PRODUCTS LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of 151 Products Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

151 PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 151 PRODUCTS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

3 Greengate
Cardale Park
Harrogate
HG3 1GY

5 September 2013

PAUL LAND ACA (Senior Statutory
Auditor)

For and on behalf of
TLP AUDIT LIMITED
Chartered Accountants
& Statutory Auditor

151 PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	31,128,703	28,950,587
Cost of sales		<u>23,093,445</u>	<u>21,520,331</u>
GROSS PROFIT		8,035,258	7,430,256
Distribution costs		<u>3,046,191</u>	<u>3,027,883</u>
Administrative expenses		<u>4,030,799</u>	<u>3,581,856</u>
OPERATING PROFIT	3	958,268	820,517
Interest receivable		—	2
Interest payable and similar charges	6	<u>(156,282)</u>	<u>(175,539)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		801,986	644,980
Tax on profit on ordinary activities	7	<u>324,307</u>	<u>185,210</u>
PROFIT FOR THE FINANCIAL YEAR		477,679	459,770
Balance brought forward		<u>4,085,483</u>	<u>3,625,713</u>
Balance carried forward		<u>4,563,162</u>	<u>4,085,483</u>

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

The notes on pages 8 to 20 form part of these financial statements

151 PRODUCTS LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	<u>3,028,018</u>	<u>3,227,052</u>
CURRENT ASSETS			
Stocks	9	5,461,902	5,390,457
Debtors	10	5,200,962	5,237,656
Cash at bank and in hand		<u>129,630</u>	<u>159,389</u>
		<u>10,792,494</u>	<u>10,787,502</u>
CREDITORS: Amounts falling due within one year	11	<u>6,145,177</u>	<u>6,500,470</u>
NET CURRENT ASSETS		<u>4,647,317</u>	<u>4,287,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,675,335</u>	<u>7,514,084</u>
CREDITORS: Amounts falling due after more than one year	12	2,985,841	3,232,240
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	<u>125,332</u>	<u>195,361</u>
		<u>4,564,162</u>	<u>4,086,483</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	1,000	1,000
Profit and loss account		<u>4,563,162</u>	<u>4,085,483</u>
SHAREHOLDERS' FUNDS	20	<u>4,564,162</u>	<u>4,086,483</u>

These financial statements were approved by the directors and authorised for issue on 5 September 2013, and are signed on their behalf by

MR S M SHONN

MR I P GEORGE

Company Registration Number 2149608

The notes on pages 8 to 20 form part of these financial statements

151 PRODUCTS LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21	1,792,085	(231,273)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	(156,282)	(175,537)
TAXATION	21	(144,480)	(128,397)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	(38,876)	(171,679)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>1,452,447</u>	<u>(706,886)</u>
FINANCING	21	(1,491,551)	554,097
DECREASE IN CASH	21	<u>(39,104)</u>	<u>(152,789)</u>

The notes on pages 8 to 20 form part of these financial statements

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

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 and in accordance with applicable accounting standards

Turnover

Turnover comprises the invoiced cost of goods sold during the year, excluding value added tax and net of trade discounts

The company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods have been passed to the buyer

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

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

Freehold Property	- 2% on cost
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

151 PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

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.

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.

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

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.

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.

Employer-financed retirement benefit scheme (efrbs)

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	28,478,798	26,678,055
Overseas	2,649,905	2,272,532
	<u>31,128,703</u>	<u>28,950,587</u>

3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned fixed assets	197,847	163,161
Depreciation of assets held under hire purchase agreements	40,063	40,067
Auditor's remuneration		
- as auditor	8,500	8,500
- for other services	10,500	8,751
Operating lease costs		
- Other	<u>124,868</u>	<u>54,875</u>

4. PARTICULARS OF EMPLOYEES

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

	2012 No	2011 No
Number of production staff	41	42
Number of administrative staff	37	38
	<u>78</u>	<u>80</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,550,304	2,458,891
Social security costs	249,705	261,762
Other pension costs	83,240	65,420
	<u>2,883,249</u>	<u>2,786,073</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	345,632	341,969
Value of company pension contributions to money purchase schemes	82,040	64,220
	<u>427,672</u>	<u>406,189</u>

Remuneration of highest paid director:

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	148,775	153,954
Value of company pension contributions to money purchase schemes	13,000	13,000
	<u>161,775</u>	<u>166,954</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	64,962	85,227
Finance charges	10,400	7,200
Other similar charges payable	80,920	83,112
	<u>156,282</u>	<u>175,539</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 25% (2011 - 26%)	347,409	147,358
Over/under provision in prior year	46,927	-
Total current tax	394,336	147,358
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	(70,029)	37,852
Tax on profit on ordinary activities	324,307	185,210

(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 25% (2011 - 26%)

	2012	2011
	£	£
Profit on ordinary activities before taxation	801,986	644,980
Profit on ordinary activities by rate of tax	200,497	167,695
Tax disallowables	130,180	39,682
Excess capital allowances	16,732	(49,103)
Marginal relief	-	(13,918)
Over provision in prior period	46,927	-
Rate difference	-	3,002
Total current tax (note 7(a))	394,336	147,358

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST						
At 1 Jan 2012	2,995,498	170,100	334,204	2,300	8,950	3,511,052
Additions	—	—	30,000	—	8,876	38,876
At 31 Dec 2012	2,995,498	170,100	364,204	2,300	17,826	3,549,928
DEPRECIATION						
At 1 Jan 2012	119,820	78,320	82,855	767	2,238	284,000
Charge for the year	59,910	58,400	116,876	766	1,958	237,910
At 31 Dec 2012	179,730	136,720	199,731	1,533	4,196	521,910
NET BOOK VALUE						
At 31 Dec 2012	2,815,768	33,380	164,473	767	13,630	3,028,018
At 31 Dec 2011	2,875,678	91,780	251,349	1,533	6,712	3,227,052

Hire purchase agreements

Included within the net book value of £3,028,018 is £20,150 (2011 - £60,213) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £40,063 (2011 - £40,067).

9. STOCKS

	2012 £	2011 £
Stock - Finished goods	<u>5,461,902</u>	<u>5,390,457</u>

10. DEBTORS

	2012 £	2011 £
Trade debtors	4,544,558	4,497,797
Amounts owed by group undertakings	286,182	—
Other debtors	191,617	558,484
Prepayments and accrued income	178,605	181,375
	<u>5,200,962</u>	<u>5,237,656</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

11. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	1,566,541	2,802,348
Trade creditors	2,158,121	1,689,792
Amounts owed to group undertakings	61,905	256,518
Other creditors including taxation and social security		
Corporation tax	397,213	147,357
PAYE and social security	90,419	79,808
VAT	193,106	345,211
Hire purchase agreements	22,791	22,791
Other creditors	12,986	2,983
Directors current accounts	495,673	16,079
	<u>1,212,188</u>	<u>614,229</u>
Accruals and deferred income	1,146,422	1,137,583
	<u>6,145,177</u>	<u>6,500,470</u>

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

	2012	2011
	£	£
Bank loans and overdrafts	1,566,541	2,802,348
Hire purchase agreements	22,791	22,791
	<u>1,589,332</u>	<u>2,825,139</u>

12. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans and overdrafts	2,948,980	3,173,129
Other creditors		
Hire purchase agreements	36,861	59,111
	<u>2,985,841</u>	<u>3,232,240</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

12. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012	2011
	£	£
Bank loans and overdrafts	2,948,980	3,173,129
Hire purchase agreements	36,861	59,111
	<u>2,985,841</u>	<u>3,232,240</u>

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	22,791	22,791
Amounts payable between 1 and 2 years	36,861	59,111
	<u>59,652</u>	<u>81,902</u>

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	195,361	157,509
Profit and loss account movement arising during the year	(70,029)	37,852
Provision carried forward	<u>125,332</u>	<u>195,361</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	125,332	195,361
	<u>125,332</u>	<u>195,361</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

15. 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

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

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire Within 2 to 5 years	<u>47,500</u>	<u>114,000</u>	<u>47,500</u>	<u>114,000</u>

17. 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 2012 the company has given a guarantee in favour of HM Revenue and Customs for £30,000 (2011 £30,000)

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr S M Shonn, Mr D S Shonn and Mr R Shonn throughout the current and previous year by virtue of their shareholding in the parent company

During the year the company received goods and services on a normal commercial basis from companies connected to the Shonn family by virtue of common directorship or ownership as follows

	2012 £	2011 £
Invoiced from Shonn Brothers (Manchester) Limited	148,399	151,412
Invoiced to Shonn Brothers (Manchester) Limited	951,168	809,114
Invoiced from Creative Distributors Limited	6,843,571	7,557,975

At 31 December 2012 the amounts outstanding with connected companies were as follows

	£	£
Due from Shonn Brothers (Manchester) Limited	141,546	256,518
Due to Creative Distributions Limited	41,328	57,116

19. SHARE CAPITAL

Allotted, called up and fully paid:

	2012 No	£	2011 No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	477,679	459,770
Opening shareholders' funds	<u>4,086,483</u>	<u>3,626,713</u>
Closing shareholders' funds	<u>4,564,162</u>	<u>4,086,483</u>

21. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	958,268	820,517
Depreciation	237,910	203,228
Increase in stocks	(71,445)	(528,132)
Decrease/(increase) in debtors	36,694	(1,164,480)
Increase in creditors	<u>630,658</u>	<u>437,594</u>
Net cash inflow/(outflow) from operating activities	<u>1,792,085</u>	<u>(231,273)</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	–	2
Interest paid	(145,882)	(168,339)
Interest element of hire purchase	<u>(10,400)</u>	<u>(7,200)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(156,282)</u>	<u>(175,537)</u>

TAXATION

	2012 £	2011 £
Taxation	<u>(144,480)</u>	<u>(128,397)</u>

CAPITAL EXPENDITURE

	2012 £	2011 £
Payments to acquire tangible fixed assets	<u>(38,876)</u>	<u>(171,679)</u>
Net cash outflow from capital expenditure	<u>(38,876)</u>	<u>(171,679)</u>

FINANCING

	2012 £	2011 £
(Repayment of)/increase in bank loans	(1,469,301)	574,851
Capital element of hire purchase	<u>(22,250)</u>	<u>(20,754)</u>
Net cash (outflow)/inflow from financing	<u>(1,491,551)</u>	<u>554,097</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
Decrease in cash in the period	(39,104)	(152,789)
Net cash outflow from/(inflow) from bank loans	1,469,301	(574,851)
Cash outflow in respect of hire purchase	<u>22,250</u>	<u>20,754</u>
	<u>1,452,447</u>	<u>(706,886)</u>
Change in net debt	1,452,447	(706,886)
Net debt at 1 January 2012	<u>(5,897,990)</u>	<u>(5,191,104)</u>
Net debt at 31 December 2012	<u>(4,445,543)</u>	<u>(5,897,990)</u>

151 PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Net cash			
Cash in hand and at bank	159,389	(29,759)	129,630
Overdrafts	<u>(1,557,196)</u>	<u>(9,345)</u>	<u>(1,566,541)</u>
	<u>(1,397,807)</u>	<u>(39,104)</u>	<u>(1,436,911)</u>
Debt			
Debt due within 1 year	(1,245,152)	1,245,152	–
Debt due after 1 year	(3,173,129)	224,149	(2,948,980)
Hire purchase agreements	<u>(81,902)</u>	<u>22,250</u>	<u>(59,652)</u>
	<u>(4,500,183)</u>	<u>1,491,551</u>	<u>(3,008,632)</u>
Net debt	<u>(5,897,990)</u>	<u>1,452,447</u>	<u>(4,445,543)</u>

22. 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.