

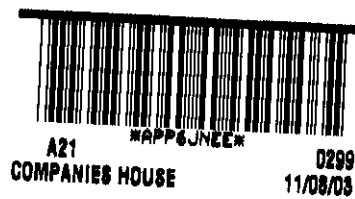
→ Companies House

151 Products Limited

Financial Statements

31st December 2002

Company Registration Number 2149608



151 PRODUCTS LIMITED

Officers and Professional Advisers

The board of directors

S M Shonn
M W Shonn
J S Shonn
I P George

Company secretary

S M Shonn

Registered office

Emperor House
151 Great Ducie Street
Manchester
M3 1FB

Auditors

CLB
Chartered Accountants
& Registered Auditors
Century House
11 St Peter's Square
Manchester
M2 3DN

Bankers

HSBC Bank Plc
100 King Street
Manchester
M60 2HD

151 PRODUCTS LIMITED

The Directors' Report

Year ended 31st December 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2002.

Principal activities and business review

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

In the opinion of the directors the state of affairs of the business is satisfactory and there have been no material changes since the balance sheet date.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend (2001 - £15,000)

Directors

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

S M Shonn
M W Shonn
J S Shonn
I P George

None of the directors had any interest in the share capital of the company at the start or end of the financial period. S M Shonn and M W Shonn each own 50% of the parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donations

The company made £820 (2001 - £Nil) of charitable donations in the current year

151 PRODUCTS LIMITED

The Directors' Report *(continued)*

Year ended 31st December 2002

Auditors

A resolution to re-appoint CLB as auditors 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
M3 1FB

Signed by order of the directors



S M Shonn
Company Secretary

Approved by the directors on 14th July 2003

151 PRODUCTS LIMITED

Independent Auditors' Report to the Shareholders

Year ended 31st December 2002

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

151 PRODUCTS LIMITED

Independent Auditors' Report to the Shareholders *(continued)*

Year ended 31st December 2002

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

CLB.

Century House
11 St Peter's Square
Manchester
M2 3DN

CLB
Chartered Accountants
& Registered Auditors

14 July 2003

151 PRODUCTS LIMITED

Profit and Loss Account

Year ended 31st December 2002

	Note	2002 £	2001 £
Turnover	2	8,121,974	5,735,776
Cost of sales		(6,085,943)	(4,241,692)
Gross profit		<u>2,036,031</u>	<u>1,494,084</u>
Distribution costs		(918,855)	(670,177)
Administrative expenses		(760,305)	(481,197)
Operating profit	3	<u>356,871</u>	<u>342,710</u>
Interest payable	6	(25,813)	(21,131)
Profit on ordinary activities before taxation		<u>331,058</u>	<u>321,579</u>
Tax on profit on ordinary activities	7	(115,079)	(87,976)
Profit on ordinary activities after taxation		<u>215,979</u>	<u>233,603</u>
Dividends	8	—	(15,000)
Retained profit for the financial year		<u>215,979</u>	<u>218,603</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 9 to 18 form part of these financial statements.

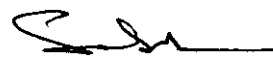
151 PRODUCTS LIMITED

Balance Sheet

31st December 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	9	<u>116,445</u>	<u>21,145</u>
Current assets			
Stocks	10	1,601,386	773,607
Debtors	11	880,804	856,378
Cash in hand		81	64
		<u>2,482,271</u>	<u>1,630,049</u>
Creditors: Amounts falling due within one year	12	<u>1,757,947</u>	<u>1,075,017</u>
Net current assets		<u>724,324</u>	<u>555,032</u>
Total assets less current liabilities		<u>840,769</u>	<u>576,177</u>
Creditors: Amounts falling due after more than one year	13	<u>40,110</u>	<u>—</u>
		<u>800,659</u>	<u>576,177</u>
Provisions for liabilities and charges			
Deferred taxation	15	<u>12,193</u>	<u>3,690</u>
		<u>788,466</u>	<u>572,487</u>
Capital and reserves			
Called-up equity share capital	19	1,000	1,000
Profit and Loss Account	20	<u>787,466</u>	<u>571,487</u>
Shareholders' funds	21	<u>788,466</u>	<u>572,487</u>

These financial statements were approved by the directors on the 14th July 2003 and are signed on their behalf by:



S M Shonn



I P George

The notes on pages 9 to 18 form part of these financial statements.

151 PRODUCTS LIMITED

Cash Flow Statement

Year ended 31st December 2002

	Note	2002 £	2001 £
Net cash inflow/(outflow) from operating activities	22	37,389	(797,212)
Returns on investments and servicing of finance			
Interest paid		(25,102)	(21,131)
Interest element of hire purchase		(711)	—
Net cash outflow from returns on investments and servicing of finance		(25,813)	(21,131)
Taxation		(94,279)	(19,286)
Capital expenditure			
Payments to acquire tangible fixed assets		(45,465)	(22,677)
Net cash outflow from capital expenditure		(45,465)	(22,677)
Equity dividends paid		—	(15,000)
Cash outflow before financing		(128,168)	(875,306)
Financing			
Increase in bank loans		159,812	195,272
Invoice discounting		300,967	15,138
Capital element of hire purchase		(5,879)	—
Net cash inflow from financing		454,900	210,410
Increase/(decrease) in cash	23	<u>326,732</u>	<u>(664,896)</u>

The notes on pages 9 to 18 form part of these financial statements.

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Turnover

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

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 pays contributions into a private personal pension scheme for one director. The annual contributions payable are charged to the Profit and Loss Account.

Deferred Taxation

Deferred taxation has been calculated on the full provision method as required by FRS 19. Deferred taxation is provided on timing differences which have originated but not reversed at the balance sheet date, at the rates of tax likely to be in force at the time of the reversal. Timing differences arise due to including gains and losses in tax assessments in periods different to those in the financial statements.

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

1. Accounting policies *(continued)*

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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:

	2002 £	2001 £
United Kingdom	8,105,927	5,680,081
Overseas sales	16,047	55,695
	<u>8,121,974</u>	<u>5,735,776</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation	19,074	10,628
Auditors' remuneration		
- as auditors	6,000	4,750
Operating lease costs:		
Land and buildings	30,000	—
Net loss/(profit) on foreign currency translation	<u>666</u>	<u>(6,079)</u>

4. Particulars of employees

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	453,505	377,145
Social security costs	39,346	42,292
Other pension costs	3,127	80
	<u>495,978</u>	<u>419,517</u>

The average number of employees during the year was 61 (2001 – 51), of which 10 (2001 – 7) were administrative staff.

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

5. Directors' emoluments

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

	2002 £	2001 £
Emoluments receivable	148,076	126,471
Value of company pension contributions to money purchase schemes	2,167	—
	<u>150,243</u>	<u>126,471</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2002 No	2001 No
Money purchase schemes	<u>1</u>	<u>—</u>

6. Interest payable

	2002 £	2001 £
Interest payable on bank borrowing	25,102	21,131
Finance charges	711	—
	<u>25,813</u>	<u>21,131</u>

7. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2002 £	2001 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	95,881	85,000
Over/under provision in prior year	10,695	(714)
Total current tax	<u>106,576</u>	<u>84,286</u>
Deferred tax:		
Increase in deferred tax provision (note 15)		
Capital allowances	8,503	3,690
Tax on profit on ordinary activities	<u>115,079</u>	<u>87,976</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

7. Tax on profit 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 30% (2001 - 30%).

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>331,058</u>	<u>321,579</u>
Current tax on profit on ordinary activities	99,317	96,474
Permanently disallowed items	5,284	1,388
Capital allowances in excess of depreciation for the year	(8,720)	(874)
Effect of marginal relief	—	(1,293)
Underprovision in respect of current year	—	(10,695)
Under/(Over) provision in respect of prior years	10,695	(714)
Total current tax (note 7(a))	<u>106,576</u>	<u>84,286</u>

8. Dividends

The following dividends have been proposed in respect of the year:

	2002 £	2001 £
Proposed dividend on ordinary shares	<u>—</u>	<u>15,000</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

9. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2002	557	8,623	4,920	19,014	33,114
Additions	—	75,344	—	39,030	114,374
Disposals	—	(723)	—	—	(723)
At 31 December 2002	557	83,244	4,920	58,044	146,765
Depreciation					
At 1 January 2002	186	2,995	1,230	7,558	11,969
Charge for the year	186	7,517	1,230	10,141	19,074
On disposals	—	(723)	—	—	(723)
At 31 December 2002	372	9,789	2,460	17,699	30,320
Net book value					
At 31 December 2002	185	73,455	2,460	40,345	116,445
At 31 December 2001	371	5,628	3,690	11,456	21,145

Hire purchase agreements

Included within the net book value of £116,445 is £69,065 (2001 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £6,279 (2001 - £Nil).

10. Stocks

	2002 £	2001 £
Finished goods	1,601,386	773,607

11. Debtors

	2002 £	2001 £
Trade debtors	679,999	716,731
Amounts due from related undertakings	136,589	92,144
Other debtors	—	2,286
Prepayments and accrued income	64,216	45,217
	880,804	856,378

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

12. Creditors: Amounts falling due within one year

	2002 £	2001 £
Invoice discounting	316,105	15,138
Bank loans and overdrafts	360,707	527,610
Trade creditors	760,803	337,169
Corporation tax	97,297	85,000
PAYE and social security	13,676	12,307
VAT	5,975	7,802
Hire purchase agreements	22,920	—
Other creditors	60	—
Amounts due to related undertakings	2,213	2,985
Accruals and deferred income	178,191	87,006
	<u>1,757,947</u>	<u>1,075,017</u>

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

	2002 £	2001 £
Bank loans and overdrafts	360,707	527,610
Invoice discounting	316,105	15,138
	<u>676,812</u>	<u>542,748</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, by way of a fixed and floating charge over the assets and undertakings of the business.

The invoice discounting creditor, is secured by way of a fixed equitable charge over all debts purchased by the security holder.

13. Creditors: Amounts falling due after more than one year

	2002 £	2001 £
Other creditors:		
Hire purchase agreements	<u>40,110</u>	<u>—</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

14. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2002 £	2001 £
Amounts payable within 1 year	25,763	—
Amounts payable between 1 and 2 years	25,763	—
Amounts payable between 3 and 5 years	19,323	—
	<u>70,849</u>	<u>—</u>
Less interest and finance charges relating to future periods	(7,819)	—
	<u>63,030</u>	<u>—</u>
Hire purchase agreements are analysed as follows:		
Current obligations	22,920	—
Non-current obligations	40,110	—
	<u>63,030</u>	<u>—</u>

15. Deferred taxation

	2002 £	2001 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	3,690	—
Profit and Loss Account movement arising during the year	8,503	3,690
Provision carried forward	<u>12,193</u>	<u>3,690</u>

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

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	12,193	3,690
	<u>12,193</u>	<u>3,690</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

16. Commitments under operating leases

At 31st December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2002	2001
	£	£
Operating leases which expire:		
Within 1 year	9,568	9,568
Within 2 to 5 years	43,421	43,421
	<u>52,989</u>	<u>52,989</u>

17. Contingencies

At 31 December 2002 the company had given an unlimited guarantee in favour of Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances. Also at 31 December 2002 the company had given a guarantee in favour of HM Customs and Excise for £200,000.

18. Related party transactions

During the year the company received goods and services on a normal commercial basis from related companies controlled by the Shonn family as follows:

	2002	2001
	£	£
Invoiced from Shonn Brothers (Manchester) Limited	135,019	322,648
Invoiced to Shonn Brothers (Manchester) Limited	822,178	901,923
Invoiced from Freetime Communications Limited	265	13,554
Invoiced to Freetime Communications Limited	—	1,952
Amounts outstanding at the year end:		
Due from Shonn Brothers (Manchester)Limited	<u>136,589</u>	<u>92,144</u>
Due to Freetime Communications Limited	<u>2,213</u>	<u>2,985</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

19. Share capital

Authorised share capital:

	2002 £	2001 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2002 No	£	2001 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

20. Profit and loss account

	2002 £	2001 £
Balance brought forward	571,487	352,884
Retained profit for the financial year	<u>211,535</u>	<u>218,603</u>
Balance carried forward	<u>783,022</u>	<u>571,487</u>

21. Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	211,535	233,603
Dividends	—	(15,000)
	<u>211,535</u>	<u>218,603</u>
Opening shareholders' equity funds	572,487	353,884
Closing shareholders' equity funds	<u>784,022</u>	<u>572,487</u>

22. Reconciliation of operating profit to Net cash inflow/(outflow) from operating activities

	2002 £	2001 £
Operating profit	356,871	342,710
Depreciation	19,074	10,628
Increase in stocks	(827,779)	(773,607)
Increase in debtors	(24,426)	(393,518)
Increase in creditors	513,649	16,575
Net cash inflow/(outflow) from operating activities	<u>37,389</u>	<u>(797,212)</u>

151 PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 31st December 2002

23. Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash in the period	326,732	(664,896)
Net cash (inflow) from bank loans	(159,812)	(195,272)
Invoice discounting	(300,967)	(15,138)
Cash outflow in respect of hire purchase	5,879	—
Change in net debt resulting from cash flows	(128,168)	(875,306)
New finance leases	(68,909)	—
Movement in net debt in the period	(197,077)	(875,306)
Net debt at 1 January 2002	(542,684)	332,622
Net debt at 31 December 2002	(739,761)	(542,684)

24. Analysis of changes in net debt

	At 1 Jan 2002 £	Cash flows £	Other changes £	At 31 Dec 2002 £
Net cash:				
Cash in hand and at bank	64	17	—	81
Overdrafts	(332,338)	326,715	—	(5,623)
	(332,274)	326,732	—	(5,542)
Debt:				
Debt due within 1 year	(210,410)	(460,779)	—	(671,189)
Hire purchase agreements	—	5,879	(68,909)	(63,030)
	(210,410)	(454,900)	(68,909)	(734,219)
Net debt	(542,684)	(128,168)	(68,909)	(739,761)

25. Ultimate controlling party

The company is a 100% subsidiary of Eurostation Limited, its immediate and ultimate parent company, registered in England and Wales. Eurostation Limited is controlled by the Shonn family for both this and the pre-ceding year.