

Company Registration No. 4669714 (England and Wales)

A & C VALMIC LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008



A & C VALMIC LIMITED

COMPANY INFORMATION

Directors	N L Rosenblatt J Cribb M D Rosenblatt S Gottschalk (Appointed 6 November 2008) R Perry (Appointed 6 November 2008)
Secretary	J Cribb
Company number	4669714
Registered office	Bridge House Lockton Road Knowsley Business Park Liverpool Merseyside L34 9GP
Auditors	Macfarlane + Co. Cunard Building Water Street Liverpool L3 1DS
Business address	9 - 10 Meadow View Crendon Industrial Estate Long Crendon Aylesbury Buckinghamshire HP18 9EQ
Bankers	Barclays Bank plc 48B - 50 Lord Street Liverpool L2 1TD
Solicitors	Pannone & Partners 123 Deansgate Manchester M3 2BU

A & C VALMIC LIMITED

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A & C VALMIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Principal activities

The principal activity of the company continued to be that of the wholesale of fabrics.

Directors

The following directors have held office since 1 April 2007:

N L Rosenblatt

J Cribb

M D Rosenblatt

S Gottschalk

R Perry

(Appointed 6 November 2008)

(Appointed 6 November 2008)

Auditors

In accordance with the Company's Articles, a resolution proposing that Macfarlane + Co. be reappointed as auditors of the company will be put at a General Meeting.

A & C VALMIC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

Directors' responsibilities

The directors are responsible for preparing 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 those 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



J Cribb

Director

9 December 2008

A & C VALMIC LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF A & C VALMIC LIMITED

We have audited the financial statements of A & C Valmic Limited for the year ended 31 March 2008 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 15 to the financial statements.

A & C VALMIC LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF A & C VALMIC LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Macfarlane + Co.

9 December 2008

Chartered Accountants
Registered Auditor

Cunard Building
Water Street
Liverpool
L3 1DS

A & C VALMIC LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

		2008	2007
	Notes	£	£
Turnover		2,701,491	2,725,679
Cost of sales		(1,806,268)	(1,830,537)
Gross profit		895,223	895,142
Distribution costs		(467,341)	(522,900)
Administrative expenses		(417,180)	(326,063)
Operating profit	2	10,702	46,179
Interest payable and similar charges	3	(1,709)	(1,497)
Profit on ordinary activities before taxation		8,993	44,682
Tax on profit on ordinary activities	4	(3,057)	(9,075)
Profit for the year	12	5,936	35,607

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

A & C VALMIC LIMITED

BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	5		37,043		36,301
Current assets					
Stocks		94,687		131,611	
Debtors	6	404,655		444,519	
Cash at bank and in hand		210,846		31,916	
		<u>710,188</u>		<u>608,046</u>	
Creditors: amounts falling due within one year	7	<u>(475,938)</u>		<u>(380,351)</u>	
Net current assets			<u>234,250</u>		<u>227,695</u>
Total assets less current liabilities			<u>271,293</u>		<u>263,996</u>
Creditors: amounts falling due after more than one year	8		(21,286)		(19,925)
Provisions for liabilities	9		<u>(30,000)</u>		<u>(30,000)</u>
			<u>220,007</u>		<u>214,071</u>
Capital and reserves					
Called up share capital	11		500,000		500,000
Profit and loss account	12		<u>(279,993)</u>		<u>(285,929)</u>
Shareholders' funds	13		<u>220,007</u>		<u>214,071</u>

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

Approved by the Board and authorised for issue on 9 December 2008



J Cribb
Director

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on cost

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

2	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	13,255	20,381
	Loss on disposal of tangible assets	-	1,431
	Operating lease rentals		
	- Plant and machinery	15,648	25,560
	- Property leases	39,250	39,246
	Auditors' remuneration	3,641	3,946
	and after crediting:		
	Profit on disposal of tangible assets	8,785	-
		<u> </u>	<u> </u>
3	Interest payable	2008	2007
		£	£
	Included in interest payable is the following amount:		
	Hire purchase interest	1,709	1,329
		<u> </u>	<u> </u>

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

4	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	160	7,518
	Adjustment for prior years	509	-
	Current tax charge	669	7,518
	Deferred tax		
	Deferred tax charge current year	2,388	1,557
		3,057	9,075
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	8,993	44,682
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2007 - 19.00%)	1,799	8,490
	Effects of:		
	Non deductible expenses	927	897
	Depreciation add back	894	3,872
	Capital allowances	(3,460)	(5,741)
	Adjustments to previous periods	509	-
		(1,130)	(972)
	Current tax charge	669	7,518

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2007	84,051
Additions	13,999
	<hr/>
At 31 March 2008	98,050
	<hr/>
Depreciation	
At 1 April 2007	47,750
Charge for the year	13,257
	<hr/>
At 31 March 2008	61,007
	<hr/>
Net book value	
At 31 March 2008	37,043
	<hr/>
At 31 March 2007	36,301
	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 March 2008	33,873
	<hr/>
At 31 March 2007	29,775
	<hr/>
Depreciation charge for the year	
At 31 March 2008	9,901
	<hr/>
At 31 March 2007	2,815
	<hr/>

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

6 Debtors	2008 £	2007 £
Trade debtors	353,748	332,953
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,789	80,638
Other debtors	43,826	27,248
Deferred tax asset (see note 9)	1,292	3,680
	<u>404,655</u>	<u>444,519</u>
7 Creditors: amounts falling due within one year	2008 £	2007 £
Net obligations under hire purchase contracts	10,888	7,389
Trade creditors	347,500	256,467
Amounts owed to group undertakings and undertakings in which the company has a participating interest	45,318	45,343
Taxation and social security	59,139	50,157
Other creditors	13,093	20,995
	<u>475,938</u>	<u>380,351</u>
The bank loans and overdrafts are secured.		
Net obligations under finance lease and hire purchase contracts are secured.		
8 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	<u>21,286</u>	<u>19,925</u>
Net obligations under hire purchase contracts		
Repayable within one year	10,888	7,389
Repayable between one and five years	21,286	19,925
	<u>32,174</u>	<u>27,314</u>
Included in liabilities falling due within one year	(10,888)	(7,389)
	<u>21,286</u>	<u>19,925</u>

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

9 Provisions for liabilities

	Other £
Balance at 1 April 2007	30,000
Balance at 31 March 2008	<u>30,000</u>

The deferred tax asset (included in debtors, note 6) is made up as follows:

	2008 £
Balance at 1 April 2007	(3,680)
Profit and loss account	2,388
Balance at 31 March 2008	<u>(1,292)</u>

	2008 £	2007 £
Decelerated capital allowances	<u>(1,292)</u>	<u>(3,680)</u>

10 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>7,814</u>	<u>7,208</u>

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

11 Share capital	2008 £	2007 £
Authorised 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
12 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2007		(285,929)
Profit for the year		<u>5,936</u>
Balance at 31 March 2008		<u>(279,993)</u>
13 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit for the financial year	5,936	35,607
Proceeds from issue of shares	-	<u>329,500</u>
Net addition to shareholders' funds	5,936	365,107
Opening shareholders' funds	<u>214,071</u>	<u>(151,036)</u>
Closing shareholders' funds	<u>220,007</u>	<u>214,071</u>

A & C VALMIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

14 Financial commitments

At 31 March 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Between two and five years	-	-	19,961	10,728
In over five years	39,250	39,250	-	-
	<u>39,250</u>	<u>39,250</u>	<u>19,961</u>	<u>10,728</u>

15 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and assist with the preparation of the financial statements.

16 Control

The ultimate parent company is Rexmore Holdings Limited, a company registered in England and Wales, which owns the ordinary share capital of A & C Valmic Limited.

Rexmore Holdings Limited prepares group financial statements and copies can be obtained from Bridge House, Lockton Road, Knowsley Business Park, Liverpool, Merseyside L34 9GP.

Previously, Rexmore Group Limited was the ultimate parent company through its ownership of the ordinary share capital of Rexmore Holdings Limited. However, the liquidation of Rexmore Group Limited has made Rexmore Holdings Limited the ultimate parent company of the group.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

A & C VALMIC LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
Turnover		
Sales	2,701,491	2,725,679
Cost of sales		
Purchases	1,806,268	1,830,537
	(1,806,268)	(1,830,537)
Gross profit	895,223	895,142
Distribution costs	467,341	522,900
Administrative expenses	417,180	326,063
	(884,521)	(848,963)
Operating profit	10,702	46,179
Interest payable		
Bank interest	-	85
Hire purchase interest	1,709	1,329
Interest on overdue tax	-	83
	(1,709)	(1,497)
Profit before taxation	8,993	44,682

A & C VALMIC LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2008

	2008 £	2007 £
Distribution costs		
Wages and salaries	245,476	247,369
Rent of warehouse	39,250	39,246
Service charges	2,811	3,004
Rates	11,544	11,246
Light and heat	6,067	5,263
Repairs and maintenance	3,675	11,387
Advertising	118	-
Carriage charges	41,199	53,020
Motor and travel expenses	67,270	73,730
Motor vehicle leasing	12,390	22,302
Bad debts	5,978	5,659
Debt collection fees	-	(60)
Pattern books	24,946	28,426
Price lists and catalogues	2,147	1,045
Sundry expenses	-	151
Depreciation on plant and machinery	1,800	1,150
Depreciation on motor vehicles	11,455	18,531
Profits/losses on disp of tangibles	(8,785)	1,431
	<u>467,341</u>	<u>522,900</u>
Administrative expenses		
Wages and salaries	145,138	153,499
Staff pension costs	7,814	7,208
Staff training	540	78
Management charges	163,500	64,500
Insurance	15,102	15,169
Cleaning	3,355	3,360
Repairs and maintenance	168	(144)
Security	830	997
Printing, postage and stationery	29,908	27,583
Telephone	14,880	15,026
Motor vehicle leasing	3,258	3,258
Motor and travel expenses	8,492	8,052
Legal and professional fees	6,815	7,858
Audit fees	3,641	3,946
Bank charges	5,360	6,798
Staff welfare	5,246	5,262
Sundry expenses	1,958	2,070
Charitable donations	100	-
Subscriptions	1,075	843
Depreciation on office equipment	-	700
	<u>417,180</u>	<u>326,063</u>