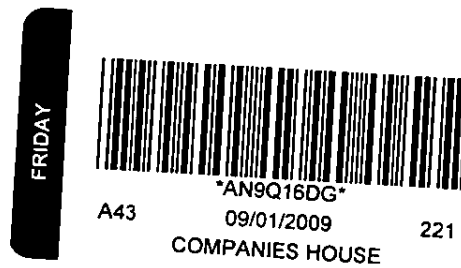


**O COMITTI AND SON LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**



# **O COMITTI AND SON LIMITED**

## **COMPANY INFORMATION**

### **Directors**

S G Barker  
W F Barker  
T A Barker  
J J Barker

### **Secretary**

W F Barker

### **Company number**

0052962 (England and Wales)

### **Registered office**

Four Wantz Corner  
Ongar  
Essex  
CM5 0AH

### **Accountants**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3 AP

# **O COMITTI AND SON LIMITED**

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**O COMITTI AND SON LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their report and the financial statements for the year ended 31 December 2007.

**Principal activities**

The principal activity of the company in the year under review was that of the manufacture of clocks, barometers, thermometers and scientific instruments.

**Directors**

The directors who served during the year were:

S G Barker  
W F Barker  
T A Barker  
J J Barker

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

This report was approved by the board on 23.12.08 and signed on its behalf.



**W F Barker**  
Director

**O COMITTI AND SON LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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 judgments 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.

**O COMITTI AND SON LIMITED**

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE  
UNAUDITED FINANCIAL STATEMENTS OF O COMITTI AND SON LIMITED**

In accordance with the engagement letter dated 19 November 2007 and in order to assist you to fulfil your duties under the Companies Act 1985 we have compiled the financial statements of the company for the year ended 31 December 2007, which comprise the profit and loss account, the balance sheet and the related notes, from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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's board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

PKF(UK)LLP

5.1.2009

**PKF (UK) LLP**

London, UK

**O COMITTI AND SON LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>TURNOVER</b>	1,2	<b>1,881,011</b>	1,845,283
Cost of sales		<u>(1,254,900)</u>	<u>(1,241,171)</u>
<b>GROSS PROFIT</b>		<b>626,111</b>	604,112
Selling and distribution costs		<u>(248,422)</u>	<u>(271,099)</u>
Administrative expenses		<u>(460,285)</u>	<u>(417,709)</u>
<b>OPERATING LOSS</b>	3	<b>(82,596)</b>	(84,696)
<b>EXCEPTIONAL ITEMS</b>			
Relocation compensation	5	<u>188,590</u>	<u>250,000</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>105,994</b>	165,304
Interest receivable		<u>1,087</u>	<u>3,666</u>
Interest payable		<u>(25,471)</u>	<u>(23,113)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>81,610</b>	145,857
Tax on profit on ordinary activities	6	<u>(3,555)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	13	<u><b>78,055</b></u>	<u>145,857</u>

The notes on pages 7 to 13 form part of these financial statements.

**O COMITTI AND SON LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		106,477		77,661
Fixed asset investments	8		1		1
Investments in associates	8		1,499		1,499
			<u>107,977</u>		<u>79,161</u>
<b>CURRENT ASSETS</b>					
Stocks		534,079		537,019	
Debtors	9	464,723		525,029	
Cash at bank		6,371		111,551	
		<u>1,005,173</u>		<u>1,173,599</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(743,586)		(951,905)	
<b>NET CURRENT ASSETS</b>			<u>261,587</u>		<u>221,694</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>369,564</u>		<u>300,855</u>
<b>CREDITORS:</b> amounts falling due after more than one year	11		(22,140)		(31,486)
<b>NET ASSETS</b>			<u><u>347,424</u></u>		<u><u>269,369</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		8,409		8,409
Revaluation reserve	13		27,773		31,740
Capital redemption reserve	13		18,000		18,000
Profit and loss account	13		293,242		211,220
<b>SHAREHOLDERS' FUNDS</b>			<u><u>347,424</u></u>		<u><u>269,369</u></u>



**O COMITTI AND SON LIMITED**

**BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2007**

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2007 and of its profit for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23. 12. 2008.



**W F Barker**  
Director

The notes on pages 7 to 13 form part of these financial statements.

## **O COMITTI AND SON LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The company has access to debt factoring, bank overdraft and loan facilities to assist in meeting its day to day working capital requirements. Given the economic conditions, the directors are satisfied with trading in the current year and believe that these borrowing facilities will continue to be available. During 2009 further funding for both working capital and development of the business may be required and the directors believe that they will be able to obtain this funding if it is needed.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Turnover**

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

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life on the following bases:

Building Improvements	-	5% on cost
Plant & machinery	-	various rates up to 10% on cost or valuation depending on the anticipated useful economic life of the asset
Motor vehicles	-	20% on cost

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

##### **1.4 Investments**

- (i) **Subsidiary Undertakings**  
Fixed asset investments are stated at cost less provision for diminution in value.
- (ii) **Associated undertakings**  
Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.5 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

## **O COMITTI AND SON LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.6 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### **1.7 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost includes an appropriate proportion of overheads.

##### **1.8 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 receive more tax.

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.

##### **1.9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

##### **1.10 Pensions**

The company operates a defined contribution pension scheme for directors. 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.

#### **2. TURNOVER**

In the year to 31 December 2007 23.5% (2006 - 31.1%) of the company's turnover was attributable to geographical markets outside the United Kingdom.

# O COMITTI AND SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2007 £	2006 £
Depreciation of tangible fixed assets:		
- owned by the company	14,187	13,022
- held under finance leases	4,188	2,105
Pension costs	-	1,500
Difference on foreign exchange	16,431	(6,388)
Loss on disposal of fixed assets	6,113	880
	<u>162,913</u>	<u>167,536</u>

### 4. DIRECTORS' REMUNERATION

	2007 £	2006 £
Aggregate emoluments	162,913	167,536
	<u>162,913</u>	<u>167,536</u>

During the year retirement benefits were accruing to 4 directors (2006 - 5) in respect of money purchase pension schemes.

### 5. EXCEPTIONAL ITEMS

	2007 £	2006 £
Relocation compensation	250,000	250,000
Relocation expenses	(61,410)	-
	<u>188,590</u>	<u>250,000</u>

During 2005 the company surrendered the lease on its' premises. The company received £500,000 for anticipated trading interruption and removal costs to be incurred over the next 2 years and have released 50% of this amount to the profit and loss account in 2006 and 2007.

### 6. TAXATION

	2007 £	2006 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax charge on profits for the year	6,746	-
Adjustments in respect of prior periods	(3,191)	-
<b>Total current tax</b>	<u>3,555</u>	<u>-</u>
<b>Tax on profit on ordinary activities</b>	<u>3,555</u>	<u>-</u>

# O COMITTI AND SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 7. TANGIBLE FIXED ASSETS

	Building Improvements £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2007	-	303,422	26,645	330,067
Additions	14,496	59,379	6,995	80,870
Disposals	-	(250,719)	-	(250,719)
At 31 December 2007	<u>14,496</u>	<u>112,082</u>	<u>33,640</u>	<u>160,218</u>
<b>Depreciation</b>				
At 1 January 2007	-	237,264	15,142	252,406
Charge for the year	724	13,304	4,347	18,375
On disposals	-	(217,040)	-	(217,040)
At 31 December 2007	<u>724</u>	<u>33,528</u>	<u>19,489</u>	<u>53,741</u>
<b>Net book value</b>				
At 31 December 2007	<u>13,772</u>	<u>78,554</u>	<u>14,151</u>	<u>106,477</u>
At 31 December 2006	<u>-</u>	<u>66,158</u>	<u>11,503</u>	<u>77,661</u>

The net book value of tangible fixed assets includes £32,050 (2006 - £14,295) in respect of Plant & Machinery held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £4,188 (2006 - £2,105) for the year.

The valuation of cars were made as at 26 August 2004 by LVC Ltd, an experienced professional in vehicle valuations on the basis of the below average market price. The valuations of machinery were made as at 16 August 2004 by Woodtech Machinery, experienced professionals in the wood machinery trade on the basis of market value if sold privately. In the opinion of the directors, there was no material difference between the valuations at 26 August 2004 and 16 August 2004, and the valuations at the company's year end of 31 December 2007.

### 8. FIXED ASSET INVESTMENTS

	Shares in group under- takings £	Interests in associate undertaking £	Total £
<b>Cost or valuation</b>			
At 1 January 2007 and 31 December 2007	<u>1</u>	<u>1,499</u>	<u>1,500</u>

# O COMITTI AND SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 8. FIXED ASSET INVESTMENTS (continued)

#### Subsidiary undertaking

The company's investment at the balance sheet date in the share capital of companies include the following:

The Clock & Barometer Store Limited 100%

The aggregate of the share capital and reserves as at 31 December 2007 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
The Clock & Barometer Store Limited	1	-

#### Associated company

The company's investments at the balance sheet date in the share capital of companies include the following:

#### Littlebury Restorations Limited

Nature of business: restoration of antiques

Class of shares: Ordinary % holding: 49.97

	2007 £	2006 £
Aggregate capital and reserves	2,768	2,757
Profit for the year	11	3

Management fees receivable from Littlebury Restorations Limited for the year were £1,155 (2006 - £955).

### 9. DEBTORS

	2007 £	2006 £
Trade debtors	379,461	405,080
Amounts owed by undertakings in which the company has a participating interest	2,371	1,906
Other debtors	82,891	118,043
	<u>464,723</u>	<u>525,029</u>

The company has entered into an invoice factoring agreement, under the terms of which the debts from the majority of its customers have been transferred. Since the benefits and risks in respect of the debts remain with the company, the separate presentation accounting treatment has been adopted and therefore the factored debts are shown as an asset above, with a corresponding liability in creditors in respect of proceeds received. The factored debts outstanding at the year end were £262,152 (2006 - £263,196).

**O COMITTI AND SON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**10. CREDITORS:  
Amounts falling due within one year**

	2007 £	2006 £
Bank loans and overdrafts	34,292	25,000
Net obligations under finance leases and hire purchase contracts	9,220	8,142
Trade creditors	218,577	200,530
Corporation tax	6,746	-
Social security and other taxes	68,592	67,268
Other creditors	406,159	650,965
	<u>743,586</u>	<u>951,905</u>

The company's bank borrowings are secured.

**11. CREDITORS:  
Amounts falling due after more than one year**

	2007 £	2006 £
Bank loans	-	24,999
Net obligations under finance leases and hire purchase contracts	22,139	6,486
Other creditors	1	1
	<u>22,140</u>	<u>31,486</u>

**12. SHARE CAPITAL**

	2007 £	2006 £
<b>Authorised</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
8,409 Ordinary shares of £1 each	<u>8,409</u>	<u>8,409</u>

# O COMITTI AND SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 13. RESERVES

	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 January 2007	18,000	31,740	211,220
Profit retained for the year	-	-	78,055
Transfer between Revaluation reserve and P/L account	-	(3,967)	3,967
At 31 December 2007	<u>18,000</u>	<u>27,773</u>	<u>293,242</u>

### 14. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2006 - £1,500).

### 15. OPERATING LEASE COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2007 £	2006 £
<b>Expiry date:</b>		
After more than 5 years	<u>80,000</u>	<u>40,000</u>

### 16. TRANSACTIONS WITH DIRECTORS

During the year a loan repayment of £5,500 was made. At the year end, the balance due from the company to directors was £77,500 (2006 - £83,000) and is shown under other creditors (Note 10).

### 17. RELATED PARTY TRANSACTIONS

During the year, the company charged Littlebury Restorations Limited, a company in which 49% of the issued share capital is owned, £1,155 (2006 £955) for management services. At the balance sheet date £2,110 was due from Littlebury Restorations Limited, including the charges for management services.