

LINCOLN SHOP EQUIPMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

MONDAY



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26/11/2007
COMPANIES HOUSE

REGISTERED NO 603782 ENGLAND

REGISTERED OFFICE STANLEY BETT HOUSE, 15 / 23 TENTERCROFT ST, LINCOLN LN5 7DB

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LINCOLN SHOP EQUIPMENT LIMITED

COMPANY INFORMATION

DIRECTORS:

		SHAREHOLDING	
		AT	AT
		31.08.07	31 08.06
JA Romney		--	--
UFR Lidbetter		--	--
S Galjaard		--	--
A Horne	(Resigned 04 06 07)	--	--
J Levine	(Appointed 04 06 07)	--	--
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		--	--
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SECRETARY J Powell

AUDITORS KPMG LLP
 St James' Square
 Manchester
 M2 6DS

REGISTERED OFFICE Stanley Bett House
 15/23 Tentercroft Street
 Lincoln
 LN5 7DB

REGISTERED NUMBER 603782

LINCOLN SHOP EQUIPMENT LIMITED DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 August 2007, for Lincoln Shop Equipment Limited (the "Company")

Principal Activity

The principal activity of the Company is the supply, sale and rental of cash registers, EPOS systems and other equipment

Review of the Business

The directors are satisfied with the improvement in performance during the year

Results and Dividends

The results for the year are set out on page 6 The directors do not recommend the payment of a dividend

Directors

The present directors of the Company and their share interests are set out on page 1 Mrs Romney and Mr Levine are appointed as representatives of the Board of Lincolnshire Co-operative Limited

Disclosure of Information to Auditors


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming annual general meeting

The report of the directors was approved by the Board on **22 October 2007** and signed on its behalf by

Director 

Secretary 

LINCOLN SHOP EQUIPMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities in respect of the Director's Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the accounts on a 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 enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

To the Members of Lincoln Shop Equipment Limited

We have audited the financial statements of Lincoln Shop Equipment Limited for the year ended 31 August 2007 which comprises the Profit and Loss Account, the Balance Sheet and related notes. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Lincoln Shop Equipment Limited (cont'd)

Opinion

In our opinion.

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 August 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

22 November 2007

KPMG LLP
Chartered Accountants
Registered Auditor
Manchester

LINCOLN SHOP EQUIPMENT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2007

	NOTES	2007 £	2006 £
TURNOVER	2	186,117	216,026
Cost of sales		(30,881)	(81,714)
GROSS PROFIT		155,236	134,312
Administrative expenses	3	(176,070)	(228,392)
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST	3-4	(20,834)	(94,080)
Interest payable and similar charges	5	-	(1,125)
LOSS ON ORDINARY ACTIVITIES AND RETAINED LOSS FOR THE FINANCIAL YEAR	12	(20,834)	(95,205)

In both the current and the preceding year the Company had no discontinued operations

There is no material difference between the historical cost loss for the year and the reported loss.

There are no recognised gains or losses other than those included above

A statement of the movement in reserves is given in note 12

The notes on pages 8 to 14 form part of these accounts

LINCOLN SHOP EQUIPMENT LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2007

	NOTES	2007	2006
		£	£
FIXED ASSETS			
Tangible assets	7	<u>61,066</u>	<u>86,930</u>
CURRENT ASSETS			
Stock	8	39,766	54,595
Debtors	9	6,312	25,751
Cash at bank and in hand		<u>1,209</u>	<u>138</u>
		47,287	80,484
CREDITORS			
Amounts falling due within one year	10	<u>(141,358)</u>	<u>(179,585)</u>
NET CURRENT LIABILITIES		(94,071)	(99,101)
NET LIABILITIES		(33,005)	(12,171)
CAPITAL AND RESERVES			
Share capital	11	1,000	1,000
Profit and loss account	12	(34,005)	(13,171)
TOTAL EQUITY			
SHAREHOLDERS' DEFICIT		(33,005)	(12,171)

The financial statements were approved by the Board on **22 October 2007**
and signed on its behalf by

Director 

The notes on pages 8 to 14 form part of these accounts

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

1) Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There have been no changes in the accounting policies during the year.

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

The Company has net liabilities of £33,005 (2006: £12,171), however the directors have considered it appropriate to prepare the accounts on a going concern basis following the provision of financial support from the ultimate parent undertaking.

Turnover

Turnover represents sales of goods and services less returns, and monies due under rental agreements, exclusive of Value Added Tax.

Stock

Stock has been valued at the lower of cost or average purchase price, or estimated net realisable value.

Tangible Fixed Assets and Depreciation

Depreciation has been provided on tangible fixed assets on a straight line basis, to write off the cost less estimated residual value evenly over the expected useful life at the following rates:

Fixtures, Fittings and Equipment	15% p a
Equipment rented to customers under operating leases	25% p a

Assets Leased to Customers

Assets leased to customers under operating leases are included in the balance sheet as rental assets at cost less depreciation based on the normal accounting policy of the company. Rental income from these leases is credited to the profit and loss account on an accruals basis over the year of the lease.

Assets leased under hire purchase agreements are not included in fixed assets. Amounts receivable under these contracts are included in debtors and represent the total amount outstanding under lease agreements less unearned income. Hire purchase income is included in turnover on an accruals basis.

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

1) Accounting Policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision for deferred tax has been recognised without discounting in the balance sheet.

2) Turnover	2007	2006
Turnover consists of	£	£
Operating rentals received	96,396	107,758
Goods and services	79,531	63,415
Hire purchase income	10,190	44,853
	<u>186,117</u>	<u>216,026</u>

3) Operating loss is stated after charging:	2007	2006
	£	£
Auditors' remuneration	--	--
Depreciation - rental assets	23,375	37,001
Depreciation - other assets	10,214	12,817
Loss on disposal of assets	<u>6,734</u>	<u>--</u>

For the current and prior year, remuneration of the auditors for audit work (£3,000, 2006: £3,000) was borne by the ultimate parent undertaking.

4) Employees and directors	2007	2006
The average number employed by the company was:	Number	Number
Full time	2	2
Part time	1	1
	<u>3</u>	<u>3</u>

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

4) Employees and directors (continued)

	2007	2006
	£	£
Staff costs were as follows		
Wages and salaries	51,067	70,717
Social Security costs	4,350	4,572
Other pension costs	3,969	3,833
	<u>59,386</u>	<u>79,122</u>

Directors' Emoluments:

The aggregate amount of directors' emoluments were £nil (2006 £nil)

5) Interest payable and similar charges

	2007	2006
	£	£
Other interest paid	<u>--</u>	<u>1,125</u>

6) Taxation

Revenue Account

a) Analysis of tax charge in year

UK Corporation Tax 30% (2006 30%)

2007	2006
£	£
<u>--</u>	<u>--</u>

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

6) Taxation (cont'd)

b) Factors affecting tax charge for the year

The current tax charge for the year is higher (2006: higher) than the standard rate of corporation tax in the UK of 30% (2006. 30%) The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before taxation	<u>(20,834)</u>	<u>(95,205)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(6,250)	(28,561)
Effects of		
Utilisation of tax losses	2,927	10,017
Depreciation for the year in excess of capital allowances	4,196	18,544
Other timing differences	(873)	--
	<u> -- </u>	<u> -- </u>

c) Factors that may affect future tax charges

The company expects its effective tax rate in future years to be less than the standard rate of corporation tax in the UK due principally to the use of the small companies rate of tax and has tax losses to carry forward against future trading profits.

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

7) Tangible Fixed Assets	Fixtures & Fittings	Rental Assets	Total
	£	£	£
Original Cost			
Assets at 1 September 2006	62,726	94,100	156,826
Additions	--	24,798	24,798
Disposals	(16,975)	(36,623)	(53,598)
At 31 August 2007	45,751	82,275	128,026
Depreciation			
At 1 September 2006	32,037	37,859	69,896
Provided during the year	10,214	23,375	33,589
Disposals	(11,457)	(25,068)	(36,525)
At 31 August 2007	30,794	36,166	66,960
Net Book Value at 31 August 2007	14,957	46,109	61,066
Net Book Value at 31 August 2006	30,689	56,241	86,930
8) Stock	2007	2006	
	£	£	
Raw materials and consumables	6,906	7,066	
Finished goods and goods for resale	32,860	47,529	
	39,766	54,595	
9) Debtors	2007	2006	
	£	£	
Amounts falling due within one year			
Trade debtors	6,312	25,751	

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

10) Creditors	2007	2006
Amounts falling due within one year	£	£
Amounts owed to parent undertaking	133,181	170,208
Accruals and deferred income	8,177	9,377
	<u>141,358</u>	<u>179,585</u>

11) Share capital	2007	2006
	£	£
Authorised, allotted, called up and fully paid 1000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12) Reserves	Profit and Loss Account	
	2007	2006
	£	£
Brought forward	(13,171)	82,034
Loss for the year	<u>(20,834)</u>	<u>(95,205)</u>
Carried forward	<u>(34,005)</u>	<u>(13,171)</u>

13) Reconciliation of Movements in Shareholders' Funds	2007	2006
	£	£
Loss for the year	(20,834)	(95,205)
Opening shareholders' funds	(12,171)	83,034
Closing shareholders' funds	<u>(33,005)</u>	<u>(12,171)</u>

LINCOLN SHOP EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

14) Pension scheme

The Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 "Retirement Benefits", the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme

The latest full actuarial valuation was carried out at 30 September 2006 and was updated for FRS17 purposes to 1 September 2007 by a qualified independent actuary

The pension cost charge for the year represents contributions payable by the Company to the Scheme and amounted to £3,969 (2006: £3,833)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

15) Related party transactions

As the ultimate parent undertaking of the company is Lincolnshire Co-operative Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

The consolidated financial statements of Lincolnshire Co-operative Limited, within which this Company is included, can be obtained from the registered office of the Company as set out in note 16

16) Holding Company

At the year end, Lincoln Shop Equipment Limited was a 100% owned subsidiary of Lincolnshire Co-operative Limited, which is registered in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Lincolnshire Co-operative Limited

The consolidated financial statements of Lincolnshire Co-operative Limited are available to the public from Stanley Bett House, 15/23 Tentercroft Street, Lincoln, LN5 7DB