

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007
FOR
DIAMOND COMIC DISTRIBUTORS

WEDNESDAY



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DIAMOND COMIC DISTRIBUTORS

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DIAMOND COMIC DISTRIBUTORS
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS:	Comic Exporters Inc Comic Holdings Inc
SECRETARY:	Richard Freeman & Co Secretaries Limited
REGISTERED OFFICE:	13 Radnor Walk Chelsea London SW3 4BP
REGISTERED NUMBER:	01510986 (England and Wales)
AUDITORS:	Baker Tilly UK Audit LLP Registered Auditor Chartered Accountants 1210 Centre Park Square Warrington Cheshire WA1 1RU

DIAMOND COMIC DISTRIBUTORS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the accounts of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of comics and related merchandise

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

The directors consider the results for the year to be satisfactory and expect the general level of activity to continue

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2007

FUTURE DEVELOPMENTS

It is the intention of the directors to continue to trade in the same areas of operation. The company will maintain its efforts to expand into new retail outlets and thereby to increase turnover

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

Comic Exporters Inc
Comic Holdings Inc

FINANCIAL RISK MANAGEMENT

The directors have examined the major financial business and operational risks that the company faces and have identified foreign currency as a financial risk. The directors have established systems and working practices in order that the necessary steps can be taken to minimise the risks

STATEMENT OF 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 these 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 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. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

DIAMOND COMIC DISTRIBUTORS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007

AUDITORS

The auditors, Baker Tilly UK Audit LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



Richard Freeman & Co Secretaries Limited - Secretary

Date 3rd June, 2008

**REPORT OF THE INDEPENDENT AUDITORS TO
DIAMOND COMIC DISTRIBUTORS
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to thirteen, together with the financial statements of Diamond Comic Distributors for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
1210 Centre Park Square
Warrington
Cheshire
WA1 1RU

Date

6.6.08

DIAMOND COMIC DISTRIBUTORS

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

	Notes	2007 £	2006 £
GROSS PROFIT		4,749,114	4,322,879
Distribution costs		650,396	621,617
Administrative expenses		<u>3,465,441</u>	<u>3,482,306</u>
		4,115,837	4,103,923
OPERATING PROFIT	3	633,277	218,956
Interest receivable and similar income		<u>50,807</u>	<u>67,568</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		684,084	286,524
Tax on profit on ordinary activities	4	<u>204,112</u>	<u>134,832</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>479,972</u>	<u>151,692</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

DIAMOND COMIC DISTRIBUTORS

ABBREVIATED BALANCE SHEET 31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	5	198,195	99,018
Investments	6	247,282	234,601
		<u>445,477</u>	<u>333,619</u>
CURRENT ASSETS			
Stocks	7	1,323,247	1,371,147
Debtors	8	2,468,255	2,424,203
Cash in hand		1,340,016	684,067
		<u>5,131,518</u>	<u>4,479,417</u>
CREDITORS			
Amounts falling due within one year	9	1,885,783	1,601,796
NET CURRENT ASSETS		<u>3,245,735</u>	<u>2,877,621</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,691,212</u></u>	<u><u>3,211,240</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	3,691,112	3,211,140
SHAREHOLDERS' FUNDS	14	<u><u>3,691,212</u></u>	<u><u>3,211,240</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 3rd June, 2008 and were signed on its behalf by


Comic Exporters Inc - Director


Comic Holdings Inc - Director

The notes form part of these abbreviated accounts

DIAMOND COMIC DISTRIBUTORS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	935,163	744,648
Returns on investments and servicing of finance	2	50,807	67,568
Taxation		(156,848)	(403,637)
Capital expenditure and financial investment	2	(173,173)	(44,214)
Increase in cash in the period		<u>655,949</u>	<u>364,365</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>655,949</u>	<u>364,365</u>
Change in net funds resulting from cash flows		<u>655,949</u>	<u>364,365</u>
Movement in net funds in the period		<u>655,949</u>	<u>364,365</u>
Net funds at 1 January		<u>684,067</u>	<u>319,702</u>
Net funds at 31 December		<u>1,340,016</u>	<u>684,067</u>

The notes form part of these abbreviated accounts

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	633,277	218,956
Depreciation charges	55,670	57,164
Loss on disposal of fixed assets	5,645	-
Decrease/(Increase) in stocks	47,900	(401,303)
(Increase)/Decrease in debtors	(91,316)	389,030
Increase in creditors	283,987	480,801
Net cash inflow from operating activities	935,163	744,648

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	50,807	67,568
Net cash inflow for returns on investments and servicing of finance	50,807	67,568
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(160,492)	(31,532)
Purchase of fixed asset investments	(12,681)	(12,682)
Net cash outflow for capital expenditure and financial investment	(173,173)	(44,214)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank and in hand	684,067	655,949	1,340,016
	<u>684,067</u>	<u>655,949</u>	<u>1,340,016</u>
Total	<u>684,067</u>	<u>655,949</u>	<u>1,340,016</u>

The notes form part of these abbreviated accounts

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts. Revenue is recognised upon delivery of the goods to the customer. Interest is recognised on an accruals basis at the rates applicable to underlying financial instruments to which it relates.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33.3% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rate expected to be effective when the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The employees of the company participate in a Group Personal Pension Scheme, the premiums of which are funded by the company and by voluntary contributions from the employees. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	1,353,823	1,189,713
Social security costs	121,385	127,972
Other pension costs	43,050	42,154
	<u>1,518,258</u>	<u>1,359,839</u>

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2007	2006
Administration	25	24
Warehouse	36	34
	<u>61</u>	<u>58</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting),

	2007 £	2006 £
Hire of plant and machinery	16,176	11,634
Other operating leases	128,693	131,832
Depreciation - owned assets	55,670	57,164
Loss on disposal of fixed assets	5,645	-
Auditors' remuneration	27,629	13,750
Foreign exchange differences	98,546	(3,704)
	<u>795,000</u>	<u>720,000</u>

Directors' emoluments	<u>795,000</u>	<u>720,000</u>
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Information regarding the highest paid director is as follows

	2007 £	2006 £
Emoluments etc	<u>397,500</u>	<u>360,000</u>

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	204,112	92,264
Prior years corporation tax	-	42,568
	<u>204,112</u>	<u>134,832</u>

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

4 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>684,084</u>	<u>286,524</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	205,225	85,957
Effects of		
Expenses not deductible for tax purposes	3,569	3,880
Capital allowances in excess of depreciation	(4,682)	2,427
Adjustment for tax charge in respect of prior periods	-	42,568
Current tax charge	<u>204,112</u>	<u>134,832</u>

5 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2007	235,864	22,465	327,664	585,993
Additions	128,104	-	32,388	160,492
Disposals	(24,698)	-	-	(24,698)
At 31 December 2007	<u>339,270</u>	<u>22,465</u>	<u>360,052</u>	<u>721,787</u>
DEPRECIATION				
At 1 January 2007	193,870	7,956	285,149	486,975
Charge for year	17,026	5,617	33,027	55,670
Eliminated on disposal	(19,053)	-	-	(19,053)
At 31 December 2007	<u>191,843</u>	<u>13,573</u>	<u>318,176</u>	<u>523,592</u>
NET BOOK VALUE				
At 31 December 2007	<u>147,427</u>	<u>8,892</u>	<u>41,876</u>	<u>198,195</u>
At 31 December 2006	<u>41,994</u>	<u>14,509</u>	<u>42,515</u>	<u>99,018</u>

6 FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows

	2007 £	2006 £
Endowment - cost b/f	234,601	221,919
Endowment - additions	12,681	12,682
	<u>247,282</u>	<u>234,601</u>

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

6 FIXED ASSET INVESTMENTS - continued

The market value of the endowment fund at 31 December 2007 was £306,275 (2006 - £281,641)

7 STOCKS

	2007 £	2006 £
Finished goods	1,323,247	1,371,147

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	2,239,100	2,154,869
Other debtors	106,350	81,153
Prepayments and accrued income	122,805	188,181
	<u>2,468,255</u>	<u>2,424,203</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	543,261	504,014
Amounts owed to group undertakings	635,857	443,806
Social security and other taxes	35,112	64,251
Other creditors	19,797	28,108
Accruals and deferred income	651,756	561,617
	<u>1,885,783</u>	<u>1,601,796</u>

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2007 £	2006 £
Expiring		
Within one year	83,810	41,173
Between one and five years	225,000	83,810
	<u>308,810</u>	<u>124,983</u>

11 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	2007 £	2006 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

DIAMOND COMIC DISTRIBUTORS

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

12 RESERVES

	Profit and loss account £
At 1 January 2007	3,211,140
Profit for the year	479,972
	<hr/>
At 31 December 2007	3,691,112
	<hr/>

13 CONTINGENT LIABILITIES

The company has issued a guarantee to H M Revenue and Customs for £20,000 (2006 - £20,000)

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	479,972	151,692
	<hr/>	<hr/>
Net addition to shareholders' funds	479,972	151,692
Opening shareholders' funds	3,211,240	3,059,548
	<hr/>	<hr/>
Closing shareholders' funds	3,691,212	3,211,240
	<hr/>	<hr/>

15 AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by directors of the company on the same date that they were approved