

# Liberator Limited

## ABBREVIATED ACCOUNTS

for the year ended

30 September 2010



Company Registration No 02590367



# Liberator Limited

## DIRECTORS' REPORT

For the year ended 30 September 2010

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The directors present their report and financial statements of Liberator Limited for the year ended 30 September 2010

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company acts as a distributor of augmentative alternate communication devices for its ultimate holding company, Prentke Romich Company, a company registered in the United States of America

### RESULTS AND DIVIDENDS

The results for the year are set out on page 4

### DIRECTORS

The following directors have held office since 1 October 2009

Mrs M E Broehl  
Mrs K Phillips - Clyne  
Mr I C Thompson  
Mr D Moffatt

### AUDITORS

Baker Tilly UK Audit LLP have indicated their willingness to continue in office

### STATEMENT OF DISCLOSURE TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr I C Thompson  
DIRECTOR

16/12/2010.



# Liberator Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



# Liberator Limited

## INDEPENDENT AUDITORS' REPORT TO LIBERATOR LIMITED

### Under Section 449 Of The Companies Act 2006

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We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Liberator Limited for the year ended 30 September 2009 prepared under section 396 of the Companies Act 2006

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

*Baker Tilly UK Audit LLP*

Jeremy Read (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

*16 December 2010*



# Liberator Limited

## ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2010

	<i>Notes</i>	2010 US\$	2009 US\$
Gross profit		1,845,339	2,245,892
Other operating expenses	3	<u>1,672,743</u>	<u>2,357,364</u>
OPERATING PROFIT/(LOSS)		172,596	(111,472)
Fundamental reorganising and restructuring costs	5	<u>-</u>	<u>(140,320)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		172,596	(251,792)
Investment income	4	<u>1,997</u>	<u>5,881</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	174,593	4,089
Taxation	8	<u>(43,507)</u>	<u>30,974</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u><u>131,086</u></u>	<u><u>35,063</u></u>

The operating profit/(loss) for the year arises from the company's continuing operations



# Liberator Limited

## BALANCE SHEET

30 September 2010

Company registration no 02590367

		2010	2009
			(As restated)
	Notes	US\$	US\$
<b>FIXED ASSETS</b>			
Tangible assets	9	680,351	764,646
Investments	10	184,522	184,522
		<u>864,873</u>	<u>949,168</u>
<b>CURRENT ASSETS</b>			
Stocks	11	526,931	547,848
Debtors amounts falling due within one year	12	1,079,702	900,267
Cash at bank and in hand		919,112	886,714
		<u>2,525,745</u>	<u>2,334,829</u>
<b>CREDITORS</b> Amounts falling due within one year	13	901,740	969,572
<b>NET CURRENT ASSETS</b>		<u>1,624,005</u>	<u>1,365,257</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,488,878</u>	<u>2,314,425</u>
<b>CREDITORS</b> Amounts falling due after more than one year	14	(249,824)	(206,457)
<b>NET ASSETS</b>		<u><u>2,239,054</u></u>	<u><u>2,107,968</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	139,920	139,920
Profit and loss account	18	2,099,134	1,968,048
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>2,239,054</u></u>	<u><u>2,107,968</u></u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the board on 16/12/2010

Mr I C Thompson

Director





# Liberator Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention

### CASH FLOW STATEMENT

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

### GROUP FINANCIAL STATEMENTS

The company is subject to the small companies regime and consequently is exempt from the requirement to prepare consolidated accounts. These financial statements therefore present information about the company and not about its group

### GOING CONCERN

The directors have prepared detailed trading and cash flow forecasts for the period to December 2011. These show that the company can meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements on a going concern basis.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Land and buildings	2% per annum straight line
Plant and machinery	25 to 50% per annum straight line

### INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value

### STOCK

Stock is valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items

### 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 at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be future taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS

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.

### PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.



# Liberator Limited

## ACCOUNTING POLICIES (CONTINUED)

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### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### TURNOVER

Revenue from sale of goods net of VAT is recognised at the time of dispatch, at which time the sale is also invoiced to the customer.

Revenue from warranty agreements is recognised as the company earns the right to consideration as it performs its obligations under the terms of those contracts.

### SHARE CAPITAL

Share capital has been translated at the historic rate of £1 = US\$1.749.

### FUNCTIONAL CURRENCY

The company acts as a distribution agent for its US parent undertaking and, as such, the majority of its transactions are in US dollars. The financial statements have therefore been prepared in US dollars, the company's functional currency. Monetary assets and liabilities at 30 September 2010 expressed in any currency other than US dollars have been translated at the exchange rate of £1 = US\$1.60.



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2010

### 1 TURNOVER

In the year to 30 September 2010 61% (2009 - 53%) of the company's turnover was to markets outside the United Kingdom

### 2 CORRESPONDING AMOUNTS

In the previous year, deferred income relating to periods falling due after more than one year from the balance sheet date was incorrectly classified as a creditor falling due within one year. The position has been corrected in the current year, and whilst the error last year is not considered fundamental, it is considered necessary to restate the comparative balance sheet to aid comparability. In accordance with Financial Reporting Standard 28 'Corresponding Amounts', the corresponding amount for deferred income falling due after more than one year has been restated to aid comparability, resulting in a reduction of creditors falling due within one year for 2009 of \$206,457 and a corresponding increase in creditors falling due after more than one year.

3	OTHER OPERATING EXPENSES	2010 US\$	2009 US\$
	Administrative expenses	1,672,743	2,357,364
4	INVESTMENT INCOME	2010 US\$	2009 US\$
	Income from shares in group undertakings	-	250,000
	Bank interest	224	4,338
	Other interest	1,773	1,543
		1,997	255,881
5	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2010 US\$	2009 US\$
	Profit/(loss) is stated after charging/(crediting)		
	Depreciation of tangible assets		
	- Owned assets	168,899	209,850
	(Profit)/loss on disposal of tangible assets	(1,332)	14,670
	Exceptional staff reorganisation costs	-	140,320
	(Profit)/loss on foreign exchange transactions	(420)	126,232
	Operating lease rentals		
	- Plant and machinery	34,261	57,149
	- Other assets	22,155	27,002
	Auditor's remuneration	15,996	17,808



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

6	DIRECTORS' EMOLUMENTS	2010 US\$	2009 US\$
	Emoluments	103,500	269,825
	Pension	12,428	13,109
		<u>115,928</u>	<u>282,934</u>
	The number of directors for whom retirement benefits are accruing under money purchase scheme was	<u>2</u>	<u>2</u>
7	EMPLOYEES		
	NUMBER OF EMPLOYEES		
	The average monthly number of employees (including directors) during the year was	2010 Number	2009 Number
	Administration and sales	<u>17</u>	<u>20</u>
	EMPLOYMENT COSTS	2010 US\$	2009 US\$
	Wages and salaries	854,734	1,178,088
	Social security costs	79,144	116,071
	Pension costs	51,075	78,906
		<u>984,953</u>	<u>1,373,065</u>



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

8	TAXATION	2010 US\$	2009 US\$
	UK Corporation tax		
	Current tax on profit of the period	51,064	-
	Adjustment for prior years	(720)	(24,091)
	<b>CURRENT TAX CHARGE</b>	<b>50,344</b>	<b>(24,091)</b>
	<b>DEFERRED TAX</b>		
	Origination and reversal of timing differences	(6,837)	(6,883)
	Tax on profit on ordinary activities	43,507	(30,974)
	<b>FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR</b>		
	The tax assessed for the year is higher than the standard rate of corporation tax (28%) as explained below		
	Profit on ordinary activities before taxation	174,593	4,089
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 21.00%)	48,886	859
	Effects of		
	Non deductible expenses	5,384	4,610
	Depreciation add back	2,699	10,344
	Adjustments for prior years	(720)	(24,091)
	Foreign tax credits	-	(13,349)
	Other short term timing differences	(1,205)	(2,464)
	Marginal relief	(4,700)	-
		1,458	(24,950)
	<b>CURRENT TAX CHARGE</b>	<b>50,344</b>	<b>(24,091)</b>



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

### 9 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> US\$	<i>Plant and machinery</i> US\$	<i>Total</i> US\$
Cost			
1 October 2009	568,815	739,550	1,308,365
Additions	-	97,697	97,697
Disposals	-	(218,924)	(218,924)
30 September 2010	568,815	618,323	1,187,138
Depreciation			
1 October 2009	44,557	499,162	543,719
Charge in the year	11,376	157,523	168,899
Disposals	-	(205,831)	(205,831)
30 September 2010	55,933	450,854	506,787
Net book value			
30 September 2010	512,882	167,469	680,351
30 September 2009	524,258	240,388	764,646



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

### 10 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings US\$
<b>COST</b>	
At 1 October 2009 & at 30 September 2010	184,522
<b>NET BOOK VALUE</b>	
At 30 September 2010	184,522
At 30 September 2009	184,522

#### HOLDINGS OF MORE THAN 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
<b>SUBSIDIARY UNDERTAKINGS</b>				
Prentke Romich GmbH	Germany	Ordinary	100 00	
Liberator Pty Limited	Australia	Ordinary	100 00	

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2010 US\$	Profit/(loss) for the year 2010 US\$
	<b>PRINCIPAL ACTIVITY</b>		
Prentke Romich GmbH	Distributor of communication aids	2,003,513	448,368
Liberator Pty Limited	Distributor of communication aids	148,114	180,597

### 11 STOCKS

	2010 US\$	2009 US\$
Finished goods and goods for resale	526,931	547,848



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

12 DEBTORS	2010 US\$	2009 US\$
Trade debtors	351,457	342,060
Amounts owed by parent and fellow subsidiary undertakings	659,062	441,007
Other debtors	27,604	14,275
Prepayments and accrued income	15,856	84,039
Deferred tax asset (see note 15)	25,723	18,886
	<u>1,079,702</u>	<u>900,267</u>
13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2010 US\$	(As restated) 2009 US\$
Trade creditors	58,864	122,605
Amounts owed to group undertakings	433,497	396,164
Taxation and social security	83,205	32,459
Other creditors	326,174	418,344
	<u>901,740</u>	<u>969,572</u>
14 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2010 US\$	(As restated) 2009 US\$
Deferred income	249,824	206,457
	<u>249,824</u>	<u>206,457</u>



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

### 15 DEFERRED TAX ASSET

THE DEFERRED TAX ASSET (INCLUDED IN DEBTORS, NOTE 12) IS MADE UP AS FOLLOWS

	2010	
	US\$	
Balance at 1 October 2009	(18,886)	
Profit and loss account	(6,837)	
	<u>(25,723)</u>	
Balance at 30 September 2010	<u>(25,723)</u>	
	2010	2009
	US\$	US\$
Depreciation in excess of capital allowances	<u>(25,723)</u>	<u>(18,886)</u>

### 16 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to \$51,075 (2009 \$78,906). Contributions totalling \$8,150 (2009 \$12,453) were payable to the fund at the year end and are included in creditors.

17 SHARE CAPITAL	2010	2009
	US\$	US\$
ALLOTTED, CALLED UP AND FULLY PAID		
139,920 Ordinary shares of US\$1 each	<u>139,920</u>	<u>139,920</u>

### 18 RESERVES

	Profit and loss account
	US\$
Balance at 1 October 2009	1,968,048
Profit for the year	131,086
	<u>2,099,134</u>
Balance at 30 September 2010	<u>2,099,134</u>



# Liberator Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2010

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2010 US\$	2009 US\$
Profit for the financial year	131,086	35,063
Opening shareholders' funds	2,107,968	2,072,905
Closing shareholders' funds	2,239,054	2,107,968

## 20 FINANCIAL COMMITMENTS

At 30 September 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2011

	Land and buildings		Other	
	2010 US\$	2009 US\$	2010 US\$	2009 US\$
Operating leases which expire				
Within one year	21,483	-	16,628	4,188
Between two and five years	-	26,325	9,811	54,328
	21,483	26,325	26,439	58,516

## 21 TRANSACTIONS WITH DIRECTORS

During the year a loan of £5,000 was made to the director, Mrs K Phillips-Clyne. At the year end £5,000 was still outstanding. The loan is repayable on the date Mrs K Phillips-Clyne ceases to be employed by Liberator Limited. There is no interest charged on the loan.

## 22 ULTIMATE PARENT COMPANY

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Prentke Romich Co, registered in United States of America.

In the directors' opinion there is no one controlling party.