

Matchproud Limited
Financial Statements
For the Year Ended
31 December 2006



These financial statements have not been audited as the company is exempt under s249A of the Companies Act 1985 from the requirement to obtain an audit of its financial statements

BISHOP FLEMING

Chartered Accountants

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Matchproud Limited

Financial Statements

Year Ended 31 December 2006

Contents	Pages
Officers and professional advisers	1
The directors' report	2
Profit and loss account	3
Balance sheet	4 to 5
Notes to the financial statements	6 to 13
The following pages do not form part of the financial statements	
Chartered accountants' report to the board of directors	14
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

Matchproud Limited**Officers and Professional Advisers**

The Board of Directors

J H Thomas
J M Thomas

Company Secretary

J M Thomas

Registered Office

C/O Bishop Fleming
Chy Nyverow
Newham Road
Truro
TR1 2DP

Accountants

Bishop Fleming
Chartered Accountants
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Bankers

Barclays Bank Plc
14 King Street
Truro
Cornwall
TR1 2RB

Solicitors

Bray & Dilks
33 & 34 Lemon Street
Truro
Cornwall
TR1 2NR

Matchproud Limited

The Directors' Report

Year Ended 31 December 2006

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2006

Principal activities

The principal activity of the company during the year was the retail and wholesale of health and wholefoods

Results and dividends

The loss for the year amounted to £12,469 Particulars of dividends paid are detailed in note 6 to the financial statements

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 December 2006	At 1 January 2006
J H Thomas	75,000	75,000
J M Thomas	<u>75,000</u>	<u>75,000</u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
C/O Bishop Fleming
Chy Nyverow
Newham Road
Truro
TR1 2DP

Signed by order of the directors



J M Thomas
Company Secretary

Approved by the directors on 13/4/07

Matchproud Limited**Profit and Loss Account****Year Ended 31 December 2006**

	Note	2006 £	2005 £
Turnover	2	1,375,728	1,444,720
Cost of sales		<u>1,081,288</u>	<u>1,134,185</u>
Gross profit		294,440	310,535
Administrative expenses		<u>296,413</u>	<u>263,195</u>
Operating (loss)/profit	3	(1,973)	47,340
Interest receivable and similar income		–	270
Interest payable and similar charges		<u>(11,194)</u>	<u>(12,324)</u>
(Loss)/profit on ordinary activities before taxation		(13,167)	35,286
Tax on (loss)/profit on ordinary activities	5	<u>(698)</u>	<u>11,079</u>
(Loss)/profit for the financial year		<u>(12,469)</u>	<u>24,207</u>

The notes on pages 6 to 13 form part of these financial statements

Matchproud Limited**Balance Sheet****31 December 2006**

	Note	2006 £	2005 £
Fixed assets			
Intangible assets	7	24,292	29,792
Tangible assets	8	325,904	152,962
		<u>350,196</u>	<u>182,754</u>
Current assets			
Stocks		159,790	160,180
Debtors	9	62,741	56,202
Cash in hand		32	30
		<u>222,563</u>	<u>216,412</u>
Creditors: Amounts falling due within one year	10	<u>281,603</u>	<u>155,451</u>
Net current (liabilities)/assets		<u>(59,040)</u>	<u>60,961</u>
Total assets less current liabilities		<u>291,156</u>	<u>243,715</u>
Creditors: Amounts falling due after more than one year	11	<u>134,694</u>	<u>64,757</u>
		<u>156,462</u>	<u>178,958</u>
Provisions for liabilities			
Deferred taxation	12	3,115	3,092
		<u>153,347</u>	<u>175,866</u>
Capital and reserves			
Called-up equity share capital	13	150,000	150,000
Profit and loss account	14	3,347	25,866
Shareholders' funds		<u>153,347</u>	<u>175,866</u>

The Balance sheet continues on the following page.

The notes on pages 6 to 13 form part of these financial statements.

Matchproud Limited**Balance Sheet** *(continued)***31 December 2006**

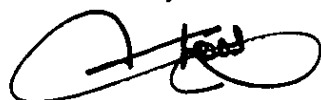
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 13/4/07 and are signed on their behalf by



J H Thomas
Director

Matchproud Limited

Notes to the Financial Statements

Year Ended 31 December 2006

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

(b) Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax

(c) Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Goodwill - 20 years straight line

(d) Fixed assets

All fixed assets are initially recorded at cost

(e) Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Freehold Property	- 50 years straight line
Plant & Machinery	- 5 years straight line
Fixtures & Fittings	- 10% reducing balance
Motor Vehicles	- 20% reducing balance
Equipment	- 5 years straight line

(f) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis

Net realisable value is based on estimated selling price less the estimated cost of disposal

Matchproud Limited**Notes to the Financial Statements****Year Ended 31 December 2006**

1. Accounting policies *(continued)***(g) Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

(h) Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

(i) Pension costs**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(j) 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 to 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.

(l) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Matchproud Limited**Notes to the Financial Statements****Year Ended 31 December 2006**

2. Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2006	2005
	£	£
Staff pension contributions	534	534
Amortisation	5,500	5,500
Depreciation of owned fixed assets	10,305	8,775
Depreciation of assets held under hire purchase agreements	952	2,870
	<u> </u>	<u> </u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2006	2005
	£	£
Aggregate emoluments	46,045	34,338
Value of company pension contributions to money purchase schemes	4,800	4,800
	<u>50,845</u>	<u>39,138</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2006	2005
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

Matchproud Limited**Notes to the Financial Statements****Year Ended 31 December 2006****5. Taxation on ordinary activities**

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 19% (2005 - 18 50%)	(721)	7,987
Total current tax	(721)	7,987
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	23	3,092
Tax on (loss)/profit on ordinary activities	(698)	11,079

6. Dividends**Equity dividends**

	2006 £	2005 £
Paid		
Equity dividends on ordinary shares	10,050	13,240

7. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2006 and 31 December 2006	110,000
Amortisation	
At 1 January 2006	80,208
Charge for the year	5,500
At 31 December 2006	85,708
Net book value	
At 31 December 2006	24,292
At 31 December 2005	29,792

Matchproud Limited

Notes to the Financial Statements

Year Ended 31 December 2006

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2006	125,029	6,030	37,399	43,523	13,473	225,454
Additions	180,155	1,773	2,271	—	—	184,199
At 31 Dec 2006	305,184	7,803	39,670	43,523	13,473	409,653
Depreciation						
At 1 Jan 2006	11,910	6,030	27,335	22,928	4,289	72,492
Charge for the year	2,969	356	1,220	4,119	2,593	11,257
At 31 Dec 2006	14,879	6,386	28,555	27,047	6,882	83,749
Net book value						
At 31 Dec 2006	290,305	1,417	11,115	16,476	6,591	325,904
At 31 Dec 2005	113,119	—	10,064	20,595	9,184	152,962

Hire purchase agreements

Included within the net book value of £325,904 is £3,808 (2005 - £11,480) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £952 (2005 - £2,870).

9. Debtors

	2006 £	2005 £
Trade debtors	55,236	53,870
Corporation tax repayable	721	—
Other debtors	6,784	2,332
	62,741	56,202

Matchproud Limited**Notes to the Financial Statements****Year Ended 31 December 2006****10. Creditors: Amounts falling due within one year**

	2006	2005
	£	£
Bank loans and overdrafts	110,555	42,614
Trade creditors	101,634	81,738
Corporation tax	–	7,987
Other taxation and social security	16,490	8,488
Hire purchase agreements	1,860	4,381
Other creditors	51,064	10,243
	<u>281,603</u>	<u>155,451</u>

Included in other creditors is £33,714 (2005 £6,374) owed to the directors of the company Mr and Mrs J H Thomas. At no time during the year did Mr or Mrs J H Thomas owe any amounts to the company.

The following liabilities disclosed under creditors falling due within one year are secured by the company.

	2006	2005
	£	£
Bank loans and overdrafts	110,555	42,614
Hire purchase agreements	1,860	4,381
	<u>112,415</u>	<u>46,995</u>

11. Creditors: Amounts falling due after more than one year

	2006	2005
	£	£
Bank loans and overdrafts	104,771	62,897
Hire purchase agreements	–	1,860
Other creditors	29,923	–
	<u>134,694</u>	<u>64,757</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company.

	2006	2005
	£	£
Bank loans and overdrafts	104,771	62,897
Hire purchase agreements	–	1,860
	<u>104,771</u>	<u>64,757</u>

Included within creditors falling due after more than one year is an amount of £23,881 (2005 - £31,812) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

Matchproud Limited**Notes to the Financial Statements****Year Ended 31 December 2006****12. Deferred taxation**

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	3,092	-
Profit and loss account movement arising during the year	23	3,092
Provision carried forward	<u>3,115</u>	<u>3,092</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	3,115	3,092
	<u>3,115</u>	<u>3,092</u>

13. Share capital**Authorised share capital:**

	2006 £	2005 £
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

14. Profit and loss account

	2006 £	2005 £
Balance brought forward	25,866	14,899
(Loss)/profit for the financial year	(12,469)	24,207
Equity dividends paid	(10,050)	(13,240)
Balance carried forward	<u>3,347</u>	<u>25,866</u>

15. Guarantees and other financial commitments

Mr and Mrs J H Thomas, the directors of the company, have each given a personal guarantee of £10,000 to the bank

Matchproud Limited

Notes to the Financial Statements

Year Ended 31 December 2006

16. Controlling party

The company is under the ultimate control of Mr and Mrs J H Thomas, who own the entire issued share capital

Matchproud Limited

Management Information

Year Ended 31 December 2006

The following pages do not form part of the statutory financial statements

Matchproud Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Matchproud Limited

Year Ended 31 December 2006

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, 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 and 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 financial statements.

You have acknowledged on the balance sheet as at 31 December 2006 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.

Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

18 April 2007



BISHOP FLEMING
Chartered Accountants