

Company Registration Number 2667809

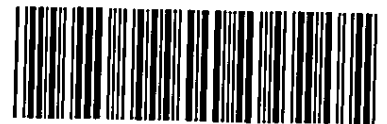
Registrar's

WIGGLE LIMITED

Report and Financial Statements

31 January 2009

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WIGGLE LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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WIGGLE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H Jones
P Bolwell
A Panteli

SECRETARY

H Jones

REGISTERED OFFICE

3 Optima
Northarbour Spur
Portsmouth
PO6 3TU

BANKERS

HSBC Bank plc

SOLICITORS

HBJ Gateley Wareing
Birmingham

AUDITORS

KPMG LLP
Southampton

WIGGLE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company is the retail of cycle and other sporting goods.

RESULTS AND DIVIDENDS

The results for the year are shown on page 6. The directors do not recommended the payment of a dividend for the year ended 31 January 2009 (2008: £nil).

BUSINESS REVIEW

The results for the year were good, exceeding expectations with year on year growth of 37% from £24.2m to £33.2m. This growth has been achieved as a result of the company maintaining its position as the leading internet retailer of cycle products and accessories in the UK and expansion into overseas territories.

The company has also increased its gross margin in the year from £7.4m to £9.8m. Operating profit has also increased by 42% from £3.1m to £4.4m. This represents an operating profit margin increase of 0.5% from 12.8% to 13.3%.

As a result of the increasing market accessibility and improving cost benefit the internet brings combined with our comprehensive product offering, our excellent customer service and our continued focus on remaining price competitive we expect sales, margin and profit to continue to grow.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including foreign exchange risk, credit risk, cashflow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

Interest bearing assets and liabilities are either held at a fixed rate or hedged to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The company does not extend credit to retail customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

WIGGLE LIMITED

DIRECTORS' REPORT (continued)

CHARITABLE AND POLITICAL CONTRIBUTIONS

The company made charitable contributions of £1,200 during the year (2008: £1,200). The company made no political contributions during the current or preceding year.

POST BALANCE SHEET EVENTS

On 26 March 2009 the company paid a dividend of £5,900,000 to its parent company, Ensco 503 Limited.

DIRECTORS

The directors who held office during the year were as follows:

M Dall (resigned 26 March 2009)

H S Jones

P Bolwell

A Panteli

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to reappoint KPMG LLP as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'A Panteli', enclosed within a large, loopy oval stroke.

A Panteli
Director

14 May 2009

WIGGLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP

Dukes Keep
Marsh Lane
Southampton
SO14 3EX
United Kingdom

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WIGGLE LIMITED

We have audited the financial statements of Wiggle Limited for the year ended 31 January 2009 which comprise the Profit and Loss Account, the Balance Sheet and the 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 4. 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 judgments 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.

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 January 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants and Registered Auditors

19th May 2009.

WIGGLE LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 January 2009

	Note	2009 £'000	2008 £'000
TURNOVER	1	33,154	24,226
Cost of sales		(23,366)	(16,801)
GROSS PROFIT		9,788	7,425
Administrative expenses		(5,375)	(4,334)
OPERATING PROFIT	3	4,413	3,091
Interest receivable and similar income	4	92	76
Interest payable	5	(5)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,500	3,167
Tax on profit on ordinary activities	6	(1,889)	(1,515)
RETAINED PROFIT FOR THE YEAR		2,611	1,652

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

There is no difference between the results presented above and the historical cost equivalent. Accordingly, no statement of historic cost profit and losses has been presented.

Results in both years are derived wholly from continuing operations.

A statement of movements in reserves is set out in note 14.

WIGGLE LIMITED

BALANCE SHEET

At 31 January 2009

	Note	2009 £'000	2008 £'000
FIXED ASSETS			
Intangible assets	7	65	70
Tangible assets	8	576	575
		<u>641</u>	<u>645</u>
CURRENT ASSETS			
Stocks	9	5,467	3,661
Debtors	10	2,527	1,283
Cash at bank and in hand		3,479	1,756
		<u>11,473</u>	<u>6,700</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(5,467)</u>	<u>(3,578)</u>
NET CURRENT ASSETS		<u>6,006</u>	<u>3,122</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,647</u>	<u>3,767</u>
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>(56)</u>	<u>(42)</u>
NET ASSETS		<u>6,591</u>	<u>3,725</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Capital contribution	14	637	382
Profit and loss account	14	5,953	3,342
TOTAL SHAREHOLDERS' FUNDS	14	<u>6,591</u>	<u>3,725</u>

These financial statements were approved by the Board of Directors on 14 May 2009

Signed on behalf of the Board of Directors



A Panteli
Director

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

1. ACCOUNTING POLICIES

The significant accounting policies, which have been consistently applied throughout the current and preceding financial year, used in the preparation of these financial statements are:

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules.

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

Turnover

Turnover represents the value of sales made in the year excluding VAT and is recognised on despatch of goods. Turnover is derived from the company's principal activity which is primarily undertaken in the United Kingdom. Turnover arising from the UK is £28.3m (2008: £23.6m). Turnover arising from the rest of the world is £4.9m (2008: £0.6m).

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised. Positive goodwill is amortised by equal annual instalments over its estimated useful life of up to 20 years.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Lease costs	over term of lease
Plant and machinery	20% of written down value
Fixtures, fittings and equipment	10% of written down value
Motor vehicles	25% of written down value
Computer equipment	33% of cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

1. ACCOUNTING POLICIES (continued)

Leases

Assets held under finance leases are capitalised as tangible fixed assets, and are depreciated over the shorter of the lease term and their useful lives. The capital elements or future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transaction. All exchange differences are taken to the Profit and Loss account.

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, as defined in FRS25, Financial Instruments: Disclosure and Presentation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company, Ensco 503 Limited. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009 £'000	2008 £'000
Directors' emoluments	623	606
Share based payments	354	354
	<u>977</u>	<u>960</u>
	£'000	£'000
Highest paid director	<u>229</u>	<u>166</u>

The company made no contributions in the current or preceding year to pension schemes. No directors in either year were accruing pension benefits under any scheme.

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2009 £'000	2008 £'000
Employee costs (including directors) during the year:		
Wages and salaries	2,279	1,978
Social security costs	235	205
Share based payments	354	354
	<u>2,868</u>	<u>2,537</u>
Average monthly number of persons employed:	No.	No.
Warehouse	42	40
Administration	28	19
	<u>70</u>	<u>59</u>

3. OPERATING PROFIT

	2009 £'000	2008 £'000
Operating profit is after charging:		
Depreciation of tangible fixed assets:	95	69
Amortisation of intangible fixed assets	5	5
Rentals under operating leases - land and buildings	226	226
Rentals under operating leases – other	90	100
Auditors' remuneration:		
- audit of these financial statements	14	12
- other services relating to taxation	5	7
	<u></u>	<u></u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £'000	2008 £'000
Bank interest receivable	<u>92</u>	<u>76</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £'000	2008 £'000
Interest on late payment of tax	5	-
	<u>5</u>	<u>-</u>

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of current tax for the year differs from the standard rate of corporation tax in the UK of 28.3% (2008: 30%). The differences are explained below:

	2009 £'000	2008 £'000
<i>UK corporation tax</i>		
Current tax on income for the year	1,174	715
Group relief	800	800
Total current tax	1,974	1,515
Deferred tax		
– accelerated capital allowances	24	6
– short term timing differences	(10)	(6)
– share based payments	(99)	-
Tax on profit on ordinary activities	1,889	1,515
Factors affecting the charge	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before tax	4,500	3,167
	£'000	£'000
Tax on profit on ordinary activities at 28.3% (2008: 30%)	1,274	950
Effects of:		
Expenses not deductible for tax purposes	27	4
Accelerated capital allowances	(5)	(22)
Accelerated capital allowances in respect of prior years	-	22
Other timing differences	109	13
Adjustments in respect of prior periods	-	41
Group relief paid	800	800
Effect of group relief on tax charge	(231)	(293)
Total current tax charge	1,974	1,515

Included within the tax charge for the year is a payment of £800,000 to other group companies to acquire tax losses valued at £814,000. The actual losses acquired have been utilised at 28.3% against the current tax charge for the year.

Factors that may affect future tax charges

The amortisation of goodwill will create a higher tax charge than the standard rate of corporation tax, as it is not deductible for tax purposes.

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
Cost	
At beginning and end of year	108
Amortisation	
At beginning of year	38
Charge for the year	5
At end of year	43
Net book value	
At 31 January 2009	65
At 31 January 2008	70

8. TANGIBLE FIXED ASSETS

	Lease costs £'000	Plant and machinery £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost						
At beginning of year	27	40	509	85	158	819
Additions	2	18	12	26	38	96
Disposals	-	(4)	-	-	-	(4)
At end of year	29	54	521	111	196	911
Accumulated depreciation						
At beginning of year	4	10	79	30	121	244
Charge for the year	2	14	36	18	25	95
Disposals	-	(4)	-	-	-	(4)
At end of year	6	20	115	48	146	335
Net book value						
At 31 January 2009	23	34	406	63	50	576
At 31 January 2008	23	30	430	55	37	575

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

9.	STOCKS	2009 £'000	2008 £'000
	Finished goods and goods for resale	<u>5,467</u>	<u>3,661</u>

10.	DEBTORS	2009 £'000	2008 £'000
	Amount due to parent company	2,320	924
	Other debtors and prepayments	<u>207</u>	<u>359</u>
		<u>2,527</u>	<u>1,283</u>

11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009 £'000	2008 £'000
	Trade creditors	3,478	2,335
	Corporation tax	723	453
	Other taxes and social security	274	413
	Directors loan accounts	1	1
	Other creditors and accruals	<u>991</u>	<u>376</u>
		<u>5,467</u>	<u>3,578</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax	Accelerated capital allowances £'000	Other short term timing differences £'000	Total £'000
Liability at beginning of year	53	(11)	42
Movement in the year	<u>24</u>	<u>(10)</u>	<u>14</u>
Liability at end of year	<u>77</u>	<u>(21)</u>	<u>56</u>

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

13. CALLED UP SHARE CAPITAL	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
100 A Ordinary shares of £1 each	100	100
100 B Ordinary shares of £1 each	100	100
100 C Ordinary shares of £1 each	100	100
100 D Ordinary shares of £1 each	100	100
	<u>1,400</u>	<u>1,400</u>
	£	£
Allotted, called up and fully paid		
400 Ordinary shares of £1 each	400	400
100 A Ordinary shares of £1 each	100	100
100 B Ordinary shares of £1 each	100	100
100 C Ordinary shares of £1 each	100	100
100 D Ordinary shares of £1 each	100	100
	<u>800</u>	<u>800</u>

All shares rank pari passu with regard to voting and distribution rights.

14. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £'000	Capital contribution £'000	Profit and loss account £'000	Total 2009 £'000
At 1 February 2008	1	382	3,342	3,725
Profit for the year	-	-	2,611	2,611
Share based payments	-	255	-	255
At 31 January 2009	<u>1</u>	<u>637</u>	<u>5,953</u>	<u>6,591</u>

Share based payments

Some of the directors of the company are invited to become shareholders of the parent company, Ensco 503 Limited. £0.001 Ordinary Shares in Ensco 503 Limited were offered at their market value at the date of grant. The options are capable of being exercised on or immediately before the sale or flotation of Ensco 503 Limited or after 9 years and 9 months from the date of grant.

As at 31 January 2009 options over 9,456,264 £0.001 Ordinary shares had been granted. These options were granted on 14 July 2008. The charge to income in the year is £354,000 (2008: £354,000) less associated deferred tax of £99,000 (2008: £99,000).

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

15. RELATED PARTY DISCLOSURES

The company rents its premises from Bespoke Design, a partnership in which M Dall and H S Jones have a beneficial interest. Rent of £225,667 (2008: £225,667) was paid in the year. There was no outstanding liability at the end of the year (2008:£nil).

The following Director loans were outstanding:

Amounts owed to M Dall £1,257 (2008: £1,257)
The maximum amount due to M Dall in the year was £1,257.

As the company is a wholly owned subsidiary of Ensco 503 Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

16. COMMITMENTS

Operating Leases

At 31 January 2009, the company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings	2009 £'000	2008 £'000
Expiry date:		
- between two and five years	226	226
	<u>226</u>	<u>226</u>
Other	2009 £'000	2008 £'000
Expiry date:		
- within one year	-	84
	<u>-</u>	<u>84</u>

Cross Company Guarantees

The cross company guarantees are in relation to shareholder and bank loans and are treated as insurance contracts.

Financial Commitments

At 31 January 2009 the company had a liability in respect of documentary letters of credit of US\$153,680.

At 31 January 2009 the company was committed to purchase €600,000 at an exchange rate of £1:€1.23, €1,050,000 at an exchange rate of £1:€1.1 and \$300,000 at an exchange rate of £1:\$1.92.

The company also has the option to purchase €150,000 at an exchange rate of £1:€1.23, €350,000 at an exchange rate of £1:€1.1 and \$100,000 at an exchange rate of £1:\$1.92.

WIGGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2009

17. POST BALANCE SHEET EVENTS

On 26 March 2009 the company paid a dividend of £5,900,000 to its parent company.

18. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary undertaking of Ensco 503 Limited, a company incorporated in the UK and registered in England and Wales.

At 31 January 2009, the largest and smallest group in which the results of the company are consolidated is that headed by Ensco 503 Limited, the parent company. The consolidated financial statements of this company are available to the public from Companies House, Cardiff, CF14 3UZ.

At the Balance Sheet date the group has no overall controlling party. Following a buy back of shares by the parent company on 26 March 2009, the funds managed by ISIS EP LLP have control of over 50% of the issued share capital of the parent company.