

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
BELLINO INTERNATIONAL LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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BELLINO INTERNATIONAL LIMITED (REGISTERED NUMBER: 02995229)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the purchase and resale of ladies fashion garments.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

Mr K C Lau
Ms S M K Ng
Ms S A Naughton

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

SIGNED BY:

Ms S A Naughton - Director

5 August 2013

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | Notes | 2012 £ | 2011 £ |
|--|-------|----------------------------|---------------------------|
| TURNOVER | | 2,793,195 | 3,262,464 |
| Cost of sales | | <u>2,678,202</u> | <u>3,044,425</u> |
| GROSS PROFIT | | 114,993 | 218,039 |
| Administrative expenses | | <u>170,689</u> (55,696) | <u>220,574</u> (2,535) |
| Other operating income | 2 | <u>100,596</u> | <u>99,996</u> |
| OPERATING PROFIT | 3 | 44,900 | 97,461 |
| Interest receivable and similar income | | <u>174</u> | <u>277</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 45,074 | 97,738 |
| Tax on profit on ordinary activities | 4 | <u>12,214</u> | <u>25,805</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 32,860 | 71,933 |
| Retained profit brought forward | | <u>172,897</u> | <u>100,964</u> |
| RETAINED PROFIT CARRIED FORWARD | | <u>205,757</u> | <u>172,897</u> |

The notes on pages 5 to 8 form part of these financial statements

BELLINO INTERNATIONAL LIMITED (REGISTERED NUMBER: 02995229)**BALANCE SHEET
31 DECEMBER 2012**

| | | 2012 | 2011 |
|--|-------|------------------|--------------------|
| | Notes | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 5 | 439 | 760 |
| CURRENT ASSETS | | | |
| Stocks | | 214,542 | 340,601 |
| Debtors | 6 | 412,956 | 1,327,380 |
| Cash at bank | | 339,871 | 85,996 |
| | | <u>967,369</u> | <u>1,753,977</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>(761,951)</u> | <u>(1,581,740)</u> |
| NET CURRENT ASSETS | | <u>205,418</u> | <u>172,237</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>205,857</u> | <u>172,997</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 100 | 100 |
| Profit and loss account | | <u>205,757</u> | <u>172,897</u> |
| SHAREHOLDERS' FUNDS | | <u>205,857</u> | <u>172,997</u> |

The notes on pages 5 to 8 form part of these financial statements

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BALANCE SHEET - continued
31 DECEMBER 2012

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2012.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 5 August 2013 and were signed on its behalf by:

Mr K C Lau - Director

Ms S M K Ng - Director

Ms S A Naughton - Director

The notes on pages 5 to 8 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors consider that it is appropriate to prepare the financial statements on a going concern basis due to the continued support which will be received from Prosperity Clothing Co Limited (see note 10).

Turnover

Turnover represents the sales value of goods supplied in the year net of Value Added Tax.

Tangible fixed assets and depreciation

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

| | |
|-----------------------|---------------|
| Fixtures and fittings | - 25% on cost |
| Computer equipment | - 25% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax arises as a result of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made in full on such timing differences which result in an obligation to pay more tax at a future date, at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

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.

Pensions

The company makes money purchase pension contributions. Contributions payable are charged to the profit and loss account in the period to which they relate.

2. OTHER OPERATING INCOME

| | 2012 | 2011 |
|-------------------------------|----------------|---------------|
| | £ | £ |
| Management charges receivable | 99,996 | 99,996 |
| Rent receivable | 600 | - |
| | <u>100,596</u> | <u>99,996</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2012 | 2011 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 321 | 401 |
| Foreign exchange differences | 448 | 14,662 |
| Pension costs | <u>20,140</u> | <u>16,760</u> |
| Directors' remuneration | 41,200 | 46,200 |
| Directors' pension contributions to money purchase schemes | <u>11,180</u> | <u>9,120</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

4. TAXATION

Analysis of the tax charge

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

| | 2012 | 2011 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 12,214 | 25,805 |
| Tax on profit on ordinary activities | <u>12,214</u> | <u>25,805</u> |

5. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|----------------------------|---------------|
| COST | | | |
| At 1 January 2012 | 42,615 | 4,514 | 47,129 |
| Disposals | - | (3,228) | (3,228) |
| At 31 December 2012 | <u>42,615</u> | <u>1,286</u> | <u>43,901</u> |
| DEPRECIATION | | | |
| At 1 January 2012 | 42,615 | 3,754 | 46,369 |
| Charge for year | - | 321 | 321 |
| Eliminated on disposal | - | (3,228) | (3,228) |
| At 31 December 2012 | <u>42,615</u> | <u>847</u> | <u>43,462</u> |
| NET BOOK VALUE | | | |
| At 31 December 2012 | <u>-</u> | <u>439</u> | <u>439</u> |
| At 31 December 2011 | <u>-</u> | <u>760</u> | <u>760</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2012 | 2011 |
|---------------|----------------|------------------|
| | £ | £ |
| Trade debtors | 401,921 | 1,324,756 |
| Other debtors | 11,035 | 2,624 |
| | <u>412,956</u> | <u>1,327,380</u> |

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2012 | 2011 |
|-----------------------------|----------------|------------------|
| | £ | £ |
| Loans | 300,000 | 150,000 |
| Trade creditors | 402,193 | 1,307,079 |
| Corporation tax | 12,214 | 25,805 |
| PAYE and national insurance | 3,010 | 2,381 |
| VAT | 23,249 | 35,489 |
| Other creditors | 21,285 | 60,986 |
| | <u>761,951</u> | <u>1,581,740</u> |

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2012 | 2011 |
|---------|------------|----------------|------------|------------|
| | | | £ | £ |
| 60 | A Ordinary | £1 | 60 | 60 |
| 40 | B Ordinary | £1 | 40 | 40 |
| | | | <u>100</u> | <u>100</u> |

9. **TRANSACTIONS WITH DIRECTORS**

The accounts include consultancy fees paid to Mr K C Lau of nil (2011 - £35,000).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

10. RELATED PARTY DISCLOSURES

Prosperity Clothing Co Limited

A company in which Mr K C Lau is a director.

| | 2012 | 2011 |
|--------------------|-----------|-----------|
| | £ | £ |
| Goods purchased | 2,320,093 | 2,728,434 |
| Management charges | 99,996 | 99,996 |

As at 31 December 2012 the amounts due to Prosperity Clothing Co Limited totalled £697,476 (2011 -£1,423,196). This amount is shown as:

| | 2012 | 2011 |
|-----------------|---------|-----------|
| | £ | £ |
| Trade creditors | 397,476 | 1,273,196 |
| Loans | 300,000 | 150,000 |

All of the above transactions were at normal commercial rates.

11. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr K C Lau.

12. COMPANY REGISTERED NUMBER

The registered number of the company is 02995229

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