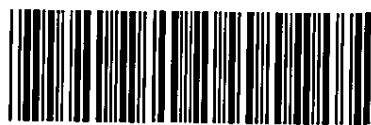


Ash Distribution Limited
Annual report and accounts
for the year ended 31 October 2008

Registered Number 3310383

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Ash Distribution Limited
Annual report and accounts
for the year ended 31 October 2008
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Ash Distribution Limited

Directors and advisers

Executive directors

C Kennedy
OKH Robson
IS Elliott

Non-executive directors

HRV Morgan Williams OBE
J S Francis

Company secretaries and registered office

OKH Robson
JS Francis
Crowther Road
Washington
Tyne & Wear
NE38 0BW

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

Solicitors

Ward Hadaway	Dickinson Dees
Sandgate House	St Ann's Wharf
102 Quayside	112 Quayside
Newcastle upon Tyne	Newcastle upon Tyne
NE1 3DX	NE1 3DX

Principal bankers

Lloyds TSB PLC
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Registered number

3310383

Ash Distribution Limited

Directors' report for the year ended 31 October 2008

The directors present their report and audited financial statements of the company for the year ended 31 October 2008.

Business review and principal activities

The principal activity of the company in the year under review was that of the sale of computer accessories and components.

The results for the company show turnover for the year ended 31 October 2008 of £2,231,268 (16 month period ended 31 October 2007: £3,537,326) and pre-tax loss of £85,176 (16 month period ended 31 October 2007: pre-tax profit £44,067).

Directors

The directors of the company for the year ended 31 October 2008 and up to the date of signing the financial statements unless otherwise stated, are listed on page 1.

Directors liability insurance

The company has taken out insurance for directors liability as permitted by Section 310(3)(a) of the Companies Act 1985.

Statement of directors' responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the annual 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). 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 those 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 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.

Ash Distribution Limited

Disclosure of information to auditors

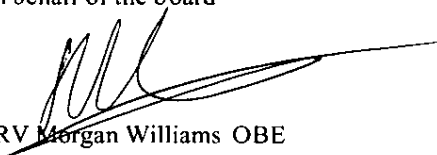
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



HRV Morgan Williams OBE
Director

19 December 2008

Ash Distribution Limited

Independent auditors' report to the members of Ash Distribution Limited

We have audited the financial statements of Ash Distribution Limited for the year ended 31 October 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. 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.

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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2008 and of its loss 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.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

19 December 2008

Ash Distribution Limited

Profit and loss account for the year ended 31 October 2008

	Note	Year ended 31 October 2008 £	16 month period ended 31 October 2007 £
Turnover	1	2,231,268	3,537,326
Cost of sales		(1,743,174)	(2,759,523)
Gross profit		488,094	777,803
Administrative expenses		(573,861)	(723,106)
Operating (loss)/profit		(85,767)	54,697
Interest receivable and similar income		591	914
Interest payable and similar charges	4	-	(11,544)
(Loss)/profit on ordinary activities before taxation	5	(85,176)	44,067
Tax on (loss)/profit on ordinary activities	6	2,342	(10,256)
(Loss)/profit for the financial year		(82,834)	33,811
Dividends	7	-	(21,328)
(Loss)/retained profit for the financial year	14	(82,834)	12,483

All of the company's activities are continuing.

The company has no recognised gains and losses other than the (loss)/profit above and therefore no separate statement of total recognised gains and losses has been presented.

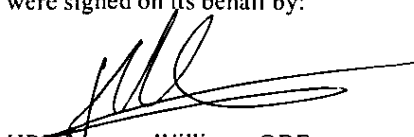
There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the year stated above and their historical cost equivalents.

Ash Distribution Limited

Balance sheet as at 31 October 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	15,380	27,114
Current assets			
Stocks	9	201,023	250,183
Debtors	10	115,814	122,528
Cash at bank and in hand		24,273	117,393
		341,110	490,104
Creditors: amounts falling due within one year	11	(312,432)	(387,984)
Net current assets		28,678	102,120
Total assets less current liabilities		44,058	129,234
Provisions for liabilities	12	(1,229)	(3,571)
Net assets		42,829	125,663
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	32,829	115,663
Total shareholders' funds	15	42,829	125,663

The financial statements on pages 5 to 16 were approved by the board of directors on 19 December 2008 and were signed on its behalf by:


 HRV Morgan Williams OBE
 Director

Ash Distribution Limited

Statement of accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The company is a wholly owned subsidiary undertaking and the cash flows of the company are included in the consolidated cash flow statement of its ultimate parent undertaking. Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 (Revised 1996), "Cash flow statements", from the requirement to publish a cash flow statement.

Turnover

Turnover, which excludes value added tax, represents the invoiced amount of goods despatched and services supplied.

Pensions

The company participates in a group personal pension scheme which is a defined contribution scheme. Pension contributions are charged to the profit and loss account in the year in which the liability to pay arises. The assets of the scheme are held separately from those of the company in an independent fund.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition required to bring the asset to working condition for its intended use. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful economic lives using the following rates.

Leasehold alterations	33% straight line
Fixtures and fittings	12.5% straight line
Computer equipment	25% straight line
Plant and machinery	33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Deferred tax

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 that 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Ash Distribution Limited

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

Foreign currencies

Revenues and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Differences arising on foreign exchange translation are taken to the profit and loss account in the year in which they arise.

Finance leases, hire purchase contracts and operating leases

Costs in respect of operating leases are charged on a straight line basis to the profit and loss account

Leasing and hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases and hire purchase contracts. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Assets held under finance leases and hire purchase contracts are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2008

1 Turnover

Turnover consists entirely of sales made in the United Kingdom

2 Directors' emoluments

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
Aggregate emoluments	-	21,815

3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year/period was:

	Year ended 31 October 2008	16 month period ended 31 October 2007
By activity	Number	Number
Directors	-	1
Administration	16	15
Distribution	6	7
	22	23

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
Staff costs (for the above persons):		
Wages and salaries	349,730	451,011
Social security costs	29,289	36,602
	379,019	487,613

Ash Distribution Limited

4 Interest payable and similar charges

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
On bank loans	-	5,385
On finance leases and hire purchase contracts	-	3,051
On other loans	-	3,108
	-	11,544

5 (Loss)/profit on ordinary activities before taxation

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation – owned assets	11,734	15,971
Depreciation – assets on hire purchase contracts	-	9,913
Auditors remuneration – audit fees	4,000	4,000
Operating leases - land and buildings	34,934	43,829
- motor vehicles	2,040	2,771

Ash Distribution Limited

6 Tax on (loss)/profit on ordinary activities

(a) Analysis of the (credit)/charge in the period

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
Current tax		
United Kingdom corporation tax on (losses)/profits of the year/period	-	11,189
Total current tax	-	11,189
Deferred tax		
Origination and reversal of timing differences (note 12)	(2,342)	(933)
Total deferred tax	(2,342)	(933)
Tax on (loss)/profit on ordinary activities	(2,342)	10,256

(b) Factors affecting tax charge for the period

The tax assessed for the year/period differs from the standard companies rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
(Loss)/profit on ordinary activities before taxation	(85,176)	44,067
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	(23,849)	13,220
Effects of:		
Tax at marginal rate	(710)	(5,681)
Loss relief surrendered	23,938	(204)
Depreciation in excess of capital allowances	621	3,854
Current tax charge for the year/period	-	11,189

(c) Factors that may affect future tax charges

There are no factors that are expected to significantly affect the taxation charge in future periods.

Ash Distribution Limited

7 Dividends

	Year ended 31 October 2008	16 month period ended 31 October 2007
	£	£
Equity – ordinary	-	-
Interim paid £Nil per £1 share (2007: 213.28p per £1 share)	-	21,328

8 Tangible assets

	Leasehold alterations	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 31 October 2008 and 2007	33,771	7,814	15,283	91,651	148,519
Accumulated depreciation					
At 1 November 2007	33,526	7,764	10,695	69,420	121,405
Charge for year	245	50	1,470	9,969	11,734
At 31 October 2008	33,771	7,814	12,165	79,389	133,139
Net book amount					
At 31 October 2008	-	-	3,118	12,262	15,380
At 31 October 2007	245	50	4,588	22,231	27,114

9 Stocks

	2008	2007
	£	£
Stocks held for resale	201,023	250,183

Ash Distribution Limited

10 Debtors

	2008	2007
	£	£
Trade debtors	93,073	96,020
Amounts owed by fellow subsidiary undertakings	11,706	894
Other debtors	1,429	13,799
Prepayments	9,606	11,815
	115,814	122,528

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed terms of repayment.

11 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	160,975	184,994
Amounts owed to fellow subsidiary undertakings	80,967	3,049
Corporation tax	257	11,190
Other taxation and social security	24,637	53,487
Other creditors	3,307	65,119
Accruals and deferred income	42,289	70,145
	312,432	387,984

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed terms of repayment.

Ash Distribution Limited

12 Provisions for liabilities

The deferred tax liability is analysed as follows:

	2008	2007
	£	£
Future capital allowances in excess of depreciation	1,229	3,571

	Deferred tax
	£
Balance at 1 November 2007	3,571
Credited to the profit and loss account (note 6)	(2,342)
Balance at 31 October 2008	1,229

13 Called up share capital

	2008	2007
	£	£
Authorised		
100,000 (2007: 100,000) ordinary shares of £1 each	100,000	100,000
Allotted and fully paid		
10,000 (2007: 10,000) ordinary shares of £1 each	10,000	10,000

14 Reserves

	Profit and loss account
	£
At 1 November 2007	115,663
Loss for the financial year	(82,834)
At 31 October 2008	32,829

Ash Distribution Limited

15 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
(Loss)/profit for the financial year	(82,834)	33,811
Dividends for year	-	(21,328)
Net movement in shareholders' funds	(82,834)	12,483
Opening shareholders' funds	125,663	113,180
Closing shareholders' funds	42,829	125,663

16 Financial commitments

At 31 October 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Motor vehicles	
	2008	2007	2008	2007
	£	£	£	£
Expiring:				
Within one year	18,686	15,872	-	-
Between one and two years	-	15,500	-	-
Between two and five years	-	-	2,040	2,040
	18,686	31,372	2,040	2,040

17 Contingent liabilities

Canford Group PLC, Canford Audio PLC, NEAL Recording Systems Limited, Canford Manufacturing Limited, and Ash Distribution Limited have each entered into a cross-guarantee agreement to secure the bank overdrafts of these companies. The total net surplus position of these companies at 31 October 2008 amounted to £11,013 (2007 total net surplus £337,801).

18 Pensions and similar obligations

The company participates in a group personal pension scheme which is a defined contribution scheme. No persons employed by the company during the year were members of the scheme.

Ash Distribution Limited

19 Related party transactions

Mr HRV Morgan Williams OBE resigned as a director of Laser Broadcasting Limited on 23 June 2008. Prior to this date, Laser Broadcasting Limited purchased £3,118 (16 months period ended 31 October 2007: £Nil) from the company, for goods and services provided on normal commercial terms. At 31 October 2008, the amount owed to the company was £3,118 (2007: £Nil).

The company has taken advantage of the exemption available under FRS8 'Related Party Disclosure' not to disclose details of intra-group transactions.

20 Ultimate parent and controlling party

The immediate and ultimate parent undertaking and controlling party is Canford Group PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements by virtue of its 100% interest in the equity share capital of the company. Copies of the parent's consolidated financial statements may be obtained from the Company Secretary, Canford Group PLC, Crowther Road, Washington, Tyne & Wear, NE38 0BW.