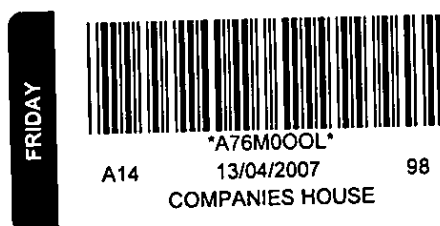


**SHOPFITTINGS DIRECT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2006**  
Company Registration No 3580800 (England and Wales)



**Shelley Stock Hutter**  
**Chartered Accountants**  
1st Floor  
7 - 10 Chandos Street  
London  
W1G 9DQ

# SHOPFITTINGS DIRECT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D N Brooks Mr P M Brooks
<b>Secretary</b>	Mr P M Brooks
<b>Company number</b>	3580800
<b>Registered office</b>	1st Floor 7 - 10 Chandos Street London W1G 9DQ
<b>Auditors</b>	Shelley Stock Hutter 1st Floor 7 - 10 Chandos Street London W1G 9DQ
<b>Business address</b>	Ground floor, Sunningdale The Belfry Colonial Way Watford WD24 4WH

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# SHOPFITTINGS DIRECT LIMITED

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# **SHOPFITTINGS DIRECT LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2006***

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The directors present their report and financial statements for the year ended 30 September 2006

### **Principal activities and review of the business**

The principal activity of the company continued to be that of providing wholesale shopfittings and display materials to the retail industry

The directors are pleased with the performance of the business in the year and anticipate continuing growth in the future. Sales have increased and the gross margin has also improved, which have led to an increase in profits generated by the business.

### **Description of Principal Risks and Uncertainties**

As for many businesses of our size in the retail sector the business environment in which we operate continues to be challenging. We are subject to consumer spending patterns, consumers' overall level of disposable income and retail trends. With these risks and uncertainties in mind, we are constantly developing new products and concepts in order to reduce our exposure.

### **Treasury operations and financial instruments**

The company's principal financial instruments include financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

### **Foreign currency risk**

The company's principal foreign exchange exposure arises from trading with overseas companies. The company permits but does not demand that these exposures be hedged in order to fix the cost in sterling.

### **Liquidity risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

### **Interest rate risk**

The company is exposed to cash flow interest rate risk on its bank overdrafts and loans. The company manages its borrowings in order to minimise exposure to cash flow interest rate risk.

### **Credit risk**

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

### **The Position of the Company at the Year End**

The position of the company at the year end has improved from the position at the end of the prior year. Stock has reduced due to better stock control which has improved the cash position of the company. Creditors have been significantly reduced using cash generated in the year and this has led to an increase in net current assets and the balance sheet total.

### **Results and dividends**

The results for the year are set out on page 6.

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# SHOPFITTINGS DIRECT LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2006**

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### Directors

The following directors have held office since 1 October 2005

Mr D N Brooks

Mr P M Brooks

### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	30 September 2006	1 October 2005
Mr D N Brooks	-	-
Mr P M Brooks	-	-

	Ordinary 'A' shares of 10p each	
	30 September 2006	1 October 2005
Mr D N Brooks	950	950
Mr P M Brooks	950	950

	Ordinary 'B' shares of 10p each	
	30 September 2006	1 October 2005
Mr D N Brooks	-	-
Mr P M Brooks	-	-

### Auditors

Shelley Stock Hutter were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

# SHOPFITTINGS DIRECT LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2006

---

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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

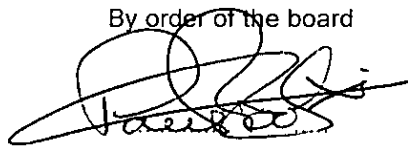
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information

By order of the board



Mr P M Brooks  
Secretary

5/4/07

Date

# **SHOPFITTINGS DIRECT LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF SHOPFITTINGS DIRECT LIMITED**

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We have audited the financial statements of Shopfittings Direct Limited for the year ended 30 September 2006 set out on pages 6 to 18. 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 auditors' 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 the directors and auditors**

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **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 judgements 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.

# SHOPFITTINGS DIRECT LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF SHOPFITTINGS DIRECT LIMITED

---

#### 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 30 September 2006 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

*Shelley Stock Hutter*

Shelley Stock Hutter  
Chartered Accountants  
Registered Auditor

10/4/07

Date

1st Floor  
7 - 10 Chandos Street  
London  
W1G 9DQ

# SHOPFITTINGS DIRECT LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	8,900,481	8,147,711
Cost of sales		(5,732,259)	(5,639,116)
Gross profit		3,168,222	2,508,595
Administrative expenses		(2,403,473)	(1,969,964)
Operating profit	3	764,749	538,631
Other interest receivable and similar income	4	-	13
Interest payable and similar charges	5	(95,621)	(77,022)
Profit on ordinary activities before taxation		669,128	461,622
Tax on profit on ordinary activities	6	(190,922)	(118,066)
Profit for the year	16	478,206	343,556

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# SHOPFITTINGS DIRECT LIMITED

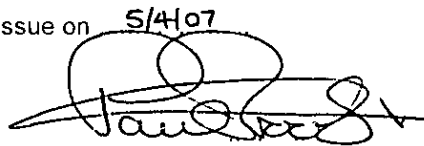
## BALANCE SHEET

AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	8		148,002		133,650
<b>Current assets</b>					
Stocks	9	867,313		1,179,332	
Debtors	10	1,853,141		2,679,257	
Deferred tax asset	10	-		-	
Cash at bank and in hand		2,028		15,637	
		<u>2,722,482</u>		<u>3,874,226</u>	
<b>Creditors amounts falling due within one year</b>	11	<u>(2,172,418)</u>		<u>(3,560,817)</u>	
<b>Net current assets</b>			550,064		313,409
<b>Total assets less current liabilities</b>			698,066		447,059
<b>Creditors amounts falling due after more than one year</b>	12		(6,184)		(23,639)
<b>Provisions for liabilities</b>	13				
Deferred tax liability			(24,759)		(13,325)
			<u>667,123</u>		<u>410,095</u>
<b>Capital and reserves</b>					
Called up share capital	15		200		200
Share premium account	16		99,990		99,990
Profit and loss account	16		566,933		309,905
<b>Shareholders' funds</b>	17		<u>667,123</u>		<u>410,095</u>

Approved by the Board and authorised for issue on 5/4/07

  
Mr D N Brooks  
Director

  
Mr P M Brooks  
Director

# SHOPFITTINGS DIRECT LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	£	2006 £	£	2005 £
<b>Net cash inflow/(outflow) from operating activities</b>		1,384,450		(1,033,592)
<b>Returns on investments and servicing of finance</b>				
Interest received	-		13	
Interest paid	(95,621)		(77,022)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(95,621)		(77,009)
<b>Taxation</b>		(110,169)		(44,274)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(55,436)		(22,893)	
Receipts from sales of tangible assets	11,200		-	
<b>Net cash outflow for capital expenditure</b>		(44,236)		(22,893)
<b>Equity dividends paid</b>		(221,178)		(102,000)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		913,246		(1,279,768)
<b>Financing</b>				
Capital element of hire purchase contracts	(29,483)		(13,984)	
<b>Net cash outflow from financing</b>		(29,483)		(13,984)
<b>Increase/(decrease) in cash in the year</b>		883,763		(1,293,752)

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2006	2005		
		£	£		
	Operating profit	764,749	538,631		
	Depreciation of tangible assets	28,926	32,398		
	Loss on disposal of tangible assets	958	-		
	Decrease/(increase) in stocks	312,019	(693,368)		
	Decrease/(increase) in debtors	826,116	(1,679,125)		
	(Decrease)/Increase in creditors within one year	(548,318)	767,872		
	Net cash inflow/(outflow) from operating activities	1,384,450	(1,033,592)		
2	Analysis of net debt	1 October 2005	Cash flow	Other non-cash changes	30 September 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	15,637	(13,609)	-	2,028
	Bank overdrafts	(1,731,032)	897,372	-	(833,660)
		(1,715,395)	883,763	-	(831,632)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(53,070)	29,482	-	(23,588)
	Net debt	(1,768,465)	913,245	-	(855,220)
3	Reconciliation of net cash flow to movement in net debt	2006	2005		
		£	£		
	Increase/(decrease) in cash in the year	883,763	(1,293,752)		
	Cash outflow from decrease in debt and lease financing	29,482	13,985		
	Change in net debt resulting from cash flows	913,245	(1,279,767)		
	New finance lease	-	(49,935)		
	Movement in net debt in the year	913,245	(1,329,702)		
	Opening net debt	(1,768,465)	(438,763)		
	Closing net debt	(855,220)	(1,768,465)		

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	20% reducing balance basis
Fixtures, fittings & equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### 1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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 as part of cost of sales.

#### 1.9 Cash and liquid resources

Cash and liquid resources are defined as cash at bank and in hand.

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

### 1 Accounting policies (continued)

#### 1 10 Adjustment to comparatives

The gain on foreign exchange in 2005 of £30,257 has been moved to cost of sales from administrative expenses to remain in line with the accounting policy on foreign currency translation as stated in note 1 8

### 2 Turnover

#### Geographical market

	Turnover	
	2006	2005
	£	£
United Kingdom	8,605,147	7,797,711
Europe (excluding United Kingdom)	295,334	350,000
	<u>8,900,481</u>	<u>8,147,711</u>

3 Operating profit	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	28,926	32,398
Loss on disposal of tangible assets	958	-
Operating lease rentals	114,264	118,134
Auditors' remuneration	23,900	35,200
and after crediting		
Profit on foreign exchange transactions	<u>74,084</u>	<u>30,257</u>

4 Investment income	2006	2005
	£	£
Bank interest	<u>-</u>	<u>13</u>

5 Interest payable	2006	2005
	£	£
Hire purchase interest	3,128	4,013
On amounts payable to factors	92,493	73,009
	<u>95,621</u>	<u>77,022</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

6	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U K corporation tax	179,488	110,169
	<b>Current tax charge</b>	179,488	110,169
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	11,434	7,897
		190,922	118,066
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	669,128	461,622
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.63% (2005 - 23.83%)	178,189	110,005
	Effects of		
	Non deductible expenses	4,813	3,019
	Depreciation add back	7,703	7,720
	Capital allowances	(13,197)	(11,497)
	Other tax adjustments	1,980	922
		1,299	164
	<b>Current tax charge</b>	179,488	110,169
7	<b>Dividends</b>	2006 £	2005 £
	Ordinary 'A' interim paid 31 March 2006	140,000	53,200
	Ordinary 'A' interim paid 30 September 2006	64,000	48,800
	Ordinary 'B' interim paid 27 July 2006	17,178	-
		221,178	102,000

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

### 8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2005	51,085	202,408	41,645	295,138
Additions	-	55,436	-	55,436
Disposals	-	-	(39,895)	(39,895)
At 30 September 2006	51,085	257,844	1,750	310,679
<b>Depreciation</b>				
At 1 October 2005	18,058	116,383	27,047	161,488
On disposals	-	-	(27,737)	(27,737)
Charge for the year	6,065	21,697	1,164	28,926
At 30 September 2006	24,123	138,080	474	162,677
<b>Net book value</b>				
At 30 September 2006	26,962	119,764	1,276	148,002
At 30 September 2005	33,027	86,026	14,597	133,650

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 30 September 2006	4,910	17,326	-	22,236
At 30 September 2005	6,137	29,579	7,603	43,319
<b>Depreciation charge for the year</b>				
At 30 September 2006	1,227	12,253	-	13,480
At 30 September 2005	1,534	12,152	2,534	16,220

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

9	Stocks	2006	2005
		£	£
	Finished goods and goods for resale	<u>867,313</u>	<u>1,179,332</u>
10	Debtors	2006	2005
		£	£
	Trade debtors	1,751,398	2,556,206
	Other debtors	700	-
	Prepayments and accrued income	<u>101,043</u>	<u>123,051</u>
		<u>1,853,141</u>	<u>2,679,257</u>
11	Creditors amounts falling due within one year	2006	2005
		£	£
	Bank loans and overdrafts	833,660	1,731,032
	Net obligations under hire purchase contracts	17,404	29,431
	Trade creditors	693,594	1,176,746
	Corporation tax	179,488	110,169
	Other taxes and social security costs	175,587	304,932
	Other creditors	46,394	58,531
	Accruals and deferred income	<u>226,291</u>	<u>149,976</u>
		<u>2,172,418</u>	<u>3,560,817</u>

Bank loans and overdrafts totalling £833,660 (2005 - £1,731,032) and net obligations under finance leases totalling £23,588 (2005 - £53,071) are secured over the assets of the company

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

12 Creditors amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	6,184	23,639
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	17,404	29,431
Repayable between one and five years	6,184	23,639
	23,588	53,070
Included in liabilities falling due within one year	(17,404)	(29,431)
	6,184	23,639

### 13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2005	13,325
Profit and loss account	11,434
Balance at 30 September 2006	24,759

The deferred tax liability is made up as follows

	2006 £	2005 £
Accelerated capital allowances	24,759	13,325

### 14 Pension costs

#### Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	5,061	3,659

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

<b>15 Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
10,000 Ordinary 'A' shares of 10p each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1,900 Ordinary 'A' shares of 10p each	190	190
100 Ordinary 'B' shares of 10p each	10	10
	200	200
<b>16 Statement of movements on reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 October 2005	99,990	309,905
Profit for the year	-	478,206
Dividends paid	-	(221,178)
Balance at 30 September 2006	99,990	566,933
<b>17 Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	478,206	343,556
Dividends	(221,178)	(102,000)
Net addition to shareholders' funds	257,028	241,556
Opening shareholders' funds	410,095	168,539
Closing shareholders' funds	667,123	410,095

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

### 18 Financial commitments

At 30 September 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2007

	Land and buildings			
	2006	2005	2006	Other
	£	£	£	2005
				£
Operating leases which expire				
Within one year	-	-	8,846	-
Between two and five years	76,447	76,447	4,868	18,205
	<u>76,447</u>	<u>76,447</u>	<u>13,714</u>	<u>18,205</u>

### 19 Directors' emoluments

	2006	2005
	£	£
Emoluments for qualifying services	<u>331,577</u>	<u>185,901</u>
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	<u>173,664</u>	<u>104,905</u>

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2006	2005
	Number	Number
Administrative	<u>23</u>	<u>20</u>
Employment costs	2006	2005
	£	£
Wages and salaries	946,559	696,496
Social security costs	106,459	71,534
Other pension costs	5,061	3,659
	<u>1,058,079</u>	<u>771,689</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

---

### 21 Control

The company is jointly controlled by its directors, Mr D N Brooks and Mr P M Brooks, in both the current and prior periods

### 22 Related party transactions

The directors, Mr D N Brooks and Mr P M Brooks, received dividends of £102,000 each in the year to 30 September 2006 (2005 - £51,000 each)

The directors have a material interest in Shopfittings Direct (Shop) Limited. During the year Shopfittings Direct Limited repaid £36,000 (2005 - £37,730) to Shopfittings Direct (Shop) Limited. As at the balance sheet date, Shopfittings Direct Limited owed £20,987 (2005 - £56,987) to Shopfittings Direct (Shop) Limited.

**SHOPFITTINGS DIRECT LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2006**

**These pages do not form part of the statutory accounts**

# SHOPFITTINGS DIRECT LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006	2005
	£	£
<b>Turnover</b>		
Sales	8,900,481	8,147,711
<b>Cost of sales</b>		
Opening stock of finished goods	1,179,332	485,964
Purchases	5,494,324	6,362,741
Profit/loss on foreign currency	(74,084)	(30,257)
	<u>6,599,572</u>	<u>6,818,448</u>
Closing stock of finished goods	(867,313)	(1,179,332)
	<u>(5,732,259)</u>	<u>(5,639,116)</u>
<b>Gross profit</b>	<b>3,168,222</b>	<b>2,508,595</b>
<b>Administrative expenses</b>	<b>(2,403,473)</b>	<b>(1,969,964)</b>
<b>Operating profit</b>	<b>764,749</b>	<b>538,631</b>
<b>Other interest receivable and similar income</b>		
Bank interest received	-	13
<b>Interest payable</b>		
Invoice discounting interest paid	92,493	73,009
Hire purchase interest paid	3,128	4,013
	<u>(95,621)</u>	<u>(77,022)</u>
<b>Profit before taxation</b>	<b>669,128</b>	<b>461,622</b>

# SHOPFITTINGS DIRECT LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006 £	2005 £
<b>Administrative expenses</b>		
Wages and salaries (excl N I)	676,777	516,116
Directors' remuneration	269,782	180,380
Employer's N I contributions	106,459	71,534
Staff pension costs	5,061	3,659
Staff recruitment and training	50,495	29,894
Rent and rates	149,532	150,806
Warehousing costs	394,599	321,136
Insurance	21,564	18,722
Agency costs	138,305	172,840
Light and heat	1,950	5,334
Repairs and maintenance	11,435	16,379
Health scheme	6,478	6,343
Printing, postage and stationery	20,401	19,134
Advertising and promotion	31,592	13,147
Exhibitions costs	123,637	46,289
Catalogues and mailshots	25,040	12,835
Telephone	35,133	36,516
Computer & website running costs	55,555	24,853
Hire of equipment	14,636	22,018
Motor running expenses	44,841	33,507
Travelling expenses	92,332	90,186
Entertaining	18,074	12,670
Legal and professional fees	8,955	41,906
Audit and accountancy	25,734	43,090
Bank charges	24,342	16,805
Credit card charges	5,078	5,739
Bad and doubtful debts	3,766	16,737
Staff welfare	7,350	5,837
Sundry expenses	4,686	3,154
Depreciation on plant and machinery	6,065	7,465
Depreciation on FF & E	21,697	21,104
Depreciation on motor vehicles	1,164	3,829
Profits/losses on disp of tangibles	958	-
	<u>2,403,473</u>	<u>1,969,964</u>