

**SHOPFITTINGS DIRECT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2008**  
**Company Registration No. 3580800 (England and Wales)**

**SHELLEY STOCK HUTTER LLP**  
**Chartered Accountants**  
**1st Floor**  
**7 - 10 Chandos Street**  
**London**  
**W1G 9DQ**

**SATURDAY**



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25/04/2009

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COMPANIES HOUSE

# 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 LLP 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 2008***

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The directors present their report and financial statements for the year ended 30 September 2008.

### **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. Although sales have decreased slightly in the year an improved gross profit margin has improved gross profit in actual terms. However after offsetting an increase in administrative expenses, this has led to a decrease in net profits generated by the business.

The directors are very pleased to report very strong cashflows by the business with an overall positive cashflow of £963,447 for the year to 30 September 2008.

### **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 due to strong, positive cashflows of £963,447 in the year and a reduction in stock holding.

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# SHOPFITTINGS DIRECT LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2008**

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### Results and dividends

The results for the year are set out on page 5.

### Directors

The following directors have held office since 1 October 2007:

Mr D N Brooks  
Mr P M Brooks

### Auditors

Shelley Stock Hutter LLP were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

### 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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

03/04/09  
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 2008 set out on pages 5 to 17. 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 2 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

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#### 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 2008 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 LLP*

Shelley Stock Hutter LLP  
Chartered Accountants  
Registered Auditor

10.04.09

Date

7 - 10 Chandos Street  
London  
W1G 9DQ

# SHOPFITTINGS DIRECT LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2008**

		2008 £	2007 £
	Notes		
Turnover	2	10,249,156	10,376,300
Cost of sales		(6,740,779)	(7,097,329)
Gross profit		3,508,377	3,278,971
Administrative expenses		(3,166,214)	(2,904,072)
Operating profit	3	342,163	374,899
Interest payable and similar charges	4	(146,071)	(122,542)
Profit on ordinary activities before taxation		196,092	252,357
Tax on profit on ordinary activities	5	(44,119)	(43,209)
Profit for the year	14	151,973	209,148

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.



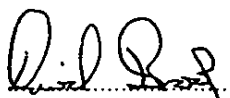
# SHOPFITTINGS DIRECT LIMITED

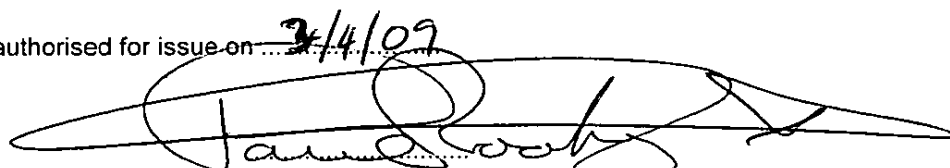
## BALANCE SHEET

AS AT 30 SEPTEMBER 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	7		131,570		142,903
<b>Current assets</b>					
Stocks	8	746,199		1,408,329	
Debtors	9	3,200,200		3,898,938	
Cash at bank and in hand		2,710		3,016	
		<u>3,949,109</u>		<u>5,310,283</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,402,649)</u>		<u>(4,774,492)</u>	
<b>Net current assets</b>			<u>546,460</u>		<u>535,791</u>
<b>Total assets less current liabilities</b>			<u>678,030</u>		<u>678,694</u>
<b>Provisions for liabilities</b>	11				
Deferred tax liability			<u>(12,153)</u>		<u>(12,333)</u>
			<u>665,877</u>		<u>666,361</u>
<b>Capital and reserves</b>					
Called up share capital	13		200		200
Share premium account	14		99,990		99,990
Profit and loss account	14		<u>565,687</u>		<u>566,171</u>
<b>Shareholders' funds</b>	15		<u>665,877</u>		<u>666,361</u>

Approved by the Board and authorised for issue on 3/4/09

  
Mr D N Brooks  
Director

  
Mr P M Brooks  
Director

# SHOPFITTINGS DIRECT LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	£	2008 £	£	2007 £
<b>Net cash inflow/(outflow) from operating activities</b>		1,347,677		(1,118,517)
<b>Returns on investments and servicing of finance</b>				
Interest paid	(146,071)		(122,125)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(146,071)		(122,125)
<b>Taxation</b>		(56,469)		(179,071)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(23,113)		(30,507)	
<b>Net cash outflow for capital expenditure</b>		(23,113)		(30,507)
<b>Equity dividends paid</b>		(152,457)		(209,910)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		969,567		(1,660,130)
<b>Financing</b>				
Capital element of hire purchase contracts	(6,120)		(17,467)	
<b>Net cash outflow from financing</b>		(6,120)		(17,467)
<b>Increase/(decrease) in cash in the year</b>		963,447		(1,677,597)

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2008		2007	
		£		£	
	Operating profit	342,163		374,899	
	Depreciation of tangible assets	34,446		34,357	
	Loss on disposal of tangible assets	-		1,248	
	Decrease/(increase) in stocks	662,130		(541,016)	
	Decrease/(increase) in debtors	698,738		(2,045,797)	
	(Decrease)/Increase in creditors within one year	(389,800)		1,057,792	
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,347,677</b>		<b>(1,118,517)</b>	
2	Analysis of net debt	1 October 2007	Cash flow	Other non-cash changes	30 September 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,016	(306)	-	2,710
	Bank overdrafts	(2,512,245)	963,753	-	(1,548,492)
		<u>(2,509,229)</u>	<u>963,447</u>	<u>-</u>	<u>(1,545,782)</u>
	Debt:				
	Finance leases	(6,120)	6,120	-	-
	<b>Net debt</b>	<b><u>(2,515,349)</u></b>	<b><u>969,567</u></b>	<b><u>-</u></b>	<b><u>(1,545,782)</u></b>
3	Reconciliation of net cash flow to movement in net debt	2008		2007	
		£		£	
	Increase/(decrease) in cash in the year	963,447		(1,677,597)	
	Cash outflow from decrease in debt and lease financing	6,120		17,468	
	<b>Movement in net debt in the year</b>	<b>969,567</b>		<b>(1,660,129)</b>	
	Opening net debt	(2,515,349)		(855,220)	
	<b>Closing net debt</b>	<b><u>(1,545,782)</u></b>		<b><u>(2,515,349)</u></b>	

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

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### 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
Computer equipment	33% 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

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 2008

### 2 Turnover

#### Geographical market

	Turnover 2008 £	2007 £
United Kingdom	9,283,746	10,057,516
Europe	559,145	318,784
Rest of the world	406,265	-
	<u>10,249,156</u>	<u>10,376,300</u>

### 3 Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	34,446	34,357
Loss on disposal of tangible assets	-	1,248
Loss on foreign exchange transactions	60,390	-
Operating lease rentals	120,483	116,425
Auditors' remuneration	13,250	20,300
and after crediting:		
Profit on foreign exchange transactions	-	(112,279)
	<u>-</u>	<u>(112,279)</u>

### 4 Interest payable

	2008 £	2007 £
Hire purchase interest	96	1,183
On overdue tax	5,373	2,333
On amounts payable to factors	140,602	119,026
	<u>146,071</u>	<u>122,542</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	44,299	55,635
	<b>Current tax charge</b>	<b>44,299</b>	<b>55,635</b>
	Deferred tax		
	Deferred tax charge/credit current year	(180)	(12,426)
		<u>44,119</u>	<u>43,209</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	196,092	252,357
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.50% (2007 - 19.50%)	<u>40,199</u>	<u>49,210</u>
	Effects of:		
	Non deductible expenses	1,307	6,930
	Depreciation add back	7,061	5,966
	Capital allowances	(6,284)	(6,471)
	Other tax adjustments	2,016	-
		<u>4,100</u>	<u>6,425</u>
	<b>Current tax charge</b>	<b>44,299</b>	<b>55,635</b>
6	Dividends	2008 £	2007 £
	Ordinary interim paid	72,000	74,000
	Ordinary interim paid	60,000	23,910
	Ordinary interim paid	20,457	112,000
		<u>152,457</u>	<u>209,910</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 October 2007	51,085	288,351	339,436
Additions	-	23,113	23,113
At 30 September 2008	51,085	311,464	362,549
<b>Depreciation</b>			
At 1 October 2007	29,134	167,399	196,533
Charge for the year	4,009	30,437	34,446
At 30 September 2008	33,143	197,836	230,979
<b>Net book value</b>			
At 30 September 2008	17,942	113,628	131,570
At 30 September 2007	21,951	120,952	142,903

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

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
<b>Net book values</b>			
At 30 September 2008	-	-	-
At 30 September 2007	3,928	12,359	16,287
<b>Depreciation charge for the year</b>			
At 30 September 2008	-	-	-
At 30 September 2007	982	4,966	5,948

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

8	Stocks	2008 £	2007 £
	Finished goods and goods for resale	746,199	1,408,329

9	Debtors	2008 £	2007 £
	Trade debtors	2,998,541	3,636,667
	Prepayments and accrued income	201,659	262,271
		3,200,200	3,898,938

10	Creditors: amounts falling due within one year	2008 £	2007 £
	Bank loans and overdrafts	1,548,492	2,512,245
	Net obligations under hire purchase contracts	-	6,120
	Trade creditors	1,135,163	1,385,044
	Amounts owed to subsidiary undertakings	70,000	-
	Corporation tax	44,299	56,052
	Other taxes and social security costs	280,830	382,637
	Directors' current accounts	712	1,004
	Other creditors	(400)	-
	Accruals and deferred income	323,553	431,390
		3,402,649	4,774,492

Bank loans and overdrafts totalling £1,548,492 (2007 - £2,512,245) and net obligations under finance leases totalling £nil (2007 - £6,120) are secured over the assets of the company.

### Net obligations under hire purchase contracts

Repayable within one year	-	6,120
Finance charges and interest allocated to future accounting periods	-	-
	-	6,120



# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2007	12,333
Profit and loss account	(180)
	<u>12,153</u>
Balance at 30 September 2008	<u>12,153</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>12,153</u>	<u>12,333</u>

### 12 Pension and other post-retirement benefit commitments

#### Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>42,337</u>	<u>33,212</u>

### 13 Share capital

	2008 £	2007 £
<b>Authorised</b>		
10,000 Ordinary 'A' shares of 10p each	<u>1,000</u>	<u>1,000</u>
<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
	<u>200</u>	<u>200</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 October 2007	99,990	566,171
Profit for the year	-	151,973
Dividends paid	-	(152,457)
Balance at 30 September 2008	<u>99,990</u>	<u>565,687</u>

### 15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	151,973	209,148
Dividends	(152,457)	(209,910)
Net depletion in shareholders' funds	(484)	(762)
Opening shareholders' funds	<u>666,361</u>	<u>667,123</u>
Closing shareholders' funds	<u>665,877</u>	<u>666,361</u>

### 16 Financial commitments

At 30 September 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2009:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Operating leases which expire:				
Within one year	-	-	-	2,984
Between two and five years	<u>76,447</u>	<u>76,447</u>	<u>26,630</u>	<u>11,197</u>
	<u>76,447</u>	<u>76,447</u>	<u>26,630</u>	<u>14,181</u>

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	249,574	259,328
Company pension contributions to money purchase schemes	23,000	26,000
	<u>272,574</u>	<u>285,328</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	124,797	129,778
Company pension contributions to money purchase schemes	12,000	13,000
	<u>136,797</u>	<u>142,778</u>

### 18 Employees

#### Number of employees

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

	2008 Number	2007 Number
Administrative	<u>34</u>	<u>30</u>

#### Employment costs

	2008 £	2007 £
Wages and salaries	1,331,720	1,184,997
Social security costs	144,555	128,554
Other pension costs	42,337	33,212
	<u>1,518,612</u>	<u>1,346,763</u>

### 19 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.

# SHOPFITTINGS DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2008*

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### 20 Related party transactions

The directors, Mr D N Brooks and Mr P M Brooks, received dividends of £71,000 each in the year to 30 September 2008 (2007 - £93,000 each).

The directors have a material interest in Shopfittings Direct (Shop) Limited. During the year Shopfittings Direct Limited was advanced £100,000 by Shopfittings Direct (Shop) Limited, of which £30,000 was repaid before the year end. As at the balance sheet date, Shopfittings Direct (Shop) Limited was owed £70,000 (2007 - £nil) by Shopfittings Direct Limited .