

PROTECTION RACKET LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2006

419 7826



PROTECTION RACKET LIMITED

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FOR THE YEAR ENDED 30TH APRIL 2006

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PROTECTION RACKET LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2006

DIRECTORS:

D Bowdery
N Nethercot
T B Armstrong

SECRETARY:

N Nethercot

REGISTERED OFFICE:

Bess Park
Trenant Industrial Estate
Wadebridge
Cornwall
PL27 6HB

REGISTERED NUMBER:

4197826 (England and Wales)

ACCOUNTANTS:

K D Chapman & Co
Accountants and Tax Consultants
Winston House
28-32 St Nicholas Street
Bodmin
Cornwall

PROTECTION RACKET LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 2006

The directors present their report with the financial statements of the company for the year ended 30th April 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the wholesaling of musical instrument cases.

DIRECTORS

The directors during the year under review were:

D Bowdery
N Nethercot
T B Armstrong

The beneficial interests of the directors holding office on 30th April 2006 in the issued share capital of the company were as follows:

	30.4.06	1.5.05
Ordinary £1 shares		
D Bowdery	333	333
N Nethercot	333	333
T B Armstrong	333	333

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:



N Nethercot - Secretary

20th November 2006

PROTECTION RACKET LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2006

	Notes	2006 £	2005 £
TURNOVER		84,618	95,819
Cost of sales		<u>(7,588)</u>	<u>(20,976)</u>
GROSS PROFIT		77,030	74,843
Administrative expenses		<u>(33,247)</u>	<u>(12,585)</u>
OPERATING PROFIT	2	43,783	62,258
Interest receivable and similar income		<u>9</u>	<u>54</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		43,792	62,312
Tax on profit on ordinary activities	3	<u>(8,321)</u>	<u>(11,733)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>35,471</u></u>	<u><u>50,579</u></u>

PROTECTION RACKET LIMITED

BALANCE SHEET
30TH APRIL 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	5	1,161	1,366
CURRENT ASSETS			
Stocks		4,742	2,471
Debtors	6	8,257	18,747
Cash at bank		3,169	986
		<u>16,168</u>	<u>22,204</u>
CREDITORS			
Amounts falling due within one year	7	(14,134)	(16,246)
NET CURRENT ASSETS		<u>2,034</u>	<u>5,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,195</u>	<u>7,324</u>
CAPITAL AND RESERVES			
Called up share capital	8	999	999
Profit and loss account	9	2,196	6,325
SHAREHOLDERS' FUNDS		<u>3,195</u>	<u>7,324</u>

PROTECTION RACKET LIMITED

BALANCE SHEET - continued
30TH APRIL 2006

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30th April 2006.

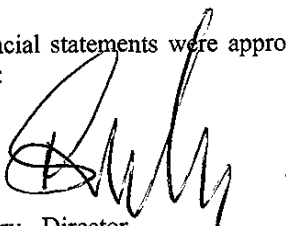
The members have not required the company to obtain an audit of its financial statements for the year ended 30th April 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 20th November 2006 and were signed on its behalf by:



D Bowdery - Director



T B Armstrong - Director

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Plant and machinery etc - 15% on reducing balance

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006	2005
	£	£
Depreciation - owned assets	205	241
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	14,400	1,200
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

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

	2006	2005
	£	£
Current tax:		
UK corporation tax	8,321	11,733
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	8,321	11,733
	<u> </u>	<u> </u>

4. DIVIDENDS

	2006	2005
	£	£
Ordinary shares of £1 each		
Interim	39,600	54,180
	<u> </u>	<u> </u>

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2006

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1st May 2005	
and 30th April 2006	1,607
DEPRECIATION	
At 1st May 2005	241
Charge for year	205
	<hr/>
At 30th April 2006	446
NET BOOK VALUE	
At 30th April 2006	1,161
	<hr/>
At 30th April 2005	1,366
	<hr/>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	6,103	18,747
Other debtors	2,154	-
	<hr/>	<hr/>
	8,257	18,747
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	2,454	3,112
Taxation and social security	10,651	12,287
Other creditors	1,029	847
	<hr/>	<hr/>
	14,134	16,246
	<hr/>	<hr/>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2006	2005
			£	£
1,000	Ordinary	£1	1,000	1,000
			<hr/>	<hr/>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2006	2005
			£	£
999	Ordinary	£1	999	999
			<hr/>	<hr/>

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2006

9. RESERVES

	Profit and loss account £
At 1st May 2005	6,325
Profit for the year	35,471
Dividends	(39,600)
	<hr/>
At 30th April 2006	2,196
	<hr/>

10. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 30th April 2006 and 30th April 2005:

	2006 £	2005 £
D Bowdery		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	935	-
Maximum balance outstanding during year	935	-
	<hr/>	<hr/>
N Nethercot		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	981	-
Maximum balance outstanding during year	981	-
	<hr/>	<hr/>

11. RELATED PARTY DISCLOSURES

Control

The company is controlled by its directors, D Bowdery, T Armstrong and N Nethercot.

Transactions

N Nethercot and D Bowdery are also directors of NBD Ltd. During the year Protection Racket Ltd purchased goods, at arms length, at a cost of £9,112 (2005: £19,262) from NBD Ltd. At the balance sheet date £1,331 (2005: £2,756) was owed to NBD Ltd.

PROTECTION RACKET LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2006

	2006		2005	
	£	£	£	£
Sales		84,618		95,819
Cost of sales				
Opening stock	2,471		2,642	
Purchases	9,859		20,805	
	<u>12,330</u>		<u>23,447</u>	
Closing stock	(4,742)		(2,471)	
		<u>7,588</u>		<u>20,976</u>
GROSS PROFIT		77,030		74,843
Other income				
Deposit account interest		9		54
		<u>77,039</u>		<u>74,897</u>
Expenditure				
Directors' salaries	14,400		1,200	
Advertising	2,429		906	
Travelling	6,754		2,693	
Development and marketing	6,653		4,321	
Sundry expenses	28		46	
Accountancy	735		700	
Legal fees	1,312		-	
Bad debts	665		2,437	
Bank charges	66		41	
Depreciation	205		241	
	<u></u>	<u>33,247</u>	<u></u>	<u>12,585</u>
NET PROFIT		<u>43,792</u>		<u>62,312</u>