

PROTECTION RACKET LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2007

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PROTECTION RACKET LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2007

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 2007

The directors present their report with the financial statements of the company for the year ended 30th April 2007

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 shown below have held office during the whole of the period from 1st May 2006 to the date of this report

D Bowdery
N Nethercot
T B Armstrong

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

11th October 2007

PROTECTION RACKET LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2007

	Notes	2007 £	2006 £
TURNOVER		393,405	84,618
Cost of sales		(299,549)	(7,588)
GROSS PROFIT		93,856	77,030
Administrative expenses		(31,336)	(33,247)
OPERATING PROFIT	2	62,520	43,783
Interest receivable and similar income		28	9
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		62,548	43,792
Tax on profit on ordinary activities	3	(11,928)	(8,321)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		50,620	35,471

The notes form part of these financial statements

PROTECTION RACKET LIMITED

BALANCE SHEET
30TH APRIL 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	5	1,131	1,161
CURRENT ASSETS			
Stocks		2,368	4,742
Debtors	6	106,614	8,257
Cash at bank		3,597	3,169
		<u>112,579</u>	<u>16,168</u>
CREDITORS			
Amounts falling due within one year	7	(102,495)	(14,134)
NET CURRENT ASSETS		<u>10,084</u>	<u>2,034</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,215</u>	<u>3,195</u>
CAPITAL AND RESERVES			
Called up share capital	8	999	999
Profit and loss account	9	10,216	2,196
SHAREHOLDERS' FUNDS		<u>11,215</u>	<u>3,195</u>

The notes form part of these financial statements

PROTECTION RACKET LIMITED

BALANCE SHEET - continued
30TH APRIL 2007

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30th April 2007

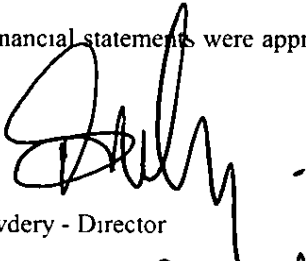
The members have not required the company to obtain an audit of its financial statements for the year ended 30th April 2007 in accordance with Section 249B(2) of the Companies Act 1985

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 11th October 2007 and were signed on its behalf by



D Bowdery - Director



T B Armstrong - Director

The notes form part of these financial statements

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30TH APRIL 2007**

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

	2007 £	2006 £
Depreciation - owned assets	200	205
Foreign exchange differences	984	-
	<u>13,200</u>	<u>14,400</u>
Directors' emoluments and other benefits etc	<u>13,200</u>	<u>14,400</u>

3 TAXATION

Analysis of the tax charge

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

	2007 £	2006 £
Current tax		
UK corporation tax	11,928	8,321
Tax on profit on ordinary activities	<u>11,928</u>	<u>8,321</u>

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2007

4	DIVIDENDS	2007 £	2006 £
	Ordinary shares of £1 each Interim	<u>42,600</u>	<u>39,600</u>
5	TANGIBLE FIXED ASSETS		Plant and machinery etc £
	COST		
	At 1st May 2006		1,607
	Additions		<u>170</u>
	At 30th April 2007		<u>1,777</u>
	DEPRECIATION		
	At 1st May 2006		446
	Charge for year		<u>200</u>
	At 30th April 2007		<u>646</u>
	NET BOOK VALUE		
	At 30th April 2007		<u>1,131</u>
	At 30th April 2006		<u>1,161</u>
6	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2007 £	2006 £
	Trade debtors	106,614	6,103
	Other debtors	<u>-</u>	<u>2,154</u>
		<u>106,614</u>	<u>8,257</u>
7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2007 £	2006 £
	Bank loans and overdrafts	13,179	-
	Trade creditors	70,937	2,454
	Taxation and social security	17,434	10,651
	Other creditors	<u>945</u>	<u>1,029</u>
		<u>102,495</u>	<u>14,134</u>

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2007

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
999	Ordinary	£1	<u>999</u>	<u>999</u>

9 RESERVES

	Profit and loss account £
At 1st May 2006	2,196
Profit for the year	50,620
Dividends	<u>(42,600)</u>
At 30th April 2007	<u>10,216</u>

10 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 30th April 2007 and 30th April 2006

	2007 £	2006 £
D Bowdery		
Balance outstanding at start of year	935	-
Balance outstanding at end of year	-	935
Maximum balance outstanding during year	<u>935</u>	<u>935</u>
N Nethercot		
Balance outstanding at start of year	981	-
Balance outstanding at end of year	-	981
Maximum balance outstanding during year	<u>981</u>	<u>981</u>

PROTECTION RACKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2007

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 £527 (2006 £9,112) from NBD Ltd. At the balance sheet date £244 (2006 £1,331) was owed to NBD Ltd.

During the year Protection Racket Ltd sold goods, at arms length, net of VAT for £146,108 to NBD Ltd. At the balance sheet date £55,345 was owed from NBD Ltd.