

AD PROMOTIONS LIMITED

**Annual Report and Financial
Statements**

30 June 2009

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AD PROMOTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

AD PROMOTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M J Newton
A H Wiseberg (Resigned 19 December 2009)
A Finn (Appointed 19 December 2009)

SECRETARY

H Doroszkiewicz

REGISTERED OFFICE

Unit 1200
Daresbury Park
Daresbury
Warrington
Cheshire
WA4 4HS

BANKERS

Barclays Bank Plc
6th Floor
1 Marsden Street
Manchester
M2 1HW

AUDITORS

Deloitte LLP
Chartered Accountants
2 Hardman Street
Manchester
M60 2AT
United Kingdom

AD PROMOTIONS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2009. The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of the hire of sports equipment.

The results for the year and the financial position at the year end were considered satisfactory by the director.

RESULTS AND DIVIDENDS

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

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors held office during the year:

M J Newton

A H Wiseberg

A Finn

Resigned 19 December 2008

Appointed 19 December 2008

AUDITORS

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

In accordance with s418 of the companies Act 2006, each director confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors 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



Secretary

26 March 2010

AD PROMOTIONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AD PROMOTIONS LIMITED

We have audited the financial statements of AD Promotions Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Damian Sanders (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester, United Kingdom
26 March 2010

AD PROMOTIONS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2009

	Note	2009 £	2008 £
TURNOVER	2	2,467,000	1,993,000
Cost of sales		<u>(2,064,835)</u>	<u>(2,018,995)</u>
GROSS PROFIT/(LOSS)		402,165	(25,995)
Administrative expenses		(5,926)	(6,669)
Impairment Losses		<u>(377,129)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	19,110	(32,664)
Tax on profit/(loss) on ordinary activities	4	<u>145,300</u>	<u>(11,319)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>164,410</u>	<u>(43,983)</u>

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 in the profit and loss account Accordingly, no separate statement of total recognised gains and losses has been prepared

AD PROMOTIONS LIMITED

BALANCE SHEET

Company Number: 04470930

30 June 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible assets	5		<u>457,202</u>		<u>680,978</u>
CURRENT ASSETS					
Debtors	6	570,184		337,338	
Cash at bank and in hand		<u>33,753</u>		<u>-</u>	
		603,937		337,338	
CREDITORS amounts falling due within one year	7	<u>(1,053,011)</u>		<u>(1,029,298)</u>	
NET CURRENT LIABILITIES			<u>(449,074)</u>		<u>(691,960)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8		40,819		(104,481)
NET ASSETS/(LIABILITIES)			<u>48,947</u>		<u>(115,463)</u>
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account	10		<u>48,945</u>		<u>(115,465)</u>
SHAREHOLDERS' (DEFICIT) – EQUITY INTERESTS	11		<u>48,947</u>		<u>(115,463)</u>

These financial statements were approved by the Board of Directors on 26 march 2010

Signed on behalf of the Board of Directors



P Norstrom
Director

NOTES TO THE ACCOUNTS
30 June 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). The particular accounting policies adopted are described below.

Going concern

A letter of support has been provided to the directors of the company from the directors of Anglo Design Holdings plc to confirm that the group will provide sufficient financial and other support to enable the company to discharge their liabilities as they fall due.

The company is an integral part of the Anglo Design Holdings plc group, whose financing is not up for a review until 2011. The Directors of the company are aware of the following going concern disclosures in the parent company financial statements of Anglo Design Holdings plc:

"In January 2010, the company and the bank agreed to restructure the financing of the group. The new financing is subject to revised cash flow and debt cover covenants and a minimum net worth covenant that are calculated on a rolling quarterly basis. The loan is not subject to further re-financing until March 2011.

Based on the directors' latest approved forecasts, the group expects to be able to comply with the new loan arrangements negotiated with the bank, including the attached covenants, and meet its liabilities as they fall due for a period of not less than 12 months from the date of signature of these financial statements. Whilst acknowledging the uncertainties in the operating environment, the directors have identified a number of opportunities to reduce costs, some of which have already been actioned, to mitigate against any deteriorations and uncertainties in trading conditions.

The directors' latest sensitised forecasts prepared on a reasonable downside basis show that the group expects to be able to meet the loan repayments and comply with the covenants attached to the loan such that no breach is forecast. These forecasts include a series of assumptions in relation to working capital management and further cost reductions. The key working capital management assumptions are a stock reduction programme and an expectation of a reduction in debtor days. Further cost reduction focuses on a broad spread of operational costs, including direct sales costs, reduced administrative costs, and discretionary spend on marketing and promotional activities. Additional spend on certain further significant development activities will be dictated by available resources and future trading remaining in line with management expectations. Based on this assessment and the available ability to manage costs if necessary against further unprojected adverse trading conditions, the Directors consider it is appropriate to prepare the financial statements on the going concern basis."

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

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

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for impairment. 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:

Racing cars

The amount of depreciation charged is equivalent to the operating lease income receivable or based upon an impairment review carried out on an annual basis.

AD PROMOTIONS LIMITED

NOTES TO THE ACCOUNTS

30 June 2009

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been expected or substantively enacted at the Balance Sheet date

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

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

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. Turnover is recognised on a straight line basis over the period of the lease

The total turnover of the company for the year has been derived from its principal activity in the UK

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £	2008 £
Profit/(loss) on ordinary activities is		
after charging:		
Depreciation of tangible fixed assets	124,739	66,354
	<u>2009</u>	<u>2008</u>
	£	£
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	3,000	4,620
	<u>3,000</u>	<u>4,620</u>

There are no fees for non audit services (2008 £nil)

AD PROMOTIONS LIMITED

NOTES TO THE ACCOUNTS 30 June 2009

4. TAXATION

	2009 £	2008 £
United Kingdom Corporation tax		
Current tax charge on income for the year	-	3,037
Current taxation	-	3,037
Deferred taxation		
Adjustment in respect of prior years	-	8,282
Total deferred tax (see note 6)	(145,300)	8,282
Total tax charge on profit on ordinary activities	(145,300)	11,319
Current tax reconciliation		
Profit/(loss) on ordinary activities before taxation	19,438	(32,664)
Theoretical tax at UK corporation tax rate of 28% (2008 29.5%)	5,443	(9,636)
Effects of		
Non deductible expenses	64,133	85,040
Depreciation in excess of capital allowances	145,300	(8,726)
Group relief	(214,876)	(63,641)
Current tax charge	-	3,037

The company has estimated losses of £nil (2008 £nil) available for carry forward against future trading profits

5 TANGIBLE FIXED ASSETS

	Racing cars £
Cost	
At 1 July 2008	1,004,532
Additions	278,092
At 30 June 2009	1,282,624
Depreciation	
At 1 July 2008	323,554
Impairment Losses	377,129
Charge for the year	124,739
At 30 June 2009	825,422
Net book value	
At 30 June 2009	457,202
At 30 June 2008	680,978

AD PROMOTIONS LIMITED

NOTES TO THE ACCOUNTS 30 June 2009

6. DEBTORS

	2009 £	2008 £
Trade debtors	67,772	77,935
Other debtors	52,059	99,394
Prepayments and accrued income	336,132	160,009
Taxes and Social Security	114,221	-
Deferred tax (see note 8)	40,819	-
	<u>611,003</u>	<u>337,338</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Bank loans and overdrafts	-	364,090
Trade creditors	363,766	301,131
Amounts owed to parent and fellow subsidiary undertakings	683,208	323,918
Corporation tax	3,037	5,842
Accruals and deferred income	3,000	34,317
	<u>1,053,011</u>	<u>1,029,298</u>

8. DEFERRED TAX

	2009 £	2008 £
Deferred taxation		
Balance at 1 July 2008		(104,481)
Charge to profit and loss account		145,300
Balance at 30 June 2009		<u>40,819</u>
	<u>2009 £</u>	<u>2008 £</u>
Deferred tax is provided as follows		
Accelerated capital allowances	40,819	(104,481)
Deferred tax	<u>40,819</u>	<u>(104,481)</u>

9. SHARE CAPITAL

	2009 £	2008 £
Authorised		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

AD PROMOTIONS LIMITED

NOTES TO THE ACCOUNTS 30 June 2009

10. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
Balance at 1 July 2008	(115,465)
Retained profit for the year	164,410
Balance at 30 June 2009	<u>48,945</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2009 £	2008 £
Profit/(loss) for the financial year	164,410	(43,985)
Opening shareholders' deficit	<u>(115,463)</u>	<u>(71,478)</u>
Closing shareholders' funds/(deficit)	<u>48,947</u>	<u>(115,461)</u>

12. EMPLOYEES

Number of employees

There were no employees during the year apart from the directors

13. CONTROL

The ultimate parent company is Anglo Design Holdings plc, a company registered in England and Wales

Anglo Design Holdings plc prepares group financial statements and copies can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ

The ultimate controlling party is Mr M J Newton by virtue of his shareholding in Anglo Design Holdings plc

14. RELATED PARTY TRANSACTION

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company