

Registered No 04470930

## **AD Promotions Limited**

### **Report and Financial Statements**

30 June 2010

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COMPANIES HOUSE

# **AD Promotions Limited**

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## **Directors**

M J Newton  
P Norstrom

## **Secretary**

H Doroszkiewicz

## **Auditors**

Ernst & Young LLP  
100 Barbican Square  
Manchester M2 3EY

## **Bankers**

Barclays Bank plc  
40/41 High Street  
Wrexham  
North Wales LL13 8LF

## **Solicitors**

Eversheds LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5DR

## **Registered Office**

Unit 1200  
Daresbury Park  
Daresbury  
Warrington  
Cheshire WA4 4HS

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2010

### Results and dividends

The loss for the year after taxation amounted to £1,479 (2009 -- profit of £164,410) The directors do not recommend the payment of a dividend

### Principal activities and review of the business

The principal activity of the company continued to be that of the hire of sports equipment for promotional activities

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

### Directors

The directors who served the company during the year and appointed subsequently were as follows

M J Newton

A Finn (resigned 20 January 2010)

P Norstrom (appointed 20 January 2010)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

### Auditors

Deloitte LLP resigned as auditors on 29<sup>th</sup> June 2010 and Ernst & Young LLP were appointed in their place

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

### Small company exemptions

The directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006

By order of the Board



H Doroszkiewicz

Secretary

Date 29/9/10

## 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 group and of the profit or loss of the group 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 that 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 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (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 set out on page 3, 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 2010 and of its loss 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.

# Independent auditors' report

to the members of AD Promotions Limited

## 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

*Ernst & Young LLP*

Gary Harding (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP (Statutory Audit)  
Manchester

Date *29 September 2010*

## Profit and loss account

for the year ended 30 June 2010

	<i>Note</i>	<i>2010</i> £	<i>2009</i> £
<b>Turnover</b>	2	2,100,000	2,467,000
Cost of sales		(2,123,804)	(2,064,835)
<b>Gross (loss)/profit</b>		(23,804)	402,165
Administrative expenses		(22,379)	(5,926)
Impairment losses		-	(377,129)
Profit on disposal of fixed assets		10,457	-
<b>(Loss)/profit on ordinary activities before taxation</b>	3	(35,726)	19,110
Tax	4	34,247	145,300
<b>(Loss)/profit for the financial year</b>	9	(1,479)	164,410

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

## Statement of total recognised gains and losses

for the year ended 30 June 2010

There were no recognised gains and losses other than those recognised in the profit and loss account for the current year and prior year

**Balance sheet**

at 30 June 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	5	229,045	457,202
<b>Current assets</b>			
Debtors	6	870,615	611,003
Cash at bank and in hand		76,081	33,753
		946,696	644,756
<b>Creditors</b> , amounts falling due within one year	7	(1,128,273)	(1,053,011)
<b>Net current liabilities</b>		(181,577)	(408,255)
<b>Net assets</b>		47,468	48,947
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	47,466	48,945
<b>Shareholders' funds</b>	10	47,468	48,947

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities



M J Newton

Director

Date 29/9/10



## Notes to the financial statements

at 30 June 2010

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities

#### *Statement of cash flows*

Under FRS 1 'Cashflow Statements', the company is not required to prepare a statement of cash flows, being a wholly owned subsidiary of Anglo Design Holdings plc, whose group financial statements include a statement of cash flows

#### *Going Concern*

Based on the Directors' latest approved forecasts, the AD group expects to be able to comply with the 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 deterioration and uncertainties in trading conditions.

The Directors consider it is appropriate to prepare the financial statements on the going concern basis.

#### *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.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Notes to the financial statements

at 30 June 2010

### 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. Operating (loss)/profit

This is stated after charging

	2010 £	2009 £
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	3,000	3,000
There are no fees for non audit services		
Depreciation of tangible fixed assets	88,113	141,799

### 4. Tax

(a) Tax on loss on ordinary activities

The tax credit is made up as follows

	2010 £	2009 £
<i>Current tax</i>		
United Kingdom Corporation tax	-	-
Current tax charge on income for the year	-	-
Total current tax (note 4(b))	-	-
<i>Deferred tax</i>		
Originating and reversal of timing differences	(34,247)	(145,300)
Total deferred tax	(34,247)	(145,300)
Total tax on (loss)/profit on ordinary activities	(34,247)	(145,300)

## Notes to the financial statements

at 30 June 2010

### 4. Tax (continued)

(b) (Loss)/profit on ordinary activities before taxation	(35,726)	19,110
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	(10,003)	5,443
<i>Effects of</i>		
Non deductible expenses	74,676	64,133
Depreciation in excess of capital allowances	12,984	145,300
Group relief	(77,657)	(214,876)
Current tax for the year (note 4(a))	–	–
(c) Deferred tax		£
Balance at 1 July 2009		40,819
Credit profit and loss account		12,894
Adjustment in respect of prior year		21,353
Balance at 30 June 2010		75,066
	2010	2009
	£	£
Deferred tax is provided as follows		
Accelerated capital allowances	75,066	40,819
Provision for deferred tax (note 6)	75,066	40,819

#### (d) Factors affecting future tax charge

In the budget of 22 June 2010 changes were announced which, if enacted in the proposed manner, may significantly impact on the company's future tax position. The tax changes announced in the budget are not yet regarded as "substantially enacted" by 30 June 2010 and as such these changes have not been reflected in the company's financial statements as at 30 June 2010. This is in accordance with accounting standards.

The budget proposed a decrease in the rate of UK corporation tax to be enacted annually from April 2011, from 28% to 24% by 1% each year. The effect in the reduction in the tax rate to 24% on the company's deferred tax asset would be to reduce it by £7,978. The rate change will also impact the amount of future cash tax payment to be made by the company.

The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements in future years, as appropriate, once proposals have been substantially enacted.

# Notes to the financial statements

at 30 June 2010

## 5. Tangible fixed assets

	<i>Racing cars</i>
	£
Cost	
At 1 July 2009	1,282,624
Disposals	(205,000)
At 30 June 2010	1,077,624
Depreciation	
At 1 July 2009	825,422
Charge for the year	88,113
Disposals	(64,956)
At 30 June 2010	848,579
Net book value	
At 30 June 2010	229,045
At 1 July 2009	457,202

## 6. Debtors

	2010	2009
	£	£
Trade debtors	80,226	67,772
Other debtors	129,774	52,059
Prepayments and accrued income	585,549	336,132
Deferred tax	75,066	40,819
Taxes and social security	-	114,221
	870,615	611,003

## 7. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	906,205	363,766
Amounts due to group undertaking	162,906	683,208
Corporation tax	3,037	3,037
Accruals and deferred income	56,125	3,000
	1,128,273	1,053,011

## Notes to the financial statements

at 30 June 2010

### 8. Issued share capital

	2010		2009	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	2	2	2	2
		<u>          </u>		<u>          </u>

### 9. Profit and loss account

	<i>Profit and loss account £</i>
At 1 July 2009	48,945
Retained loss for the year	(1,479)
At 30 June 2010	<u>47,466</u>

### 10. Reconciliation of shareholders' funds

	2010 £	2009 £
(Loss)/profit for the financial year	(1,479)	164,410
Opening shareholders' funds	48,947	(115,463)
Closing shareholders' funds	<u>47,468</u>	<u>48,947</u>

### 11. Employees

There were no employees during the year apart from the directors. The Directors are remunerated through a fellow group company.

### 12. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 - Related Party Disclosures in not disclosing details of transactions with other group companies.

During the year the company used the services of Ray Mallock Limited, a related party. Mr M J Newton, the controlling party of Anglo Design Holdings plc holds more than 20% of the voting rights of Ray Mallock Limited and is a Director of the company.

During the ordinary course of business, AD Promotions Limited used services from Ray Mallock Limited at a cost of £1,451,020 (2009 £1,445,127). The balance due to Ray Mallock Limited at the year end was £852,192 (2009 £314,964).

## **Notes to the financial statements**

**at 30 June 2010**

### **13. Ultimate parent undertaking and controlling party**

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 Unit 1200 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4HS

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