

4982100

PEN-N-A-PAD COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011



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PEN-N-A-PAD COMPANY LIMITED

REGISTERED ADDRESS:

75 CUCKOO HALL LANE

EDMONTON

LONDON

N9 8DP

COMPANAY'S ACTIVITY:

ONLINE TRADING, MEDIA AND TELEVISION PRODUCTION

DIRECTOR:

MR MAURICE CHUKA

COMPANY SECRETARY:

MRS SIMISOLA CHUKA

BANKERS

BARCLAYS

COMPANY REG. NO:

04982100

PEN-N-A-PAD COMPANY LIMITED

Report of the Directors

For the Year Ended 31 December 2011

The directors present the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal business of the company during the year remains the provision of Online Trading Activities, Media and Television Production Services

REVIEW OF BUSINESS

Despite the continued impact of global recession in the retail sector, the company achieved better performances from its trading activities in comparison to previous year. We experienced growth in turnover, achieved target efficiencies in operating costs and costs of sales and returned the company to profitability having experienced losses in previous years. The online trading business continued to provide the greater percentage of the company's turnover. On the whole it was a better operating year in most of its business performance indicators.

The business income realized during the year which were mainly from the trading segment of the business amounted to £10,310 (£2,564 – 2010). The increase in turnover was mainly due to management decision to offer improved online product mix, thereby benefiting from increased demand for its low cost products. Management will continue to explore ways to improve the sales of its premium online products, which have been affected by demand shift due to impact of UK austerity measures on the retail sector. Part of our 2012 mission is to develop and promote our online book sales and publishing.

Cost of sales was £4,659 (£1,742 – 2010). Cost of sales as a percentage of sales decreased by 22%. This represents our success in negotiating improved discount and bargains from our suppliers for majority of our products. This is made possible due to improved stock turnover and bulk purchases for our low cost products.

In line with the sharp improvement in the level of business activities, the company's operating cost increased from £785 in 2010 to the current amount of £1,235. This contributed to an increase in operating margin by 41%. Although the company managed to achieve operating efficiencies within the year, its administrative expenses as a percentage of sales increased by 21%. This represents a massive increase in administrative expenses from £353 in 2010 to £3,547 in 2011 in line with increased trading activities and impact of setting up the online book sales and publishing.

Profit before taxation was £748 (loss of £327 – 2010) which effectively returned the company back to profitability in line with our 3 year forecast

Management is further committed to seeking opportunities and initiating strategies that will help to improve growth in the scope and profitability of the business

DIVIDENDS

No dividend was proposed and paid to the Directors in the course of the year

RESULTS

The profit for the year was £598

DIRECTOR AND SHAREHOLDERS

The directors and other shareholder's interest in the company during the year and the beneficial interest in Ordinary Share capital of the company are as follows

Director	Ordinary Share Capital
Mr Maurice Chuka	90
Mrs Simisola Chuka	10

Director's Responsibilities:

The Director acknowledge his responsibilities under the companies Act 2006 as responsible for ensuring the financial statements give a true and fair view of the state of affairs of the company as at end of the financial year and its profit or loss for the period

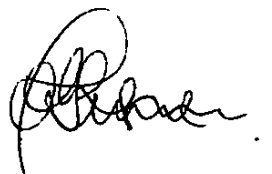
We have examined the accounts set out in pages 6 and 7, and we approve and confirm that we have made available all relevant records and information for its preparation

ON BEHALF OF THE BBOARD



Mr Maurice Chuka

Director



Mrs Simisola Chuka

Secretary

Date

Date

PEN-N-A-PAD COMPANY LIMITED

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011	2010
		£	£
TURNOVER	2	10,310	2,564
COST OF SALES	3	<u>4,659</u>	<u>1,742</u>
GROSS PROFIT		5,651	822
OPERATING EXPENSES	4	<u>1,235</u>	<u>785</u>
OPERATING PROFIT		4,416	37
ADMINISTRATIVE EXPENSES	5	<u>3,547</u>	<u>353</u>
PROFIT BEFORE INTEREST AND SIMILAR CHARGES		869	-316
Interest payable and similar charges		<u>121</u>	<u>11</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES		748	-327
Tax on profit on ordinary activities	6	150	0
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION		<u>598</u>	<u>-327</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discounted during the year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognized gains or losses other than the profits during the year

PEN-N-A-PAD COMPANY LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible	7	864	1,080
Total Fixed Assets		864	1,080
CURRENT ASSETS			
Bank and Cash balances	8	103	0
Debtors & prepayments		985	442
TOTAL CURRENT ASSETS		1,088	442
CREDITORS			
Bank Overdraft		0	35
Amounts falling due within one year	9	645	928
Taxation		150	0
		795	963
NET CURRENT (LIABILITES)/ASSETS		293	-521
Amounts falling due after one year		0	0
TOTAL ASSETS AND LIABILITES		1,157	559
FINANCED BY:			
CAPITAL AND RESERVES			
Called Up Share Capital	10	100	100
Profit and Loss Account		1,057	459
		1,157	559

The company is entitled to exemption from audit under Section 475 and 477 of the companies Act 2006 for the year ended 31 December 2011.

The Director has confirmed that no notice has been deposited at the registered office requesting audit under section 476 of the Companies Act 2006

The Director acknowledged his responsibilities for

- a) Ensuring that the company keeps accounting records which comply with the Companies Act 2006
- b) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, on accordance with the requirements of the Companies Act 2006 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 15 of the Companies Act 2006 relating to small companies

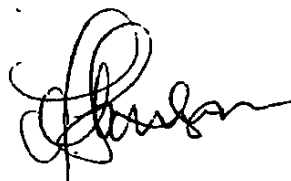
Approved by the Board

Signed on behalf of the board



Mr Maurice Chuka
Director

Date



Mrs Simisola Chuka
Secretary

Date

PEN-N-A-PAD COMPANY LIMITED

Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention

(a) Financial reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

2) Turnover

Turnover represents the amount derived from the principal activity of the company which is the provision of Online Trading Activities, media and television Production Services

3) Costs of Sales

This relates to the direct costs of items sold via online trading activities to its customers. The company incurred the sum of £4,659 (£1,742 - 2010) during the operating year. This represents 45% and 48% of income earned and total expenses incurred respectively.

4) Operating Expenses

These are costs incurred in the day to day operations of the business but do not relate to the cost of providing ancillary administrative support to the business. Included in the costs are expenses on logistics, training, travel and accommodation, Motor vehicle, repairs and maintenance. As at the end of the period operating costs amounted to £1,235 which is 57% more than the prior year expenses of £785. This increase is clearly in line with increase in the business activities during the year. Operating costs represent 13% and 12% of the total expenditure and turnover of the company respectively.

5) Administrative Expenses

The expenditure incurred during the year under review includes Stationaries, Insurance, Administrative support, Business development, accountant's fee and other administrative support costs. This cost came to £3,547 (£353 - 2010) at year end and represents 36% of the total expenditure incurred in the year. This also represents 34% of the total income in the operating year.

6) Taxation

Tax was provided for at 20% for the year ended 31 December 2011. Tax was charged on the profit realized by the company as the company qualifies as a small company.

	2011	2010
	£	£
Profit/(Loss) on Ordinary Activities Before Taxation	748	(327)
Taxation	150	-

7 Fixed Assets

	Plant & Machinery	Total
	£	£
Cost		
At 1 January 2011	1,080	1,080
Additions in the year	0	0
At 31 December 2011	1,080	1,080
Depreciation		
At January 2010	216	216
Charge for the year	864	864
At 31 December 2010	1080	1080
Net book Values		
At 31 December 2010	1,080	
At 31 December 2011	864	

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life on reducing balance basis:

Plant & Machinery – 20%

8) Cash at Bank and in Hand

The sum of £103 (£35 – 2010, overdraft) represents the balance in bank account operated by the company as at the end of the operating year.

9) Falling due within one year

The total amount falling due within one year came to £645 (£928 - 2010) These are accrued accountancy fee and other expenses outstanding as at 31 December 2011

10) Called Up Share Capital

Called Up Share Authorized			31 12.11	31.12 10
Number of shares	Class of Share	Nominal Value £	Aggregate Nominal value	
Aggregate Nominal value				
100	Ordinary	1 00	100	100

Allotted, Issued and fully paid:

Number of Shares	Class of Shares	Nominal value £	Aggregate Nominal Value	
Aggregate Nominal Value				
100	Ordinary	1 00	1000	100

11) Profit and Loss Account

	2011	2010
	£	£
Opening retained earnings	459	786
Add:		
Profit/(Loss) for the year	598	-327
Closed retained earnings	<u>1,057</u>	<u>459</u>