

Company Registration No. 5098632 (England and Wales)



RECTANGLE BLUE PLC
REPORTS AND FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2009

RECTANGLE BLUE PLC

COMPANY INFORMATION

Directors	P Sellars N Ingham A Hartley P Bell
Secretary	A Hartley
Company number	5098632
Registered office	The Rectangle 57 Grove Road Harrogate North Yorkshire HG1 5EP
Auditors	Barber Harrison & Platt 2 Rutland Park Sheffield S10 2PD
Bankers	Yorkshire Bank Plc James Street Harrogate HG1 1QU Lloyds TSB Bank plc 8 Cambridge Crescent Harrogate North Yorkshire HG1 1PQ

RECTANGLE BLUE PLC

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RECTANGLE BLUE PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the period ended 31 December 2009.

Principal activities and review of the business

The principal activity of the company is that of direct promotion.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The credit crisis caused an immediate and significant withdrawal from credit card promotions by the majority of the company's clients. From a strong trading position the business turned into a loss position.

During the trading period business development concentrated on recruiting clients outside the financial sector as well as devising strategies for the credit card sector to return to the market. This has proved successful and a return to profits in 2011 is forecast.

The major risks to the business are loss of key clients and low acceptance rates on promotional activities. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Results and dividends

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

The directors do not propose payment of a dividend in respect of the year.

Directors

The following directors have held office since 1 October 2008:

P Sellars

N Ingham

A Hartley

P Bell

M Goerts

(Resigned 16 September 2009)

Creditor payment policy

It is company policy to pay creditors as they fall due.

Auditors

The auditors, Barber Harrison & Platt, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

RECTANGLE BLUE PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2009

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P. Sellars

Director

23 June 2010

RECTANGLE BLUE PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RECTANGLE BLUE PLC

We have audited the financial statements of Rectangle Blue Plc for the period ended 31 December 2009 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 pages 1 - 2, 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 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

We have audited the financial statements of Rectangle Blue Plc for the period ended 31 December 2009 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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.

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 period for which the financial statements are prepared is consistent with the financial statements.

RECTANGLE BLUE PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF RECTANGLE BLUE PLC

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

John Warner (Senior Statutory Auditor)
for and on behalf of Barber Harrison & Platt

23 June 2010

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

RECTANGLE BLUE PLC

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2009

		15 Months ended 31 December 2009 £	18 Months ended 30 September 2008 £
	Notes		
Turnover	2	687,504	400,593
Cost of sales		(648,224)	(347,473)
Gross profit		39,280	53,120
Administrative expenses		(89,663)	(100,032)
Operating loss	3	(50,383)	(46,912)
Other interest receivable and similar income	4	-	2,106
Interest payable and similar charges	5	-	(7,413)
Loss on ordinary activities before taxation		(50,383)	(52,219)
Tax on loss on ordinary activities	6	(134)	8,600
Loss for the period	11	(50,517)	(43,619)

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 passing through the profit and loss account

RECTANGLE BLUE PLC

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7		5,466		12,843
Current assets					
Debtors	8	373,447		186,972	
Cash at bank and in hand		-		3,696	
		<u>373,447</u>		<u>190,668</u>	
Creditors: amounts falling due within one year	9	<u>(382,469)</u>		<u>(156,550)</u>	
Net current (liabilities)/assets			(9,022)		34,118
Total assets less current liabilities			<u>(3,556)</u>		<u>46,961</u>
Capital and reserves					
Called up share capital	10		51,282		51,282
Profit and loss account	11		(54,838)		(4,321)
Shareholders' funds	12		<u>(3,556)</u>		<u>46,961</u>

Approved by the Board and authorised for issue on 23 June 2010


P. Sellars
Director

Company Registration No. 5098632

RECTANGLE BLUE PLC

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2009

	15 Months ended 31 December 2009 £	18 Months ended 30 September 2008 £
Net cash (outflow)/inflow from operating activities	(148,408)	41,481
Returns on investments and servicing of finance		
Interest received	-	2,106
Interest paid	-	(7,413)
Net cash outflow for returns on investments and servicing of finance	-	(5,307)
Taxation	6,176	(8,599)
Capital expenditure		
Payments to acquire tangible assets	-	(7,282)
Net cash outflow for capital expenditure	-	(7,282)
Net cash (outflow)/inflow before management of liquid resources and financing	(142,232)	20,293
Financing		
Issue of ordinary share capital	-	1,282
Net cash (outflow)/inflow from financing	-	1,282
(Decrease)/increase in cash in the period	(142,232)	21,575

RECTANGLE BLUE PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2009

1 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2009	2008
	£	£
Operating loss	(50,383)	(46,912)
Depreciation of tangible assets	7,377	7,829
(Increase)/decrease in debtors	(192,798)	87,334
Increase/(decrease) in creditors within one year	87,396	(6,770)
Net cash (outflow)/inflow from operating activities	(148,408)	41,481

2 Analysis of net (debt)/funds	1 October 2008	Cash flow	Other non-cash changes	31 December 2009
	£	£	£	£
Net cash.				
Cash at bank and in hand	3,696	(3,696)	-	-
Bank overdrafts	-	(138,536)	-	(138,536)
	<u>3,696</u>	<u>(142,232)</u>	<u>-</u>	<u>(138,536)</u>
Net funds/(debt)	<u>3,696</u>	<u>(142,232)</u>	<u>-</u>	<u>(138,536)</u>

3 Reconciliation of net cash flow to movement in net (debt)/funds	2009	2008
	£	£
(Decrease)/increase in cash in the period	(142,232)	21,575
Movement in net (debt)/funds in the period	(142,232)	21,575
Opening net funds/(debt)	3,696	(17,879)
Closing net (debt)/funds	(138,536)	3,696

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements show a loss for the period of £50,517 and negative shareholders funds of £3,556.

Financial support is available from a related party that will support the company's cash flow requirement

In light of this and taking in to account the trading prospects, the directors are confident that the going concern basis on which these accounts are prepared, is appropriate

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

Fixtures, fittings & equipment	25% straight line
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1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2009

3	Operating loss	2009	2008
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	7,377	7,829
	Operating lease rentals	9,553	22,428
	Fees payable to the company's auditor for the audit of the company's annual accounts	4,250	4,100
		<u> </u>	<u> </u>
4	Investment income	2009	2008
		£	£
	Bank interest	-	2,106
		<u> </u>	<u> </u>
		-	2,106
		<u> </u>	<u> </u>
5	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	-	7,357
	On overdue tax	-	56
		<u> </u>	<u> </u>
		-	7,413
		<u> </u>	<u> </u>

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2009

6	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	(2,277)	(8,600)
	Adjustment for prior years	2,411	-
		<hr/>	<hr/>
	Current tax charge	134	(8,600)
		<hr/>	<hr/>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(50,383)	(52,219)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 21.00%)	(10,580)	(10,966)
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	-	105
	Depreciation add back	1,549	1,644
	Capital allowances	(556)	(1,116)
	Tax losses utilised	(2,277)	1,733
	Tax losses carried forward	9,587	-
	Adjustments to previous periods	2,411	-
		<hr/>	<hr/>
		10,714	2,366
		<hr/>	<hr/>
	Current tax charge	134	(8,600)
		<hr/>	<hr/>

The company has estimated losses of £ 49,500 (2008 - £ 16,000) available for carry forward against future trading profits.

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2009

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 October 2008 & at 31 December 2009	25,511
Depreciation	
At 1 October 2008	12,668
Charge for the period	7,377
At 31 December 2009	20,045
Net book value	
At 31 December 2009	5,466
At 30 September 2008	12,843

8 Debtors	2009 £	2008 £
Trade debtors	316,907	13,368
Corporation tax	2,277	8,600
Called up share capital not paid	26,282	26,282
Other debtors	24,144	121,077
Prepayments and accrued income	3,837	17,645
	<u>373,447</u>	<u>186,972</u>

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2009

9 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	138,536	-
Trade creditors	151,975	117,949
Corporation tax	-	13
Other taxes and social security costs	17,892	477
Other creditors	39,589	1,643
Accruals and deferred income	34,477	36,468
	<u>382,469</u>	<u>156,550</u>

The bank overdraft is secured by a fixed and floating charge over all the company's assets and undertakings. The directors of the company have given personal guarantees in respect of the bank overdraft facilities.

10 Share capital	2009 £	2008 £
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and called up		
51,282 Ordinary shares of £1 each	<u>51,282</u>	<u>51,282</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2008	(4,321)
Loss for the period	<u>(50,517)</u>
Balance at 31 December 2009	<u>(54,838)</u>

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2009

12 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Loss for the financial period	(50,517)	(43,619)
Proceeds from issue of shares	-	1,282
Net depletion in shareholders' funds	(50,517)	(42,337)
Opening shareholders' funds	46,961	89,298
Closing shareholders' funds	(3,556)	46,961

13 Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010:

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire Between two and five years	26,400	43,200

14 Employees

Number of employees

The average monthly number of employees (including directors) during the period was.

	2009	2008
	Number	Number
	1	1
Employment costs	2009	2008
	£	£
Wages and salaries	13,344	14,891

RECTANGLE BLUE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE PERIOD ENDED 31 DECEMBER 2009***

15 Related party transactions

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

During the period rent of £9,553 (2008 £22,428) was paid to the Grove Road Partnership, a partnership in which P Sellars, N Ingham, P Bell and A Hartley are partners