

Moredon Limited

Report And Financial Statements

31 December 2009

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COMPANIES HOUSE

Rees Pollock
Chartered Accountants

Moredon Limited

COMPANY INFORMATION

Directors	OCS Services Limited P S Latham
Company secretary	OCS Services Limited
Registered office	20 Old Bailey London EC4M 7AN
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	HSBC plc 31 Holborn London EC1N 2HR
Solicitors	Judge & Priestly LLP Justin House 6 West Street Bromley Kent BR1 1JN
Company number	06065019

DIRECTORS' REPORT

For the year ended 31 December 2009

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

Principal activities and review of business

The principal activity of the group during the period was wholesale trading

Performance and development

The loss for the year, after taxation, amounted to £69,849 (2008 - profit £8,393) The directors did not recommend a dividend

Research and development

The development of our accounting and credit control systems continues, with an improved software platform allowing flexible, rapid and accurate access to information

Future outlook

The commercial environment in the wholesale industry is expected to remain challenging This is because credit insurance is effectively not available which inhibits growth of the business It is anticipated that this will remain the situation for the foreseeable future

Principal risks and uncertainties

The execution of the company's business model is subject to a number of risks The key risk in the current recessionary environment remains credit risk This risk is mitigated by closely monitoring the financial performance of customers and the company's policy of obtaining credit insurance (or equivalent) on all sales transactions

Directors

The director who served during the year was

D M Bromley (resigned 3 March 2010)

P S Latham and OCS Services Limited were appointed as directors on 3 March 2010

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 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, 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTORS' REPORT
For the year ended 31 December 2009

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 30 September 2010 and signed on its behalf

A handwritten signature in black ink, appearing to read 'A. H. Latt', is written over a horizontal line.

Director, for and on behalf of OCS Services Limited



REES POLLOCK

Chartered Accountants

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London EC4V 6BW
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOREDON LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Moredon Limited for the year ended 31 December 2009, set out on pages 4 to 13. 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 shareholders, 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 shareholders 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 shareholders 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 Statement of directors' responsibilities, 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 group's and the parent 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 group's and the parent company's affairs as at 31 December 2009 and of the group's loss for the year 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 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Catherine Kimberlin (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

30 September 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2009

	Note	2009 £	2008 £
TURNOVER	1,2	159,779	1,897,028
Cost of sales		(200,929)	(1,885,299)
GROSS (LOSS)/PROFIT		(41,150)	11,729
Administrative expenses		(57,484)	(95,352)
OPERATING LOSS	3	(98,634)	(83,623)
Interest receivable		8,278	93,034
Interest payable	6	(115)	(123)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(90,471)	9,288
Tax on (loss)/profit on ordinary activities	7	20,622	(895)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(69,849)	8,393

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Fixed asset investments	8		-		-
CURRENT ASSETS					
Debtors	9	6,948,004		7,242,367	
Cash at bank		846,971		717,240	
		<u>7,794,975</u>		<u>7,959,607</u>	
CREDITORS: amounts falling due within one year	10	<u>(29,064)</u>		<u>(123,847)</u>	
NET CURRENT ASSETS			<u>7,765,911</u>		<u>7,835,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>7,765,911</u></u>		<u><u>7,835,760</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		800,000		800,000
Share premium account	12		7,200,000		7,200,000
Profit and loss account	12		<u>(234,089)</u>		<u>(164,240)</u>
SHAREHOLDERS' FUNDS	13		<u><u>7,765,911</u></u>		<u><u>7,835,760</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2010



Director, for and on behalf of OCS Services Limited

The notes on pages 8 to 13 form part of these financial statements

COMPANY BALANCE SHEET
As at 31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Fixed asset investments	8		1		1
CURRENT ASSETS					
Debtors amounts falling due after more than one year	9	7,999,657		7,999,657	
Cash at bank		343		343	
		<u>8,000,000</u>		<u>8,000,000</u>	
CREDITORS: amounts falling due within one year					
	10	(1)		(1)	
NET CURRENT ASSETS					
			<u>7,999,999</u>		<u>7,999,999</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>8,000,000</u>		<u>8,000,000</u>
CAPITAL AND RESERVES					
Called up share capital	11		800,000		800,000
Share premium account	12		7,200,000		7,200,000
SHAREHOLDERS' FUNDS					
	13		<u>8,000,000</u>		<u>8,000,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2010



Director, for and on behalf of OCS Services Limited

The notes on pages 8 to 13 form part of these financial statements

CASH FLOW STATEMENT
For the year ended 31 December 2009

	Note	2009 £	2008 £
Net cash flow from operating activities	14	122,463	(1,661,573)
Returns on investments and servicing of finance	15	8,163	92,911
Taxation		(895)	(92,896)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>129,731</u>	<u>(1,661,558)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
For the year ended 31 December 2009

	2009 £	2008 £
Increase/(Decrease) in cash in the year	<u>129,731</u>	<u>(1,661,558)</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>129,731</u>	<u>(1,661,558)</u>
Net funds at 1 January 2009	<u>717,240</u>	<u>2,378,798</u>
NET FUNDS AT 31 DECEMBER 2009	<u>846,971</u>	<u>717,240</u>

The notes on pages 8 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The number of wholesale contracts that the group has entered into in the year has been restricted by the lack of appropriate opportunities in the markets that it operates in. The directors believe that the group remains well placed to advantage of any such opportunities that arise in the future.

The group has a satisfactory capital position and as a consequence the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have prepared a forecast for the year ahead and based on this have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise provided by accounting standards.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

1 ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2 TURNOVER

The turnover and operating profit for the year was derived from the company's principal continuing activity.

The company's principal continuing activity was carried out wholly within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2009 £	2008 £
Auditors' remuneration	5,254	2,167
Difference on foreign exchange	(105)	2,060
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	18,125	33,944
Social security costs	640	427
	<u> </u>	<u> </u>
	<u>18,765</u>	<u>34,371</u>

The average monthly number of employees, including the directors, during the year was as follows

	2009 No.	2008 No.
Management staff	1	1
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments	18,125	22,833
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

6. INTEREST PAYABLE

	2009 £	2008 £
On bank loans and overdrafts	115	123

7. TAXATION

	2009 £	2008 £
UK corporation tax (credit)/charge on (loss)/profit for the year/period	(20,622)	895

Factors affecting tax charge for the year/period

The tax assessed for the year/period differs from the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	(90,471)	9,288
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%)	(25,332)	2,601
Effects of:		
Taxed at different rates	4,710	(299)
Group relief claimed	-	(1,407)
Current tax (credit)/charge for the year/period (see note above)	(20,622)	895

8. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2009 and 31 December 2009	1

PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Moredon Trading Limited	England	100	Agents in the sale of a variety of goods

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

9. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	7,999,657	7,999,657

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Due within one year				
Trade debtors	-	1,925,922	-	-
Amounts owed by group undertakings	6,916,127	-	-	-
Other debtors	27,883	5,316,445	-	-
Prepayments and accrued income	3,994	-	-	-
	6,948,004	7,242,367	-	-

10. CREDITORS

Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	16,037	94,063	-	-
Amounts owed to group undertakings	7,439	-	-	-
Corporation tax	-	895	-	-
Other creditors	1	-	1	1
Accruals and deferred income	5,587	28,889	-	-
	29,064	123,847	1	1

11. SHARE CAPITAL

	2009	2008
	£	£
Allotted, called up and fully paid		
8,000,000 Ordinary shares of £0.10 each	800,000	800,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

12. RESERVES

Group	Share premium account £	Profit and loss account £
At 1 January 2009	7,200,000	(164,240)
Loss for the year	-	(69,849)
	<u>7,200,000</u>	<u>(234,089)</u>
At 31 December 2009	<u>7,200,000</u>	<u>(234,089)</u>

Company	Share premium account £
At 1 January 2009 and 31 December 2009	<u>7,200,000</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2009 £	2008 £
Opening shareholders' funds	7,835,760	7,827,367
(Loss)/profit for the year/period	(69,849)	8,393
	<u>7,765,911</u>	<u>7,835,760</u>
Closing shareholders' funds	<u>7,765,911</u>	<u>7,835,760</u>

Company	2009 £	2008 £
Shareholders' funds at 1 January 2009 and 31 December 2009	<u>8,000,000</u>	<u>8,000,000</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The (loss)/profit for the year/period dealt with in the accounts of the company was £nil (2008 - £nil)

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating loss	(98,634)	(83,623)
Decrease in stocks	-	183,212
Decrease/(increase) in debtors	314,985	(1,775,302)
(Decrease)/increase in creditors	(93,888)	14,140
	<u>122,463</u>	<u>(1,661,573)</u>
Net cash inflow/(outflow) from operating activities	<u>122,463</u>	<u>(1,661,573)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	8,278	93,034
Interest paid	(115)	(123)
	<u> </u>	<u> </u>
Net cash inflow from returns on investments and servicing of finance	<u><u>8,163</u></u>	<u><u>92,911</u></u>

16 ANALYSIS OF CHANGES IN NET DEBT

	1 January	Cash flow	Other	31 December
	2009		non-cash	2009
	£	£	changes	£
Cash at bank and in hand	717,240	129,731	-	846,971
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net funds	<u><u>717,240</u></u>	<u><u>129,731</u></u>	<u><u>-</u></u>	<u><u>846,971</u></u>

17 RELATED PARTY TRANSACTIONS

Under FRS 8, transactions which are eliminated on consolidation are exempt from disclosure requirements

There are no related party transactions external to the group