

Company Registration Number 06128695

24 SEVEN UK LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
31 DECEMBER 2009

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**24 SEVEN UK LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2009**

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## **24 SEVEN UK LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

C A Gudas  
S T Kagel

**Company secretary**

Taylor Wessing Secretaries Limited

**Registered office**

5 New Street Square  
London  
EC4A 3TW

**Accountants**

Blick Rothenberg  
Chartered Accountants  
12 York Gate  
Regent's Park  
London, NW1 4QS

## **24 SEVEN UK LIMITED**

### **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2009**

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

#### **Principal activity**

The principal activity of the company during the year was recruitment within the fashion industry

#### **Directors**

The directors who served the company during the year are as follows

C A Gudas

S T Kagel

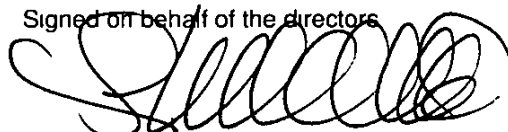
S R Hogan

(Resigned 16 October 2009)

#### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the directors



S T Kagel

Director

Approved by the directors on

22/9/10

## **24 SEVEN UK LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF 24 SEVEN UK LIMITED**

**YEAR ENDED 31 DECEMBER 2009**

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In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company set out on pages 4 to 11 from the accounting records and information and explanations you have given to us

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2009 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**BLICK ROTHENBERG**  
Chartered Accountants

12 York Gate  
Regent's Park  
London, NW1 4QS

27 September 2010

**24 SEVEN UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>Turnover</b>		<b>1,111,633</b>	<b>1,170,532</b>
Cost of sales		<u>(497,115)</u>	<u>(377,111)</u>
<b>Gross profit</b>		<b>614,518</b>	<b>793,421</b>
Administrative expenses		<u>(823,318)</u>	<u>(1,169,929)</u>
<b>Operating loss</b>	<b>2</b>	<b>(208,800)</b>	<b>(376,508)</b>
Interest receivable	<b>3</b>	<b>14,278</b>	<b>1,418,932</b>
Interest payable and similar charges		<u>(6,332)</u>	<u>(437,346)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(200,854)</b>	<b>605,078</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	<b>—</b>	<b>—</b>
<b>(Loss)/profit for the financial year</b>		<b><u>(200,854)</u></b>	<b><u>605,078</u></b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

**24 SEVEN UK LIMITED****BALANCE SHEET****31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	6		73,755		91,513
<b>Current assets</b>					
Debtors due within one year	7	212,962		239,608	
Debtors due after one year	7	74,241		74,241	
Cash at bank		39,366		61,780	
		326,569		375,629	
<b>Creditors: Amounts falling due within one year</b>	8	(212,696)		(293,856)	
<b>Net current assets</b>			113,873		81,773
<b>Total assets less current liabilities</b>			187,628		173,286
<b>Creditors: Amounts falling due after more than one year</b>	9		(215,196)		—
			(27,568)		173,286
<b>Capital and reserves</b>					
Called-up equity share capital	12		1,000		1,000
Profit and loss account	13		(28,568)		172,286
<b>(Deficit)/shareholders' funds</b>	14		(27,568)		173,286

The Balance sheet continues on the following page



## 24 SEVEN UK LIMITED

### BALANCE SHEET *(continued)*

31 DECEMBER 2009

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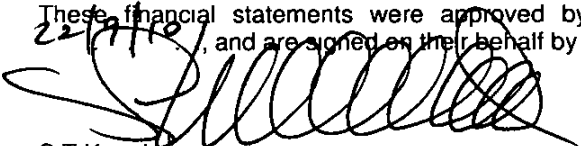
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) 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 in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 22/12/09, and are signed on their behalf by



S T Kagel  
Director

Company Registration Number 06128695

## 24 SEVEN UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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#### 1. Accounting policies

##### 1.1 Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention

The financial statements are prepared on the going concern basis, as the directors believe the company will continue for a period of at least 12 months, and with continued support from related party creditors

##### 1.2 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

##### 1.3 Turnover

Turnover represents amounts receivable for services, net of VAT

##### 1.4 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	-	10% Straight line
Fixtures & fittings	-	20% Straight line
Computer equipment	-	33% Straight line

##### 1.5 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

##### 1.6 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

#### 2. Operating loss

Operating loss is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	16,797	8,725
Profit on disposal of fixed assets	(611)	—
Operating lease costs		
- land and buildings	<u>150,254</u>	<u>146,973</u>

## 24 SEVEN UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

#### 3. Interest receivable

	2009 £	2008 £
Bank interest receivable	-	379
Loan waiver	-	1,418,553
Foreign exchange gain	14,278	-
	<u>14,278</u>	<u>1,418,932</u>

The loan waiver arose after 24 Seven Inc, a related party, permanently wrote off the obligation of 24 Seven UK Limited to repay the whole of its financing debt

#### 4. Interest payable and similar charges

	Year to 31 Dec 08 £	Period from 26 Feb 07 to 31 Dec 07 £
Interest on other loans	6,332	75,452
Other similar charges	-	361,894
	<u>6,332</u>	<u>437,346</u>

#### 5. Taxation on ordinary activities

The company has estimated losses of £1,223,000 (2008 £1,049,000) available for carry forward against future trading profits

##### (a) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 20.75%)

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	(200,854)	605,078
(Loss)/profit on ordinary activities by rate of tax	(42,179)	125,554
Disallowable expense	3,094	17,069
Fixed assets timing differences	2,616	508
Losses carried forward	36,469	134,047
Non taxable income	-	(277,178)
Total current tax	<u>-</u>	<u>-</u>

## 24 SEVEN UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

#### 5. Taxation on ordinary activities *(continued)*

##### (b) Factors that may affect future tax charges

There is a potential deferred tax asset of approximately £256,000 (2008 £220,000), which has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recoverability

It is anticipated that the deferred tax asset will be recovered when the company makes sufficient taxable profits

#### 6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc. £	Total £
<b>Cost</b>			
At 1 January 2009	72,339	29,542	101,881
Disposals	—	(1,572)	(1,572)
<b>At 31 December 2009</b>	<b>72,339</b>	<b>27,970</b>	<b>100,309</b>
<b>Depreciation</b>			
At 1 January 2009	3,369	6,999	10,368
Charge for the year	7,233	9,564	16,797
On disposals	—	(611)	(611)
<b>At 31 December 2009</b>	<b>10,602</b>	<b>15,952</b>	<b>26,554</b>
<b>Net book value</b>			
<b>At 31 December 2009</b>	<b>61,737</b>	<b>12,018</b>	<b>73,755</b>
At 31 December 2008	68,970	22,543	91,513

#### 7. Debtors

	2009 £	2008 £
Trade debtors	159,104	186,766
Other debtors	128,099	127,083
	<b>287,203</b>	<b>313,849</b>

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Other debtors	74,241	74,241

## 24 SEVEN UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

#### 8. Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	120,018	107,299
Other taxation and social security	38,586	74,631
Other creditors	54,092	111,926
	<u>212,696</u>	<u>293,856</u>

#### 9. Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Other creditors	<u>215,196</u>	<u>—</u>

#### 10. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land & buildings 2009 £	2008 £
Operating leases which expire Within two to five years	<u>130,612</u>	<u>126,368</u>

#### 11. Controlling party and related party transactions

The directors of the company are the controlling party

Transactions with related parties are as follows

Name (Relationship)	Transaction	Amount		Amount due (to)/from related parties	
		2009 £	2008 £	2009 £	2008 £
24 Seven Inc (common ownership)	Interest	—	(70,946)	—	—
	Management charges	—	(71,255)	—	—
	Recharges	61,743	(7,571)	—	—
	Loan	(196,588)	(1,302,439)	(168,861)	(34,016)
	Loan waiver	—	1,418,553	—	—

## 24 SEVEN UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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#### 12. Share capital

	2009		2008	
	No	£	No	£
<b>Called up, allotted and fully paid:</b>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

#### 13. Profit and loss account

	2009	2008
	£	£
Balance brought forward	172,286	(432,792)
(Loss)/profit for the financial year	<u>(200,854)</u>	<u>605,078</u>
Balance carried forward	<u>(28,568)</u>	<u>172,286</u>

#### 14. Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
(Loss)/profit for the financial year	(200,854)	605,078
Opening shareholders' funds/(deficit)	<u>173,286</u>	<u>(431,792)</u>
Closing shareholders' (deficit)/funds	<u>(27,568)</u>	<u>173,286</u>