

COMPANY REGISTRATION NUMBER 07189003

SALTROCK SURFWEAR LIMITED
ABBREVIATED ACCOUNTS
31 DECEMBER 2012

MONDAY



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COMPANIES HOUSE

SALTROCK SURFWEAR LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

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SALTROCK SURFWEAR LIMITED
INDEPENDENT AUDITOR'S REPORT TO SALTROCK SURFWEAR
LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of Saltrock Surfwear Limited for the year ended 31 December 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



BENJAMIN BIDNELL (Senior
Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

26 September 2013

SALTROCK SURFWEAR LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2012

	Note	2012	2011
		£	£
FIXED ASSETS	2		
Intangible assets		18,791	93,951
Tangible assets		173,728	138,206
		<u>192,519</u>	<u>232,157</u>
CURRENT ASSETS			
Stocks		493,587	694,957
Debtors		283,595	278,042
Cash at bank and in hand		201,061	158,689
		<u>978,243</u>	<u>1,131,688</u>
CREDITORS: Amounts falling due within one year	3	(1,074,521)	(546,285)
NET CURRENT (LIABILITIES)/ASSETS		(96,278)	585,403
TOTAL ASSETS LESS CURRENT LIABILITIES		96,241	817,560
CREDITORS: Amounts falling due after more than one year	4	(709,585)	(709,585)
		<u>(613,344)</u>	<u>107,975</u>
CAPITAL AND RESERVES			
Called-up share capital	6	1,600	1,600
Other reserves		40,415	40,415
Profit and loss account		(655,359)	65,960
(DEFICIT)/SHAREHOLDERS' FUNDS		(613,344)	107,975

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

These abbreviated accounts were approved by the directors and authorised for issue on 26 September 2013, and are signed on their behalf by


Mr J S Brent

Company Registration Number 07189003

The notes on pages 3 to 7 form part of these abbreviated accounts.

SALTROCK SURFWEAR LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods supplied. Sales are recognised on the delivery of goods to the customer.

Amortisation

Amortisation 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:

Goodwill - 33 3% straight line

Fixed assets

All fixed assets are initially recorded at cost.

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:

Plant & Machinery	- 25% reducing balance
Fixtures & Fittings	- 25% reducing balance
Motor Vehicles	- 25% reducing balance
Equipment	- 25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes appropriate attributable overheads and direct expenditure incurred in the normal course of business in bringing goods to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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.

SALTROCK SURFWEAR LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

Convertible loan notes

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Issue costs are expensed to the profit and loss in the period to which they relate.

The finance costs of the financial liability are recognised over the term of the debt at a constant rate of the carrying amount.

Comparatives

The comparative figures relate to the period from 01 April 2011 to 31 December 2011.

Going concern

At the balance sheet date the company had net liabilities of £613,344. The Directors consider that it continues to be appropriate to prepare the financial statements on a going concern basis due to available support from the ultimate parent company.

SALTROCK SURFWEAR LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST			
At 1 January 2012	212,836	175,987	388,823
Additions	–	87,060	87,060
Disposals	–	(5,500)	(5,500)
At 31 December 2012	<u>212,836</u>	<u>257,547</u>	<u>470,383</u>
DEPRECIATION			
At 1 January 2012	118,885	37,781	156,666
Charge for year	75,160	48,292	123,452
On disposals	–	(2,254)	(2,254)
At 31 December 2012	<u>194,045</u>	<u>83,819</u>	<u>277,864</u>
NET BOOK VALUE			
At 31 December 2012	<u>18,791</u>	<u>173,728</u>	<u>192,519</u>
At 31 December 2011	<u>93,951</u>	<u>138,206</u>	<u>232,157</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Factoring account	<u>22,150</u>	<u>39,832</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012 £	2011 £
Convertible loans	<u>709,585</u>	<u>–</u>

The convertible loan stock is secured over the assets of the company excluding book debts

SALTROCK SURFWEAR LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

5 TRANSACTIONS WITH THE DIRECTORS

Loan stock

The convertible loan stock of £750,000 (note 9) was held in the year to 31 December 2012 by the following related parties

	31 Dec 12	31 Dec 11
	£	£
Mr F H Goodwin and related parties	75,000	75,000
Mr A C Thomson	16,667	16,667
Mr R J Thomson	16,667	16,667
Mr C D Priscott	16,666	16,166
MR A J Bassett	125,000	125,000
Natatomisam Ltd	500,000	500,000
	-----	-----
	750,000	750,000
	=====	=====

The loan stock is secured over the assets of the company and is due for repayment on 31 March 2015, interest is payable at 5% per annum. Any stockholder with the agreement of all other stockholders may convert their stock into ordinary shares on the basis of one ordinary share for every £1 nominal value of stock at any time.

The following interest was paid in respect of the loan stock during the period

	31 Dec 12	31 Dec 11
	£	£
Mr F H Goodwin and related parties	3,750	1,513
Mr A C Thomson	833	336
Mr R J Thomson	833	336
Mr C D Priscott	833	336
MR A J Bassett	6,250	2,521
Natatomisam Ltd	25,000	12,603
	-----	-----
	37,500	17,645
	=====	=====

Other transactions

Rent of £38,250 (2011: £35,100) was paid to FHG & SEH Goodwin Property during the year. Mr F H Goodwin, a director, is a partner in FHG & SEH Goodwin Property. At 31 December 2012, £7,200 (2011: £7,800) was outstanding. Consultancy fees of £3,000 were paid to Mr F H Goodwin during the year.

A loan of £35,000 was received from Natatomisam Ltd, the parent company, during the year. At 31 December 2012, £35,000 was outstanding. The interest free loan is repayable 31 May 2013.

SALTROCK SURFWEAR LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

6. SHARE CAPITAL

Allotted, called up and fully paid·

	2012		2011	
	No	£	No	£
1,500 Ordinary shares shares of £1 each	1,500	1,500	1,500	1,500
100 Management shares shares of £1 each	100	100	100	100
	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>