

**ABC PRODUCTIONS LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2007**



# ABC PRODUCTIONS LIMITED

## COMPANY INFORMATION

<b>Directors</b>	John Barrett Carol Barrett
<b>Secretary</b>	John Barrett
<b>Company number</b>	SC 064681
<b>Registered office</b>	17 Rothesay Place Edinburgh EH3 7SQ
<b>Accountants</b>	PKF (UK) LLP 17 Rothesay Place Edinburgh EH3 7SQ
<b>Bankers</b>	The Royal Bank of Scotland 31 North Bridge Edinburgh EH1 1SF
<b>Solicitors</b>	M G Partnership 43 Manor Place Edinburgh EH3 7EB

# ABC PRODUCTIONS LIMITED

## CONTENTS

	Page
<b>Directors' report</b>	1
<b>Accountants' report</b>	2
<b>Profit and loss account</b>	3
<b>Statement of total recognised gains and losses</b>	4
<b>Balance sheet</b>	5 6
<b>Notes to the financial statements</b>	7 12
The following pages do not form part of the statutory accounts	
<b>Detailed profit and loss account and summaries</b>	13 14

**ABC PRODUCTIONS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2007**

The directors present their report and the financial statements for the year ended 30 April 2007

**Principal activities**

The principal activity of the company during the year was that of letting commercial property and printing

**Directors**

The directors who served during the year were

John Barrett  
Carol Barrett

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on

17/01/08

and signed on its behalf

A handwritten signature in black ink, appearing to read 'John Barrett', is written over the printed name.

**John Barrett**  
Director

**ABC PRODUCTIONS LIMITED**

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE  
UNAUDITED FINANCIAL STATEMENTS OF ABC PRODUCTIONS LIMITED**

In accordance with the engagement letter dated 6 January 2006 and in order to assist you to fulfil your duties under the Companies Act 1985 we have compiled the financial statements of the company for the year ended 30 April 2007, which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses and the related notes, 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'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 the financial statements.

You have acknowledged on the balance sheet 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 1985. 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.

*PKF (UK) LLP*

**PKF (UK) LLP**

Edinburgh, UK

*18 January 2008*

# ABC PRODUCTIONS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	Note	2007 £	2006 £
<b>TURNOVER</b>	1,2	<b>65,852</b>	48,979
Cost of sales		<u>(11,950)</u>	<u>(7,651)</u>
<b>GROSS PROFIT</b>		<b>53,902</b>	41,328
Administrative expenses		<u>(39,146)</u>	<u>(36,457)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>14,756</b>	4,871
Tax on profit on ordinary activities	4	<u>(2,901)</u>	<u>(203)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<u><b>11,855</b></u>	<u>4,668</u>

The notes on pages 7 to 12 form part of these financial statements

**ABC PRODUCTIONS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 APRIL 2007**

	<b>2007</b>	2006
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>11,855</b>	4,668
Unrealised surplus on revaluation of tangible fixed assets	<b>190,000</b>	125,000
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>201,855</b>	129,668
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 12 form part of these financial statements

# ABC PRODUCTIONS LIMITED

## BALANCE SHEET AS AT 30 APRIL 2007

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		578,455		382,903
<b>CURRENT ASSETS</b>					
Stocks		3,500		1,200	
Debtors	6	9,660		961	
Bank and cash		20		1,044	
		<u>13,180</u>		<u>3,205</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(19,109)</u>		<u>(14,120)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(5,929)</u>		<u>(10,915)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>572,526</u>		<u>371,988</u>
<b>CREDITORS. amounts falling due after more than one year</b>	8		<u>(5,333)</u>		
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	9		<u>(949)</u>		<u>(849)</u>
<b>NET ASSETS</b>			<u>566,244</u>		<u>371,139</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Revaluation reserve	11		511,583		321,583
Profit and loss account	11		54,561		49,456
<b>SHAREHOLDERS' FUNDS</b>			<u>566,244</u>		<u>371,139</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 2007 and of its profit for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

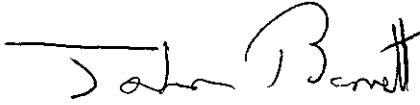
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).



**ABC PRODUCTIONS LIMITED**

**BALANCE SHEET (continued)  
AS AT 30 APRIL 2007**

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

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

17/01/08

**John Barrett**  
Director

The notes on pages 7 to 12 form part of these financial statements

## ABC PRODUCTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007

#### 1 ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

##### 1.2 Turnover

Turnover comprises rent receivable in the respect of the financial period and printing services supplied by the company, recognised when work is completed

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant and machinery	10%	reducing balance
Plant and machinery (financed)	33%	straight line

##### 1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.5 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# ABC PRODUCTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

### 2. TURNOVER

All turnover arose in the United Kingdom.

### 3. PROFIT ON ACTIVITIES BEFORE TAXATION

The profit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets owned by the company	3,784	878
Directors' emoluments	7,248	4,219
	<u>11,032</u>	<u>5,097</u>

### 4. TAXATION

	2007 £	2006 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	2,801	153
<b>Deferred tax (see note 9)</b>		
Origination and reversal of timing differences	100	50
<b>Tax on profit on ordinary activities</b>	<u>2,901</u>	<u>203</u>

**ABC PRODUCTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007**

**5. TANGIBLE FIXED ASSETS**

	Investment properties £	Plant & Machinery £	Total £
<b>Cost or valuation</b>			
At 1 May 2006	375,000	13,868	388,868
Additions		9,336	9,336
Revaluation surplus	190,000		190,000
	<u>565,000</u>	<u>23,204</u>	<u>588,204</u>
At 30 April 2007			
<b>Depreciation</b>			
At 1 May 2006		5,965	5,965
Charge for the year		3,784	3,784
	<u>9,749</u>	<u>9,749</u>	<u>9,749</u>
At 30 April 2007			
<b>Net book value</b>			
At 30 April 2007	<u>565,000</u>	<u>13,455</u>	<u>578,455</u>
At 30 April 2006	<u>375,000</u>	<u>7,903</u>	<u>382,903</u>

The investment properties were valued by Shepherd Chartered Surveyors in August 2007 on an open market basis. In the opinion of the directors the value of the properties at 30 April 2007 would not be materially different from this valuation.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2007 £	2006 £
Plant & Machinery	<u>5,876</u>	<u>          </u>

If the investment properties had not been included at valuation they would have been included under the historical cost convention as follows:

	2007 £	2006 £
Cost	<u>53,417</u>	<u>53,417</u>

**6 DEBTORS**

	2007 £	2006 £
Trade debtors	<u>9,660</u>	<u>961</u>

**ABC PRODUCTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007**

**7. CREDITORS:  
Amounts falling due within one year**

	2007 £	2006 £
Bank loans and overdrafts	930	
Net obligations under finance leases and hire purchase contracts	2,667	
Trade creditors	1,069	690
Corporation tax	2,686	153
Social security and other taxes	121	122
Other creditors	11,636	13,155
	<u>19,109</u>	<u>14,120</u>

**8 CREDITORS  
Amounts falling due after more than one year**

	2007 £	2006 £
Net obligations under finance leases and hire purchase contracts	5,333	
	<u>5,333</u>	<u></u>

**9. DEFERRED TAXATION**

	2007 £	2006 £
At 1 May 2006	849	799
Charge for the year	100	50
	<u>949</u>	<u>849</u>
At 30 April 2007	<u>949</u>	<u>849</u>

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	949	849
	<u>949</u>	<u>849</u>

**10 SHARE CAPITAL**

	2007 £	2006 £
<b>Authorised, allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**ABC PRODUCTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007**

**11 RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 May 2006	321,583	49,456
Profit for the year		11,855
Dividends Equity capital		(6,750)
Surplus on revaluation of freehold property	190,000	
	<u>511,583</u>	<u>54,561</u>
At 30 April 2007		

**12. DIVIDENDS**

	2007 £	2006 £
Dividends paid on equity capital	<u>6,750</u>	<u>15,000</u>

**ABC PRODUCTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007**

**13. RELATED PARTY TRANSACTIONS**

Included within other creditors are loans of £123 (2006 £536) from J Barrett, a director, and £101 (2006 £438) from C Barrett, a director. The maximum amounts outstanding during the year were £536 and £438.

During the year dividends of £3,713 (2006 £8,250) were paid to J Barrett, a director, and £3,037 (2006 £6,750) to C Barrett, a director.

**14. POST BALANCE SHEET EVENTS**

In August 2007 the company obtained a loan of £21,000. The loan is secured by a floating charge over the investment properties and is repayable over 3 years.

**15. CONTROLLING PARTY**

The company is controlled by J Barrett.

**ABC PRODUCTIONS LIMITED**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2007**

	<b>Page</b>	<b>2007 £</b>	<b>2006 £</b>
<b>TURNOVER</b>	14	<b>65,852</b>	48,979
Cost of sales	14	<b>(11,950)</b>	(7,651)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>53,902</b>	41,328
<b>Gross profit %</b>		<b>81.9 %</b>	84.4 %
 <b>LESS OVERHEADS</b>			
Administration expenses	14	<b>(39,146)</b>	(36,457)
		<hr/>	<hr/>
<b>PROFIT FOR THE YEAR</b>		<b>14,756</b>	4,871
		<hr/>	<hr/>



**ABC PRODUCTIONS LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>TURNOVER</b>		
Printing sales	35,119	26,495
Rent receivable	30,733	22,484
	<hr/>	<hr/>
	<b>65,852</b>	<b>48,979</b>
	<hr/>	<hr/>

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>COST OF SALES</b>		
Opening stocks	1,200	1,197
Purchases	14,250	7,654
Closing stocks	(3,500)	(1,200)
	<hr/>	<hr/>
	<b>11,950</b>	<b>7,651</b>
	<hr/>	<hr/>

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>ADMINISTRATION EXPENSES</b>		
Directors salaries	7,248	4,219
Staff salaries	15,291	15,788
Telephone and fax	529	317
Legal and professional	912	6,407
Accountancy	4,516	2,949
Bank charges	181	171
Finance charges	215	
Sundry expenses	261	136
Rent non operating leases	1,365	1,280
Rates	328	2,291
Light and heat	295	750
Insurances	1,428	994
Repairs and maintenance	2,793	277
Depreciation fixtures & fittings	3,784	878
	<hr/>	<hr/>
	<b>39,146</b>	<b>36,457</b>
	<hr/>	<hr/>