GBY GROUP LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2008

Company Registration Number SC087989

Tenon Limited
Accountants and Business Advisers
2 Blythswood Square
Glasgow
G2 4AD

GBY GROUP LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2008

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INDEPENDENT AUDITOR'S REPORT TO GBY GROUP LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of GBY Group Limited for the year ended 30 April 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 the director and the auditor

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
2 Blythswood Square
Glasgow
G2 4AD

Date:- 27/2/09

GBY GROUP LIMITED

ABBREVIATED BALANCE SHEET

30 APRIL 2008

	Note	2008 £	2008 £	*2007* £	*2007* £
Fixed assets	2				
Intangible assets			-		*-*
Tangible assets			1,936,277		*1,242,474*
Investments			2		*2*
			1,936,279		*1,242,476*
Current assets					
Stocks		235,829		*320,471*	
Debtors	3	1,212,963		*1,288,143*	
Cash at bank and in hand		6,346		*6,037*	
		1,455,138		*1,614,651*	
Creditors: Amounts falling due within one year	4	(1,760,609)		*(1,959,183)*	
Net current liabilities			(305,471)		*(344,532)*
Total assets less current liabilities			1,630,808		*897,944*
Creditors: Amounts falling due after more than one year	5		(18,248)		*(77,854)*
			1,612,560		*820,090*
Capital and reserves					
Called-up share capital	7		50,000		*50,000*
Revaluation reserve			1,331,143		*601,143*
Profit and loss account			231,417		*168,947*
Shareholder's funds			1,612,560		*820,090*

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director and authorised for issue on 26.02.2009

K Kelly
Director

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

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), subject to the departures referred to below.

Consolidation

In the opinion of the director, the company and its subsidiary undertaking comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2007) and is consequently exempt from the requirement to include a cash flow statement in the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable property - trading	- 2% straight line
Leasehold improvements	- Over the term of the lease
Motor vehicles	- 25% reducing balance
Fixtures and equipment	- 20% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investment property

The company's investment property is shown at market value in the financial statements with any surplus over the cost being transferred to a revaluation reserve; where revaluation is less than cost and is considered to be permanent in nature, the shortfall is charged to the profit and loss account. Where the fall in value is considered to be temporary, any adjustment is taken to the revaluation reserve.

No depreciation is provided in respect of the company's investment property. Although the Companies Act 1985 would normally require the systematic depreciation of fixed assets, the directors believe that this policy of not providing depreciation on investment property is necessary in order for the financial statements to give a true and fair view as market valuation is more relevant than a measure of consumption in the activities of the company. It is the directors' policy to maintain the property in good condition thus prolonging its useful life. On this basis, had the policy been to provide for depreciation on investment property, the depreciation charge in the financial statements would have been £31,000 (2007 - £16,400).

1. Accounting policies *(continued)*

Stock

Stock is valued at the lower of cost and net realisable value after making due allowances for obsolete and slow moving items. Cost is calculated using the first-in first-out method and consists of the cost of goods for resale plus carriage costs.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

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 as incurred.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax, with the following exception:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where replacement assets are sold;

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

2. Fixed assets

	Intangible Assets	Tangible Assets	Investments	Total
	£	£	£	£
Cost or valuation				
At 1 May 2007	72,998	1,394,203	14	1,467,215
Additions	–	14,321	–	14,321
Disposals	(72,998)	–	–	(72,998)
Revaluation	–	730,000	–	730,000
At 30 April 2008	–	2,138,524	14	2,138,538
Depreciation and amounts written off				
At 1 May 2007	72,998	151,729	12	224,739
Charge for year	–	50,518	–	50,518
On disposals	(72,998)	–	–	(72,998)
At 30 April 2008	–	202,247	12	202,259
Net book value				
At 30 April 2008	–	1,936,277	2	1,936,279
At 30 April 2007	–	*1,242,474*	*2*	*1,242,476*

The company owns 100% of the issued ordinary share capital of the company listed below, which is registered in Scotland and has remained dormant throughout the current and previous year.

The aggregate amount of capital and reserves and the results for this undertaking for the year ended 30 April 2008 was as follows:

Aggregate capital and reserves	**2008**	2007
	£	£
Budget Brick Limited	2	*2*
Profit and (loss) for the year		
Budget Brick Limited	–	–

2. Fixed assets (continued)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. Debtors

Debtors include amounts of £527,544 (2007 - £Nil) falling due after more than one year.

4. Creditors: Amounts falling due within one year

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

	2008	*2007*
	£	*£*
Bank loans and overdrafts	591,890	*256,029*
Factors loan	304,424	*487,637*
Pension loan	34,199	*29,687*
Hire purchase agreements	30,604	*37,905*
	961,117	*811,258*

5. 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:

	2008	*2007*
	£	*£*
Pension loan	-	*37,953*
Hire purchase agreements	18,248	*39,901*
	18,248	*77,854*

6. Transactions with the director

The amounts due from the directors and maximum overdrawn balances during the year were as follows:

	At 30 April 2008	At 30 April 2007	Maximum Balance
	£	£	£
K Kelly	32,215	–	32,215

7. Share capital

Authorised share capital:

	2008	*2007*
	£	*£*
500,000 Ordinary shares of £1 each	500,000	*500,000*

Allotted, called up and fully paid:

	2008		*2007*	
	No	**£**	*No*	*£*
Ordinary shares of £1 each	50,000	50,000	*50,000*	*50,000*

8. Ultimate parent company

The ultimate parent undertaking is GBY Holdings Limited.

9. Post balance sheet events

After the year end, the company has entered into a new financing agreement with its bank. A loan of £1.4m has been drawn down to clear the existing bank debt of the group and improve the cash position of the company.

10. Ultimate controlling party

The company was under the control of K Kelly throughout the current and previous year by virtue of his shareholding in the parent company.