

Acorn Seals Limited
Directors' report and financial statements
for the year ended 30 June 2007



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Company number: SC150334

Acorn Seals Limited

Company information

Directors	David S Brealey Genia A. Brealey
Secretary	Genia A Brealey
Company number	SC150334
Registered office	Unit 78, East Way Hillend Industrial Park DALGETY BAY Fife, KY11 9JF
Accountants	John Lynch & Co. Torridon Lane ROSYTH Fife, KY11 2EU
Business address	Unit 78, East Way Hillend Industrial Park DALGETY BAY Fife, KY11 9JF

Acorn Seals Limited

Directors' report for the year ended 30 June 2007

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

Principal activity

The principal activity of the company continues to be that of the resale of hydraulic and pneumatic seals and related products

Directors and their interests

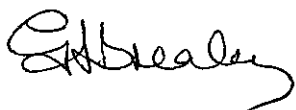
The directors who served during the year and their interests in the company are as stated below:

	Class of share	30/06/07	01/07/06
David S Brealey	Ordinary shares	5,000	5,000
Genia A Brealey	Ordinary shares	<u>5,000</u>	<u>5,000</u>

This report is 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 20 March 2008 and signed on its behalf by

Genia A. Brealey
Secretary



Acorn Seals Limited

**Chartered Accountants' report to the Board of Directors on the
unaudited accounts of Acorn Seals Limited**

In accordance with the engagement letter dated 29 February 2008, and in order to assist you to fulfil your duties under the Companies Act 1985, we have prepared the accounts of the company on pages 4 to 13 from the accounting records and information and explanations supplied to us

This report is made to the company's board of directors in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the company's board of directors 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 best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

You have acknowledged on the balance sheet for the year ended 30 June 2007 your duty to ensure that the company has kept proper accounting records and to prepare accounts 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 accounts. 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 accounts.



**John Lynch & Co.
Chartered Accountants
Torridon Lane
ROSYTH
Fife, KY11 2EU**

Date: 20 March 2008

Acorn Seals Limited

Profit and loss account for the year ended 30 June 2007

		2007	2006
	Notes	£	£
Turnover	2	390,674	383,119
Cost of sales		(197,394)	(200,627)
Gross profit		<u>193,280</u>	<u>182,492</u>
Administrative expenses		(189,746)	(191,173)
Other operating income			250
Operating profit/(loss)	3	<u>3,534</u>	<u>(8,431)</u>
Other interest receivable and similar income		1,062	761
Interest payable and similar charges		(1,321)	(1,099)
Profit/(loss) on ordinary activities before taxation		<u>3,275</u>	<u>(8,769)</u>
Tax on profit/(loss) on ordinary activities 6		(662)	1,595
Retained profit/(loss) for the year		<u>2,613</u>	<u>(7,174)</u>
Retained profit brought forward		<u>117,387</u>	<u>124,561</u>
Retained profit carried forward		<u><u>120,000</u></u>	<u><u>117,387</u></u>

The notes on pages 7 to 13 form an integral part of these financial statements.

Acorn Seals Limited

**Balance sheet
as at 30 June 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		15,758		14,274
Investments	8		10,100		10,100
			<u>25,858</u>		<u>24,374</u>
Current assets					
Stocks		64,513		52,961	
Debtors	9	76,579		84,693	
Cash at bank and in hand		46,597		57,685	
		<u>187,689</u>		<u>195,339</u>	
Creditors: amounts falling due within one year	10	<u>(78,371)</u>		<u>(82,071)</u>	
Net current assets			<u>109,318</u>		<u>113,268</u>
Total assets less current liabilities			<u>135,176</u>		<u>137,642</u>
Creditors: amounts falling due after more than one year	11		(4,001)		(9,333)
Provisions for liabilities	12		<u>(1,175)</u>		<u>(922)</u>
Net assets			<u><u>130,000</u></u>		<u><u>127,387</u></u>
Capital and reserves					
Called up share capital	14		10,000		10,000
Profit and loss account			120,000		117,387
Shareholders' funds			<u><u>130,000</u></u>		<u><u>127,387</u></u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 7 to 13 form an integral part of these financial statements.

Acorn Seals Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 30 June 2007**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ,

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 June 2007 and

(c) that we acknowledge our responsibilities for

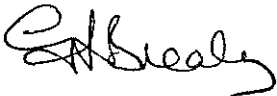
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 20 March 2008 and signed on its behalf by

Genia A. Brealey
Director



The notes on pages 7 to 13 form an integral part of these financial statements.

Acorn Seals Limited

Notes to the financial statements for the year ended 30 June 2007

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	Straight line over the life of the lease
Plant and machinery	20% reducing balance basis
Fixtures, fittings and equipment	20% reducing balance basis

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.5. Stock

Stock is valued at the lower of cost and net realisable value

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Acorn Seals Limited

Notes to the financial statements for the year ended 30 June 2007

continued

1.7. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year

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, or a right to pay less or to receive more, tax, with the following exceptions:

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 the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the 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

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

Acorn Seals Limited

Notes to the financial statements for the year ended 30 June 2007

continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

During the year, 7% (30 June 2006 10%) of the company's turnover was derived from markets outside the United Kingdom.

3. Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation	3,808	3,218
and after crediting		
Government grants		250

4. Directors' emoluments

	2007	2006
	£	£
Remuneration and other benefits	41,867	55,000
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	2

5. Pension costs

The company operates a defined contribution pension scheme in respect of its directors. The scheme and its assets are held by independent managers. The pension charge represents contributions from the company and amounted to £nil (2006 £4,000)

Acorn Seals Limited

**Notes to the financial statements
for the year ended 30 June 2007**

... continued

6. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2007 £	2006 £
Current tax		
UK corporation tax	480	(1,644)
Adjustments in respect of previous periods	(71)	
	<u>409</u>	<u>(1,644)</u>
Total current tax charge	<u>409</u>	<u>(1,644)</u>
Deferred tax		
Timing differences, origination and reversal	253	49
Total deferred tax	<u>253</u>	<u>49</u>
Tax on profit/(loss) on ordinary activities	<u>662</u>	<u>(1,595)</u>

7. Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2006	1,750	38,778	10,563	51,091
Additions		5,048	244	5,292
At 30 June 2007	<u>1,750</u>	<u>43,826</u>	<u>10,807</u>	<u>56,383</u>
Depreciation				
At 1 July 2006	350	28,504	7,963	36,817
Charge for the year	175	3,064	569	3,808
At 30 June 2007	<u>525</u>	<u>31,568</u>	<u>8,532</u>	<u>40,625</u>
Net book values				
At 30 June 2007	<u>1,225</u>	<u>12,258</u>	<u>2,275</u>	<u>15,758</u>
At 30 June 2006	<u>1,400</u>	<u>10,274</u>	<u>2,600</u>	<u>14,274</u>

Acorn Seals Limited

Notes to the financial statements for the year ended 30 June 2007

continued

8. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 July 2006		
At 30 June 2007	10,100	10,100
Net book values		
At 30 June 2007	10,100	10,100
At 30 June 2006	10,100	10,100

8.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertakings				
QEM Limited	Scotland	Engineering components distribution	Ordinary	100%
Acorn Seals Properties Limited	Scotland	Property rental	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves £	Profit for the year £
QEM Limited	30,637	2,035
Acorn Seals Properties Limited	83,683	7,019

9. Debtors	2007 £	2006 £
Trade debtors	75,532	80,639
Amount owed by connected companies	919	2,410
Other debtors		1,644
Prepayments and accrued income	128	
	76,579	84,693

Acorn Seals Limited

**Notes to the financial statements
for the year ended 30 June 2007**

.. . . continued

10. Creditors: amounts falling due within one year	2007	2006
	£	£
Bank overdraft	1,226	
Other loans	10,333	10,334
Trade creditors	33,358	28,197
Amounts owed to group undertaking	11,358	16,071
Corporation tax	480	
Other taxes and social security costs	10,008	7,692
Directors' accounts	6,140	17,452
Other creditors	2,898	
Accruals and deferred income	2,570	2,325
	<u>78,371</u>	<u>82,071</u>
11. Creditors: amounts falling due after more than one year	2007	2006
	£	£
Other loans	<u>4,001</u>	<u>9,333</u>
12. Provisions for liabilities		
	Deferred taxation (Note 13)	Total
	£	£
At 1 July 2006	922	922
Movements in the year	253	253
At 30 June 2007	<u>1,175</u>	<u>1,175</u>

Acorn Seals Limited

**Notes to the financial statements
for the year ended 30 June 2007**

continued

13. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	<u>1,175</u>	<u>922</u>
Provision at 1 July 2006	922	
Deferred tax charge in profit and loss account	<u>253</u>	
Provision at 30 June 2007	<u><u>1,175</u></u>	
 14. Share capital	 2007	 2006
	£	£
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
 Equity Shares		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
 15. Related party transactions		
<p>During the year the company traded on normal commercial terms with its subsidiary undertaking QEM Limited, making sales of £946 (2006 £6,326) and purchases of £7,989 (2006 £29,453), management fees of £10,750 (2006 £20,750) were also charged to QEM Limited. At the balance sheet date there was a balance of £919 due by QEM Limited (2006 £2,410). The company also rented property during the year on normal commercial terms from its subsidiary undertaking, Acorn Seals Properties Limited. The value of this transaction amounted to £7,200 (£7,200). At the balance sheet date £11,358 was due to Acorn Seals Properties Limited (2006 £16,071).</p>		
 16. Controlling interest		

There is no one person with a majority shareholding in the company