

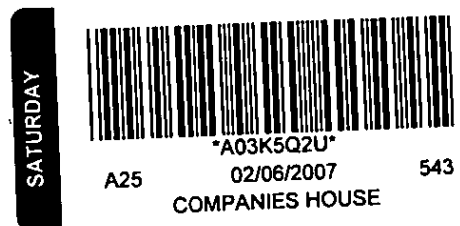
Utopia Tableware Limited

Abbreviated accounts

For the year ended 31 August 2006



Grant Thornton 



Company No. 03940440

Company information

Registered office	12 York Place LEEDS West Yorkshire LS1 2DS
Directors	K Oldershaw P Lake S Dodd Roscommon Limited M Core
Secretary	York Place Company Secretaries Limited
Bankers	Bank of Scotland
Solicitors	BRM Solicitors
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 2 Broadfield Court SHEFFIELD S8 0XF

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 August 2006

Principal activities and business review

The principal activity of the company is the import and distribution of glassware, ceramics and cutlery and adding value to a proportion of these products via our in-house decoration facility

In the year 2006/2007 we will be continuing to develop all markets via the introduction of new products and expanding market share in our core sectors

The company has increased profitability through an established customer base, and improved manufacturing efficiency during 2005/2006

The company is exposed to transaction and translation foreign exchange risk. However, transaction exposures are mitigated by increasing foreign currency purchasing offsetting foreign currency sales

The directors regularly review Gross Margins, Material Pricing Trends and Manufacturing Efficiency through various established key performance indicators

The directors regularly review medium term business forecasts to ensure appropriate action is taken to maintain profitability

Product development opportunities are pursued with existing and potential customers and assessed regularly by the directors

Results and dividends

The profit for the year, after taxation, amounted to £367,234. The directors have not recommended a dividend

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations

The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through bank overdraft facilities and invoice discounting.

Currency risk

The company is exposed to transaction and translation foreign exchange risk. In relation to translation risk cash is held in foreign currency accounts.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 August 2006	1 September 2005
K Oldershaw	50,500	50,500
P Lake	-	17,700
S Dodd	158,400	158,400
Roscommon Limited	-	-
M Core	-	-

K Oldershaw resigned as a director on 4 September 2006.

P Lake resigned as a director on 4 September 2006.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Purchase of own shares

During the year the company purchased a total of 17,700 of its own £1 ordinary shares for a total of £100,000 at the shareholders request.

BY ORDER OF THE BOARD

S Dodd
Director
1 June 2007



Independent auditor's report to Utopia Tableware Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the principal accounting policies, abbreviated profit and loss account, abbreviated balance sheet, cash flow statement and the related notes, together with the financial statements of Utopia Tableware Limited for the year ended 31 August 2006 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 them 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 audit 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 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision 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 Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
1 June 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year except as stated below.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date', and

-the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation'

The above accounting standards have become mandatory for companies for accounting periods beginning on or after 1 January 2005. Their adoption has had no material effect on the company, hence comparative figures have not been restated.

Turnover

Turnover is the invoice value of goods and services supplied excluding VAT. Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contract terms of sale.

Tangible 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	-	10%
Fixtures & Fittings	-	25%
Computer Equipment	-	25%
Motor Vehicles	-	33%

Stocks

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

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

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, or a right to pay less or to receive more tax.

Foreign currencies

Monetary 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. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Dividends and distributions relating to equity instruments are debited direct to equity.

Abbreviated profit and loss account

	Note	2006 £	2005 £
Gross profit		3,968,010	3,756,408
Other operating charges	1	3,342,443	3,583,573
Operating profit	2	625,567	172,835
Income from shares in group undertakings	5	–	18,770
Interest receivable		4,838	5,416
Amounts written off investments	6	–	(21,191)
Interest payable and similar charges	7	(105,161)	(122,680)
Profit on ordinary activities before taxation		525,244	53,150
Tax on profit on ordinary activities	8	158,010	13,300
Profit for the financial year	23	367,234	39,850

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

The accompanying accounting policies and notes form part of these abbreviated accounts.

Abbreviated balance sheet

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	9	<u>412,359</u>	<u>461,487</u>
Current assets			
Stocks	10	1,483,798	1,094,920
Debtors	11	3,302,277	2,375,321
Cash at bank and in hand		<u>6,428</u>	<u>5,782</u>
		<u>4,792,503</u>	<u>3,476,023</u>
Creditors: amounts falling due within one year	12	<u>4,476,946</u>	<u>3,470,828</u>
Net current assets		<u>315,557</u>	<u>5,195</u>
Total assets less current liabilities		<u>727,916</u>	<u>466,682</u>
Provisions for liabilities			
Deferred taxation	13	<u>12,000</u>	<u>18,000</u>
		<u>715,916</u>	<u>448,682</u>
Capital and reserves			
Called-up equity share capital	21	208,900	226,600
Share premium account	23	92,000	92,000
Other reserves	23	147,100	129,400
Profit and loss account	23	<u>267,916</u>	<u>682</u>
Shareholders' funds	24	<u>715,916</u>	<u>448,682</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on 1 June 2007 and are signed on their behalf by

S Dodd
Director



The accompanying accounting policies and notes form part of these abbreviated accounts.

Cash flow statement

	Note	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	25(a)	(249,964)	1,318,732
Returns on investments and servicing of finance			
Income from group undertakings		–	17,698
Interest received		4,838	5,416
Interest paid		<u>(105,161)</u>	<u>(122,680)</u>
Net cash outflow from returns on investments and servicing of finance		(100,323)	(99,566)
Taxation		–	(25,800)
Capital expenditure			
Payments to acquire tangible fixed assets		(90,841)	(96,029)
Receipts from sale of fixed assets		–	274
Net cash outflow from capital expenditure		(90,841)	(95,755)
Cash (outflow)/inflow before financing		(441,128)	1,097,611
Financing			
Purchase of own equity shares		(17,700)	(121,400)
Premium on purchase of own equity shares		(82,300)	(16,182)
Directors loan		–	(265,036)
Repayment of bank loans		–	(8,964)
Net cash outflow from financing		(100,000)	(411,582)
(Decrease)/increase in cash	25(b)	<u>(541,128)</u>	<u>686,029</u>

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Other operating charges

	2006 £	2005 £
Distribution costs	551,198	572,887
Administrative expenses	2,791,245	3,010,686
	<u>3,342,443</u>	<u>3,583,573</u>

2 Operating profit

Operating profit is stated after charging

	2006 £	2005 £
Depreciation of owned fixed assets	136,956	144,390
Loss on disposal of fixed assets	3,013	662
Auditor's remuneration		
Audit fees	<u>11,000</u>	<u>12,055</u>

3 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Production, warehouse and distribution	20	27
Sales	6	6
Administration	22	14
Management	5	5
	<u>53</u>	<u>52</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	1,413,864	1,726,748
Social security costs	206,525	175,929
Other pension costs	13,552	17,073
	<u>1,633,941</u>	<u>1,919,750</u>

4 Directors

Remuneration in respect of directors was as follows

	2006 £	2005 £
Emoluments receivable	<u>123,062</u>	<u>351,734</u>

5 Income from shares in group undertakings

	2006 £	2005 £
Income from group undertakings	<u>—</u>	<u>18,770</u>

6 Amounts written off investments

	2006 £	2005 £
Amount written off investments	<u>—</u>	<u>21,191</u>

7 Interest payable and similar charges

	2006 £	2005 £
Interest payable on bank borrowing	<u>105,161</u>	<u>122,680</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2005 - 19%)	177,000	(4,384)
Over provision in prior year	<u>(12,990)</u>	<u>684</u>
Total current tax	<u>164,010</u>	<u>(3,700)</u>
Deferred tax		
Origination and reversal of timing differences	<u>(6,000)</u>	<u>17,000</u>
Tax on profit on ordinary activities	<u>158,010</u>	<u>13,300</u>

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 19%)

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>525,244</u>	<u>53,150</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	157,573	10,099
Expenses not deductible for tax purposes	32,544	1,914
Capital allowances for the period in excess of depreciation	10,143	5,401
Other timing differences	6	(21,910)
Adjustments to tax charge in respect of previous periods	(12,990)	796
Marginal relief	(22,892)	-
Other	(374)	-
Total current tax (note 8(a))	<u>164,010</u>	<u>(3,700)</u>

9 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2005	572,594	70,521	-	233,872	876,987
Additions	53,818	27,451	6,000	3,572	90,841
Disposals	(4,075)	-	-	-	(4,075)
At 31 August 2006	<u>622,337</u>	<u>97,972</u>	<u>6,000</u>	<u>237,444</u>	<u>963,753</u>
Depreciation					
At 1 September 2005	258,894	59,885	-	96,721	415,500
Charge for the year	72,644	16,029	-	48,283	136,956
On disposals	(1,062)	-	-	-	(1,062)
At 31 August 2006	<u>330,476</u>	<u>75,914</u>	<u>-</u>	<u>145,004</u>	<u>551,394</u>
Net book value					
At 31 August 2006	<u>291,861</u>	<u>22,058</u>	<u>6,000</u>	<u>92,440</u>	<u>412,359</u>
At 31 August 2005	<u>313,700</u>	<u>10,636</u>	<u>-</u>	<u>137,151</u>	<u>461,487</u>

At the year end the directors recategorised certain fixed assets to more accurately reflect their usage. This reclassification is reflected in the fixed asset note above.

10 Stocks

	2006 £	2005 £
Raw materials	5,905	5,700
Finished goods	1,477,893	1,089,220
	<u>1,483,798</u>	<u>1,094,920</u>

11 Debtors

	2006 £	2005 £
Trade debtors	2,896,034	2,120,136
Corporation tax repayable	–	4,500
Other debtors	128,551	134,842
Prepayments and accrued income	277,692	115,843
	<u>3,302,277</u>	<u>2,375,321</u>

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

	2006 £	2005 £
Other debtors	<u>124,686</u>	<u>124,686</u>

12 Creditors: amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	1,885,340	1,343,566
Trade creditors	1,259,176	993,452
Corporation tax	159,510	–
Other taxation and social security	233,049	66,734
Other creditors	483,353	671,038
Accruals and deferred income	456,518	396,038
	<u>4,476,946</u>	<u>3,470,828</u>

Bank overdrafts include an amount of £1,862,960 (2005 £1,306,364) in respect of invoice discounting facilities

The bank loans and overdrafts amounting to £1,885,340 (2005 £1,343,566) are secured by a fixed and floating charge over the assets of the company

13 Deferred taxation

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	18,000	1,000
Profit and loss account movement arising during the year	(6,000)	17,000
Provision carried forward	<u>12,000</u>	<u>18,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	<u>12,000</u>	<u>18,000</u>

14 Derivatives

There were no derivatives held by the company at 31 August 2006 or 31 August 2005 not recognised in the financial statements

15 Leasing commitments

At 31 August 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006		2005	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 2 to 5 years	-	25,368	-	29,500
After more than 5 years	<u>249,342</u>	<u>-</u>	<u>249,342</u>	<u>-</u>
	<u>249,342</u>	<u>25,368</u>	<u>249,342</u>	<u>29,500</u>

16 Capital Commitments

Capital commitments at 31 August 2006 amounted to £nil (2005 £nil)

17 Contingent liabilities

There were no contingent liabilities at 31 August 2006 or at 31 August 2005

18 Pension costs

Defined contribution pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

19 Related party transactions

No transactions with related parties were undertaken other than shown in note 22

20 Controlling related party

Mr S Dodd is the company's controlling related party by virtue of his 76% shareholding

21 Share capital

Authorised share capital

	2006 £	2005 £
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>208,900</u>	<u>208,900</u>	<u>226,600</u>	<u>226,600</u>

22 Purchase of own shares

During the year the company purchased a total of 17,700 of its own £1 ordinary shares for a total of £100,000 at the shareholders request

23 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 September 2005	92,000	129,400	682
Profit for the year	–	–	367,234
Other movements			
Purchase of own shares	–	17,700	(100,000)
At 31 August 2006	<u>92,000</u>	<u>147,100</u>	<u>267,916</u>

24 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	367,234	39,850
Purchase of own ordinary shares	(17,700)	(121,400)
Premium on purchase of own ordinary shares	(82,300)	(16,182)
Net addition/(reduction) to shareholders' funds	<u>267,234</u>	<u>(97,732)</u>
Opening shareholders' funds	448,682	546,414
Closing shareholders' funds	<u>715,916</u>	<u>448,682</u>

25 Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2006 £	2005 £
Operating profit	625,567	172,835
Depreciation	136,956	144,390
Loss on disposal of fixed assets	3,013	662
(Increase)/decrease in stocks	(388,878)	736,742
(Increase)/decrease in debtors	(931,456)	881,113
Increase/(decrease) in creditors	304,834	(617,010)
Net cash (outflow)/inflow from operating activities	<u>(249,964)</u>	<u>1,318,732</u>

(b) Reconciliation of net cash flow to movement in net debt

	2006 £	2005 £
(Decrease)/increase in cash in the period	(541,128)	686,029
Net cash outflow from bank loans	—	274,000
Change in net debt	<u>(541,128)</u>	<u>960,029</u>
Net debt at 1 September 2005	<u>(1,337,784)</u>	<u>(2,297,813)</u>
Net debt at 31 August 2006	<u>(1,878,912)</u>	<u>(1,337,784)</u>

(c) Analysis of changes in net debt

	At 1 Sep 2005 £	Cash flows £	At 31 Aug 2006 £
Net cash			
Cash in hand and at bank	5,782	646	6,428
Overdrafts	<u>(1,343,566)</u>	<u>(541,774)</u>	<u>(1,885,340)</u>
Net debt	<u>(1,337,784)</u>	<u>(541,128)</u>	<u>(1,878,912)</u>