

PENKETH'S LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st December 2003

Company Registration Number 1287607



MITCHELL CHARLESWORTH
Chartered Accountants

PENKETH'S LIMITED

Abbreviated Accounts

Year ended 31st December 2003

Contents	Page
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report to the company	5
Abbreviated profit and loss account	6
Statement of total recognised gains and losses	7
Abbreviated balance sheet	8
Cash flow statement	9
Notes to the abbreviated accounts	10

PENKETH'S LIMITED

Officers and Professional Advisers

The board of directors

W Penketh
Mrs D Penketh
S W Penketh
M S Penketh
A J Penketh
P Mann

Company secretary

S W Penketh

Registered office

Penketh's Limited
2 Bassendale Road
Croft Business Park
Bromborough
Wirral
CH62 3QL

Auditor

Mitchell Charlesworth
Chartered Accountants
Registered Auditor
24 Nicholas Street
Chester
CH1 2AU

Bankers

Barclays plc
Liscard
Wallasey Village
CH45 4JS

PENKETH'S LIMITED

The Directors' Report

Year ended 31st December 2003

The directors present their report and the financial statements of the company for the year ended 31st December 2003.

Principal activities and business review

The principal activity of the company during the year was that of commercial retailing of stationery and office equipment.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>340,592</u>	<u>189,530</u>

The directors and their interests in shares of the company

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

		At	At
	Class of share	31 December 2003	1 January 2003
W Penketh	Ordinary	1,000	1,000
Mrs D Penketh	Ordinary	2,000	1,000
S W Penketh	Ordinary	4,000	4,000
	Ordinary 'A'	1	1
M S Penketh	Ordinary	4,000	4,000
	Ordinary 'B'	1	1
A J Penketh	Ordinary	4,000	4,000
	Ordinary 'C'	1	1
P Mann	Ordinary 'D'	<u>1</u>	<u>1</u>

Donations

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	<u>1,422</u>	<u>2,514</u>

PENKETH'S LIMITED

The Directors' Report *(continued)*

Year ended 31st December 2003

Auditors

A resolution to re-appoint Mitchell Charlesworth as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Penketh's Limited
2 Bassendale Road
Croft Business Park
Bromborough
Wirral
CH62 3QL

Signed by order of the directors



S W Penketh
Company Secretary

Approved by the directors on

PENKETH'S LIMITED

Statement of Directors' Responsibilities

Year ended 31st December 2003

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester

PENKETH'S LIMITED

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 19, together with the financial statements of the company for the year ended 31 December 2003 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 audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

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 accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 19 are properly prepared in accordance with those provisions.



MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

24 Nicholas Street
Chester
CH1 2AU

21.5.04

PENKETH'S LIMITED**Abbreviated Profit and Loss Account****Year ended 31st December 2003**

	Note	2003 £	2002 £
Gross profit		3,052,149	2,716,573
Administrative expenses		<u>2,334,903</u>	<u>2,278,887</u>
Operating profit	2	717,246	437,686
Income from fixed asset investments	5	7,691	6,909
Interest receivable and similar income	6	2,206	1,642
Interest payable	7	(23,663)	(30,369)
Profit on ordinary activities before taxation		<u>703,480</u>	<u>415,868</u>
Tax on profit on ordinary activities	8	202,657	130,819
Profit on ordinary activities after taxation		<u>500,823</u>	<u>285,049</u>
Dividends	9	340,684	189,610
Retained profit for the financial year		<u><u>160,139</u></u>	<u><u>95,439</u></u>

All of the activities of the company are classed as continuing.

The notes on pages 10 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED

Statement of Total Recognised Gains and Losses

Year ended 31st December 2003

	2003	2002
	£	£
Profit for the financial year attributable to the shareholders	500,823	285,049
Unrealised profit on revaluation of: Investments	—	4,850
Total gains and losses recognised since the last annual report	<u>500,823</u>	<u>289,899</u>

The notes on pages 10 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED

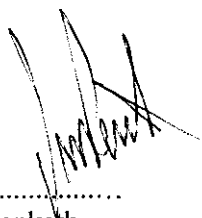
Abbreviated Balance Sheet

31st December 2003

	Note	2003 £	£	2002 £	£
Fixed assets					
Intangible assets	10		70,458		123,458
Tangible assets	11		1,081,359		1,145,539
Investments	12		40,006		45,245
			<u>1,191,823</u>		<u>1,314,242</u>
Current assets					
Stocks	13	134,970		187,976	
Debtors	14	1,740,677		1,571,599	
Cash at bank and in hand		189,992		2,829	
		<u>2,065,639</u>		<u>1,762,404</u>	
Creditors: Amounts falling due within one year	15	<u>1,839,484</u>		<u>1,753,215</u>	
Net current assets			<u>226,155</u>		<u>9,189</u>
Total assets less current liabilities			<u>1,417,978</u>		<u>1,323,431</u>
Creditors: Amounts falling due after more than one year					
	16		<u>202,374</u>		<u>267,966</u>
			<u>1,215,604</u>		<u>1,055,465</u>
Provisions for liabilities and charges					
Deferred taxation	17		<u>8,470</u>		<u>8,470</u>
			<u>1,207,134</u>		<u>1,046,995</u>
Capital and reserves					
Called-up equity share capital	19		15,004		15,004
Profit and loss account	20		<u>1,192,130</u>		<u>1,031,991</u>
Shareholders' funds	21		<u>1,207,134</u>		<u>1,046,995</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 the 21/1/04 and are signed on their behalf by:


.....
S W Penketh

The notes on pages 10 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED**Cash Flow Statement****Year ended 31st December 2003**

	Note	2003 £	£	2002 £	£
Net cash inflow from operating activities	22		767,676		946,025
Returns on investments and servicing of finance					
Income from other fixed asset investments		7,691		6,909	
Interest received		2,206		1,642	
Interest paid		(23,663)		(28,552)	
Interest element of hire purchase		—		(1,817)	
Non-equity dividends paid		(92)		(80)	
Net cash outflow from returns on investments and servicing of finance			(13,858)		(21,898)
Taxation			(113,195)		(124,539)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(40,854)		(275,647)	
Receipts from sale of fixed assets		16,100		15,785	
Acquisition of Investments		—		(7,664)	
Disposal of Investments		5,239		—	
Net cash outflow for capital expenditure and financial investment			(19,515)		(267,526)
Equity dividends paid			(340,592)		(189,530)
Cash inflow before financing			280,516		342,532
Financing					
Repayment of bank loans		(59,827)		(58,695)	
Capital element of hire purchase		—		(6,356)	
Net cash outflow from financing			(59,827)		(65,051)
Increase in cash	23		220,689		277,481

The notes on pages 10 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

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 - straight line over 4 years

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:

Leasehold Property	- straight line over 125 years
Plant & Machinery	- 20% on reducing balance
Motor Vehicles	- 20% on cost
Equipment	- 25% on cost

Stocks

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

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 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.

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

1. Accounting policies *(continued)*

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, 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;

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.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Directors' emoluments	138,290	165,170
Amortisation	53,000	55,115
Depreciation of owned fixed assets	81,099	81,775
Loss on disposal of fixed assets	7,835	11,766
Auditors' remuneration		
- as auditors	12,652	10,742
Operating lease costs:		
Plant and equipment	<u>118,894</u>	<u>111,090</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

3. Particulars of employees

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

	2003	2002
	No	No
Number of administrative staff	25	25
Number of management staff	6	6
Number of sales staff	18	22
Number of warehouse staff	24	26
	<u>73</u>	<u>79</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,369,948	1,354,523
Social security costs	120,320	109,244
Other pension costs	53,451	44,375
	<u>1,543,719</u>	<u>1,508,142</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	171,742	165,170
Value of company pension contributions to money purchase schemes	39,327	30,939
	<u>211,069</u>	<u>196,109</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

5. Income from fixed asset investments

	2003	2002
	£	£
Other dividend income	6,695	7,089
Profit in share dealings	996	(180)
	<u>7,691</u>	<u>6,909</u>

6. Interest receivable and similar income

	2003	2002
	£	£
Building society interest receivable	2,123	1,312
Other similar income receivable	83	330
	<u>2,206</u>	<u>1,642</u>

7. Interest payable

	2003	2002
	£	£
Interest payable on bank borrowing	343	1,079
Finance charges	—	1,817
Other similar charges payable	23,320	27,473
	<u>23,663</u>	<u>30,369</u>

8. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 25% (2002 - 24.90%)	212,526	123,138
Over/under provision in prior year	(9,869)	7,681
Total current tax	<u>202,657</u>	<u>130,819</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

8. Tax on profit 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 25% (2002 - 24.90%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>703,480</u>	<u>415,868</u>
Profit/(loss) on ordinary activities by rate of tax	175,870	103,551
Depreciation in excess of capital allowances	15,980	1,759
Amounts not deductible for tax purposes	938	17,828
Adjustment in respect of earlier periods	<u>9,869</u>	<u>7,681</u>
Total current tax (note 8(a))	<u>202,657</u>	<u>130,819</u>

9. Dividends

The following dividends have been paid or proposed in respect of the year:

	2003	2002
	£	£
Dividend paid on ordinary shares	340,500	189,450
Dividend paid on ordinary Class 'A' shares	46	40
Dividend paid on ordinary Class 'B' shares	46	40
Dividend paid on ordinary Class 'C' shares	46	40
Dividend paid on ordinary Class 'D' shares	46	40
	<u>340,684</u>	<u>189,610</u>

10. Intangible fixed assets

	Goodwill
	£
Cost	
At 1st January 2003 and 31st December 2003	<u>212,000</u>
Amortisation	
At 1st January 2003	88,542
Charge for the year	<u>53,000</u>
At 31st December 2003	<u>141,542</u>
Net book value	
At 31st December 2003	<u>70,458</u>
At 31st December 2002	<u>123,458</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

11. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 January 2003	941,333	204,839	97,237	200,399	1,443,808
Additions	2,992	6,087	—	31,775	40,854
Disposals	—	(44,726)	—	(53,890)	(98,616)
At 31 December 2003	<u>944,325</u>	<u>166,200</u>	<u>97,237</u>	<u>178,284</u>	<u>1,386,046</u>
Depreciation					
At 1 January 2003	36,336	75,521	44,329	142,083	298,269
Charge for the year	8,033	31,533	10,385	31,148	81,099
On disposals	—	(217)	(21,052)	(53,412)	(74,681)
At 31 December 2003	<u>44,369</u>	<u>106,837</u>	<u>33,662</u>	<u>119,819</u>	<u>304,687</u>
Net book value					
At 31 December 2003	<u>899,956</u>	<u>59,363</u>	<u>63,575</u>	<u>58,465</u>	<u>1,081,359</u>
At 31 December 2002	<u>904,997</u>	<u>129,318</u>	<u>52,908</u>	<u>58,316</u>	<u>1,145,539</u>

12. Investments

	£
Cost or valuation	
At 1st January 2003	45,245
Disposals	(5,239)
At 31st December 2003	<u>40,006</u>
Net book value	
At 31st December 2003	<u>40,006</u>
At 31st December 2002	<u>45,245</u>

13. Stocks

	2003 £	2002 £
Stock	<u>134,970</u>	<u>187,976</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

14. Debtors

	2003	2002
	£	£
Trade debtors	1,536,476	1,423,770
Other debtors	5,241	6,101
Prepayments and accrued income	198,960	141,728
	<u>1,740,677</u>	<u>1,571,599</u>

Included in other debtors is £4,630 which relates to Mr P Mann's overdrawn directors current account, the maximum balance outstanding during the year was £5,819. Interest of £83 was charged on the balance.

15. Creditors: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	65,646	93,407
Trade creditors	1,055,621	1,205,594
Corporation tax	212,600	123,138
Other taxation and social security	165,620	147,623
Directors current accounts	199,130	106,569
Accruals and deferred income	140,867	76,884
	<u>1,839,484</u>	<u>1,753,215</u>

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

	2003	2002
	£	£
Bank loans and overdrafts	<u>65,646</u>	<u>93,407</u>

16. Creditors: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>202,374</u>	<u>267,966</u>

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

	2003	2002
	£	£
Bank loans and overdrafts	<u>202,374</u>	<u>267,966</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

17. Deferred taxation

The balance of the deferred taxation provision throughout the year was £8,470.

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>8,470</u>	<u>8,470</u>
	<u>8,470</u>	<u>8,470</u>

18. Commitments under operating leases

At 31st December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	26,177	49,130
Within 2 to 5 years	<u>80,836</u>	<u>24,728</u>
	<u>107,013</u>	<u>73,858</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

19. Share capital

Authorised share capital:

	2003	2002
	£	£
15,000 Ordinary shares of £1 each	15,000	15,000
1 Ordinary Class 'A' shares of £1 each	1	1
1 Ordinary Class 'B' shares of £1 each	1	1
1 Ordinary Class 'C' shares of £1 each	1	1
1 Ordinary Class 'D' shares of £1 each	1	1
	<u>15,004</u>	<u>15,004</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	15,000	15,000	15,000	15,000
Ordinary Class 'A' shares of £1 each	1	1	1	1
Ordinary Class 'B' shares of £1 each	1	1	1	1
Ordinary Class 'C' shares of £1 each	1	1	1	1
Ordinary Class 'D' shares of £1 each	1	1	1	1
	<u>15,004</u>	<u>15,004</u>	<u>15,004</u>	<u>15,004</u>

20. Profit and loss account

	2003	2002
	£	£
Balance brought forward	1,031,991	936,552
Retained profit for the financial year	160,139	95,439
Balance carried forward	<u>1,192,130</u>	<u>1,031,991</u>

21. Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	500,823	285,049
Dividends	(340,684)	(189,610)
	<u>160,139</u>	<u>95,439</u>
Opening shareholders' equity funds	<u>1,046,995</u>	<u>951,556</u>
Closing shareholders' equity funds	<u>1,207,134</u>	<u>1,046,995</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2003

22. Reconciliation of operating profit to net cash inflow from operating activities

	2003 £	2002 £
Operating profit	717,246	437,686
Amortisation	53,000	55,115
Depreciation	81,099	81,775
Loss on disposal of fixed assets	7,835	11,766
Decrease/(increase) in stocks	53,006	(24,241)
(Increase)/decrease in debtors	(169,078)	174,724
Increase in creditors	24,568	209,200
Net cash inflow from operating activities	<u>767,676</u>	<u>946,025</u>

23. Reconciliation of net cash flow to movement in net debt

	2003 £	2002 £
Increase in cash in the period	220,689	277,481
Net cash outflow from bank loans	59,827	58,695
Cash outflow in respect of hire purchase	—	6,356
	<u>280,516</u>	<u>342,532</u>
Change in net debt	280,516	342,532
Net debt at 1 January 2003	(358,544)	(701,076)
Net debt at 31 December 2003	<u>(78,028)</u>	<u>(358,544)</u>

24. Analysis of changes in net debt

	At 1 Jan 2003 £	Cash flows £	At 31 Dec 2003 £
Net cash:			
Cash in hand and at bank	2,829	187,163	189,992
Overdrafts	(33,526)	33,526	—
	<u>(30,697)</u>	<u>220,689</u>	<u>189,992</u>
Debt:			
Debt due within 1 year	(59,881)	(5,765)	(65,646)
Debt due after 1 year	(267,966)	65,592	(202,374)
	<u>(327,847)</u>	<u>59,827</u>	<u>(268,020)</u>
Net debt	<u>(358,544)</u>	<u>280,516</u>	<u>(78,028)</u>