

PENKETH'S LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st December 2004

Company Registration Number 1287607



MITCHELL CHARLESWORTH
Chartered Accountants

PENKETH'S LIMITED

Abbreviated Accounts

Year ended 31st December 2004

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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 2004

The directors present their report and the financial statements of the company for the year ended 31st December 2004.

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:

	2004 £	2003 £
Dividends paid on ordinary shares	<u>295,692</u>	<u>340,684</u>

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, including family holdings, in the shares of the company were as follows:

		At 31 December 2004	At 1 January 2004
W Penketh	Ordinary	1,000	1,000
Mrs D Penketh	Ordinary	2,000	2,000
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>

PENKETH'S LIMITED

The Directors' Report *(continued)*

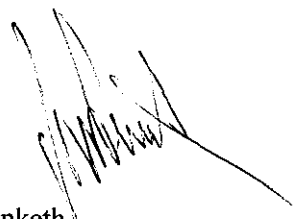
Year ended 31st December 2004

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 4th May 2005

PENKETH'S LIMITED

Statement of Directors' Responsibilities

Year ended 31st December 2004

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 9 to 10, 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 18, together with the financial statements of the company for the year ended 31st December 2004 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 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 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 18 are properly prepared in accordance with those provisions.



MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

24 Nicholas Street
Chester
CH1 2AU

4th May 2005

PENKETH'S LIMITED

Abbreviated Profit and Loss Account

Year ended 31st December 2004

	Note	2004 £	2003 £
Gross profit		3,063,652	3,052,149
Administrative expenses		<u>2,432,159</u>	<u>2,334,903</u>
Operating profit	2	631,493	717,246
Income from fixed asset investments	5	2,161	7,691
Interest receivable and similar income	6	5,719	2,206
Interest payable and similar charges	7	(17,571)	(23,663)
Profit on ordinary activities before taxation		<u>621,802</u>	<u>703,480</u>
Tax on profit on ordinary activities	8	177,774	202,657
Profit on ordinary activities after taxation		<u>444,028</u>	<u>500,823</u>
Dividends (including non-equity)	9	295,692	340,684
Retained profit for the financial year		<u>148,336</u>	<u>160,139</u>

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 notes on pages 9 to 18 form part of these abbreviated accounts.

PENKETH'S LIMITED

Abbreviated Balance Sheet

31st December 2004

	Note	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	10		28,125		70,458
Tangible assets	11		1,079,984		1,081,359
Investments	12		37,931		40,006
			<u>1,146,040</u>		<u>1,191,823</u>
Current assets					
Stocks	13	130,432		134,970	
Debtors	14	1,987,705		1,740,677	
Cash at bank and in hand		126,410		189,992	
		<u>2,244,547</u>		<u>2,065,639</u>	
Creditors: Amounts falling due within one year	15	<u>1,859,147</u>		<u>1,839,485</u>	
Net current assets			<u>385,400</u>		<u>226,154</u>
Total assets less current liabilities			<u>1,531,440</u>		<u>1,417,977</u>
Creditors: Amounts falling due after more than one year	16		<u>173,971</u>		<u>202,374</u>
			<u>1,357,469</u>		<u>1,215,603</u>
Provisions for liabilities and charges					
Deferred taxation	17		<u>2,000</u>		<u>8,470</u>
			<u>1,355,469</u>		<u>1,207,133</u>
Capital and reserves					
Called-up equity share capital	19		15,004		15,004
Profit and loss account	20		1,340,465		1,192,129
Shareholders' funds	21		<u>1,355,469</u>		<u>1,207,133</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 4th May 2005 and are signed on their behalf by:

.....
S W Penketh

The notes on pages 9 to 18 form part of these abbreviated accounts.

PENKETH'S LIMITED

Cash Flow Statement

Year ended 31st December 2004

	Note	2004 £	£	2003 £	£
Net cash inflow from operating activities	22		598,117		767,677
Returns on investments and servicing of finance					
Income from other fixed asset investments		2,161		7,691	
Interest received		5,719		2,206	
Interest paid		(17,571)		(23,663)	
Non-equity dividends paid		<u>(96)</u>		<u>(92)</u>	
Net cash outflow from returns on investments and servicing of finance			(9,787)		(13,858)
Taxation			(213,544)		(113,195)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(79,156)		(40,854)	
Receipts from sale of fixed assets		—		16,100	
Disposal of investments		<u>2,075</u>		<u>5,239</u>	
Net cash outflow for capital expenditure and financial investment			(77,081)		(19,515)
Equity dividends paid			(295,596)		(340,592)
Cash inflow before financing			<u>2,109</u>		<u>280,517</u>
Financing					
(Repayment) of bank loans		<u>(65,692)</u>		<u>(59,827)</u>	
Net cash outflow from financing			(65,692)		(59,827)
(Decrease)/increase in cash	23		<u>(63,583)</u>		<u>220,690</u>

The notes on pages 9 to 18 form part of these abbreviated accounts.

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

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 2004

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.

Investment policy

Quoted Investments are recorded at an average price. Unquoted investments are recorded at a director's valuation.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Amortisation	42,333	53,000
Depreciation of owned fixed assets	76,503	81,099
Loss on disposal of fixed assets	4,027	7,835
Auditors' remuneration		
- as auditors	11,179	12,652
Operating lease costs:		
Plant and equipment	<u>118,606</u>	<u>118,894</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

3. Particulars of employees

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

	2004	2003
	No	No
Number of administrative staff	23	25
Number of management staff	6	6
Number of sales staff	20	18
Number of warehouse staff	25	24
	<u>74</u>	<u>73</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	1,422,680	1,369,948
Social security costs	131,695	120,320
Other pension costs	55,776	53,451
	<u>1,610,151</u>	<u>1,543,719</u>

4. Directors' emoluments

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

	2004	2003
	£	£
Emoluments receivable	201,032	205,195
Value of company pension contributions to money purchase schemes	40,144	39,327
	<u>241,176</u>	<u>244,522</u>

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

	2004	2003
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

5. Income from fixed asset investments

	2004	2003
	£	£
Other dividend income	4,346	6,695
Profit in share dealings	(2,185)	996
	<u>2,161</u>	<u>7,691</u>

6. Interest receivable and similar income

	2004	2003
	£	£
Building society interest receivable	5,719	2,123
Other similar income receivable	—	83
	<u>5,719</u>	<u>2,206</u>

7. Interest payable and similar charges

	2004	2003
	£	£
Interest payable on bank borrowing	117	343
Other similar charges payable	17,454	23,320
	<u>17,571</u>	<u>23,663</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	184,244	212,526
Over/under provision in prior year	—	(9,869)
Total current tax	<u>184,244</u>	<u>202,657</u>
Deferred tax:		
Origination and reversal of timing differences	(6,470)	—
Tax on profit on ordinary activities	<u>177,774</u>	<u>202,657</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

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 lower than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>621,802</u>	<u>703,480</u>
Profit/(loss) on ordinary activities by rate of tax	186,541	211,044
Depreciation in excess of capital allowances	13,126	16,825
Amounts not deductible for tax purposes	8,329	4,178
Adjustment in respect of earlier periods	—	(9,869)
Other	<u>(23,752)</u>	<u>(19,521)</u>
Total current tax (note 8(a))	<u>184,244</u>	<u>202,657</u>

9. Dividends

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

	2004 £	2003 £
Dividend paid on ordinary shares	295,500	340,500
Dividend paid on ordinary Class 'A' shares	48	46
Dividend paid on ordinary Class 'B' shares	48	46
Dividend paid on ordinary Class 'C' shares	48	46
Dividend paid on ordinary Class 'D' shares	48	46
	<u>295,692</u>	<u>340,684</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2004 and 31st December 2004	<u>212,000</u>
Amortisation	
At 1st January 2004	141,542
Charge for the year	<u>42,333</u>
At 31st December 2004	<u>183,875</u>
Net book value	
At 31st December 2004	<u>28,125</u>
At 31st December 2003	<u>70,458</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

11. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 January 2004	944,325	210,346	53,090	178,284	1,386,045
Additions	—	9,454	—	69,702	79,156
Disposals	—	(11,540)	—	(57,582)	(69,122)
At 31 December 2004	<u>944,325</u>	<u>208,260</u>	<u>53,090</u>	<u>190,404</u>	<u>1,396,079</u>
Depreciation					
At 1 January 2004	44,369	106,837	33,662	119,819	304,687
Charge for the year	8,278	30,292	5,640	32,293	76,503
On disposals	—	(8,342)	—	(56,753)	(65,095)
At 31 December 2004	<u>52,647</u>	<u>128,787</u>	<u>39,302</u>	<u>95,359</u>	<u>316,095</u>
Net book value					
At 31 December 2004	<u>891,678</u>	<u>79,473</u>	<u>13,788</u>	<u>95,045</u>	<u>1,079,984</u>
At 31 December 2003	<u>899,956</u>	<u>103,509</u>	<u>19,428</u>	<u>58,465</u>	<u>1,081,358</u>

12. Investments

	£
Cost	
At 1st January 2004	40,006
Disposals	(2,075)
At 31st December 2004	<u>37,931</u>
Net book value	
At 31st December 2004	<u>37,931</u>
At 31st December 2003	<u>40,006</u>

13. Stocks

	2004 £	2003 £
Stock	<u>130,432</u>	<u>134,970</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

14. Debtors

	2004	2003
	£	£
Trade debtors	1,807,726	1,536,476
Other debtors	9,445	5,241
Prepayments and accrued income	170,534	198,960
	<u>1,987,705</u>	<u>1,740,677</u>

Included in other debtors is £3,706 which relates to Mr P Mann's overdrawn directors current account, the maximum balance outstanding during the year was £4,697.

15. Creditors: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	28,357	65,646
Trade creditors	1,227,166	1,055,622
Corporation tax	183,300	212,600
Other taxation and social security	168,065	165,620
Directors current accounts	184,735	199,130
Accruals and deferred income	67,524	140,867
	<u>1,859,147</u>	<u>1,839,485</u>

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

	2004	2003
	£	£
Bank loans and overdrafts	<u>28,357</u>	<u>65,646</u>

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

	2004	2003
	£	£
Bank loans and overdrafts	<u>173,971</u>	<u>202,374</u>

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

	2004	2003
	£	£
Bank loans and overdrafts	<u>173,971</u>	<u>202,374</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2004	2003
	£	£
Provision brought forward	8,470	8,470
Profit and loss account movement arising during the year	(6,470)	—
Provision carried forward	<u>2,000</u>	<u>8,470</u>

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

	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	2,000	8,470
	<u>2,000</u>	<u>8,470</u>

18. Commitments under operating leases

At 31st December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	—	26,177
Within 2 to 5 years	—	80,836
	<u>—</u>	<u>107,013</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

19. Share capital

Authorised share capital:

	2004	2003
	£	£
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:

	2004		2003	
	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

	2004	2003
	£	£
Balance brought forward	1,192,129	1,031,990
Retained profit for the financial year	148,336	160,139
Balance carried forward	<u>1,340,465</u>	<u>1,192,129</u>

21. Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit for the financial year	444,028	500,823
Dividends	(295,692)	(340,684)
	148,336	160,139
Opening shareholders' equity funds	1,207,133	1,046,994
Closing shareholders' equity funds	<u>1,355,469</u>	<u>1,207,133</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

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

	2004	2003
	£	£
Operating profit	631,493	717,246
Amortisation	42,333	53,000
Depreciation	76,503	81,099
Loss on disposal of fixed assets	4,027	7,835
Decrease in stocks	4,538	53,006
Increase in debtors	(247,028)	(169,078)
Increase in creditors	86,251	24,569
Net cash inflow from operating activities	<u>598,117</u>	<u>767,677</u>

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

	2004	2003
	£	£
(Decrease)/increase in cash in the period	(63,583)	220,690
Net cash outflow from bank loans	<u>65,692</u>	<u>59,827</u>
	2,109	280,517
Change in net debt	2,109	280,517
Net debt at 1 January 2004	(78,028)	(358,544)
Net debt at 31 December 2004	<u>(75,918)</u>	<u>(78,028)</u>

24. Analysis of changes in net debt

	At 1 Jan 2004	Cash flows	At 31 Dec 2004
	£	£	£
Net cash:			
Cash in hand and at bank	<u>189,992</u>	<u>(63,582)</u>	<u>126,410</u>
Debt:			
Debt due within 1 year	(65,646)	37,289	(28,357)
Debt due after 1 year	<u>(202,374)</u>	<u>28,403</u>	<u>(173,971)</u>
	<u>(268,020)</u>	<u>65,692</u>	<u>(202,328)</u>
Net debt	<u>(78,028)</u>	<u>2,110</u>	<u>(75,918)</u>