

PENKETH'S LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st December 2005

Company Registration Number 1287607

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24/06/2006
COMPANIES HOUSE

MITCHELL CHARLESWORTH
Chartered Accountants

PENKETH'S LIMITED

Abbreviated Accounts

Year ended 31st December 2005

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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 2005

The directors present their report and the financial statements of the company for the year ended 31st December 2005.

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 profit for the year, after taxation, amounted to £326,228. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

Financial risk management objectives and policies

a) the financial risk management objectives and policies of the company including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

b) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk;

unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

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 2005	At 1 January 2005
W Penketh	Ordinary	-	1,000
Mrs D Penketh	Ordinary	-	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'	1	1

PENKETH'S LIMITED

The Directors' Report *(continued)*

Year ended 31st December 2005

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 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.

Auditor

The auditor, Mitchell Charlesworth, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on .

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 8/6/06

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester

PENKETH'S LIMITED

Independent Auditor's Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 19, together with the financial statements of the company for the year ended 31st December 2005 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the 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 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.

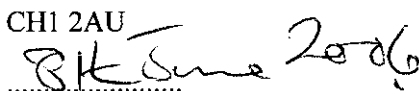
Opinion

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 5 to 19 are properly prepared in accordance with those provisions.



MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

24 Nicholas Street
Chester
CH1 2AU

 2006

PENKETH'S LIMITED

Abbreviated Profit and Loss Account

Year ended 31st December 2005

	Note	2005 £	2004 (restated) £
Gross profit		3,067,002	3,063,652
Administrative expenses		2,586,869	2,432,159
Operating profit	2	480,133	631,493
Income from fixed asset investments	5	4,322	2,161
Interest receivable	6	6,310	5,719
Interest payable and similar charges	7	(24,068)	(17,571)
Profit on ordinary activities before taxation		466,697	621,802
Tax on profit on ordinary activities	8	140,469	177,774
Profit for the financial year		326,228	444,028

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 8 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED

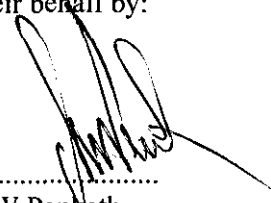
Abbreviated Balance Sheet

31st December 2005

	Note	2005		2004 (restated)	
		£	£	£	£
Fixed assets					
Intangible assets	10		—		28,125
Tangible assets	11		1,013,313		1,079,984
Investments	12		37,931		37,931
			<u>1,051,244</u>		<u>1,146,040</u>
Current assets					
Stocks	13	160,021		130,432	
Debtors	14	1,542,242		1,987,705	
Cash at bank and in hand		401,411		126,410	
		<u>2,103,674</u>		<u>2,244,547</u>	
Creditors: Amounts falling due within one year	16	<u>1,598,714</u>		<u>1,859,147</u>	
Net current assets			<u>504,960</u>		<u>385,400</u>
Total assets less current liabilities			<u>1,556,204</u>		<u>1,531,440</u>
Creditors: Amounts falling due after more than one year	17		<u>653,019</u>		<u>173,971</u>
			<u>903,185</u>		<u>1,357,469</u>
Provisions for liabilities					
Deferred taxation	15		—		2,000
			<u>903,185</u>		<u>1,355,469</u>
Capital and reserves					
Called-up equity share capital	18		12,004		15,004
Other reserves	19		3,000		—
Profit and loss account	20		888,181		1,340,465
Shareholders' funds	21		<u>903,185</u>		<u>1,355,469</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 9/1/06 and are signed on their behalf by:


S W Penketh

The notes on pages 8 to 19 form part of these abbreviated accounts.

PENKETH'S LIMITED

Cash Flow Statement

Year ended 31st December 2005

	Note	2005 £	2004 (restated) £
Net cash inflow from operating activities	22	706,152	598,117
Returns on investments and Servicing of finance			
Income from other fixed asset investments		4,322	2,161
Interest received		6,310	5,719
Interest paid		<u>(24,068)</u>	<u>(17,571)</u>
Net cash outflow from returns on investments and servicing of finance		(13,436)	(9,691)
Taxation		(185,812)	(213,544)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(17,178)	(79,156)
Receipts from sale of fixed assets		1,750	—
Disposal of investments		<u>—</u>	<u>2,075</u>
Net cash outflow for capital expenditure and financial investment		(15,428)	(77,081)
Equity dividends paid		(178,512)	(295,692)
Cash inflow before financing		312,964	2,109
Financing			
Purchase of own equity shares		(3,000)	—
Premium on purchase of own equity shares		(597,000)	—
Increase in/(repayment of) bank loans		<u>562,037</u>	<u>(65,692)</u>
Net cash outflow from financing		(37,963)	(65,692)
Increase/(decrease) in cash	23	<u>275,001</u>	<u>(63,583)</u>

The notes on pages 8 to 19 form part of these abbreviated accounts.

Year ended 31st December 2005

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

1. Accounting policies *(continued)*

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 average 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 2005

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2005	2004 <i>(restated)</i>
	£	£
Amortisation	28,125	42,333
Depreciation of owned fixed assets	76,419	76,503
Loss on disposal of fixed assets	5,680	4,027
Auditor's remuneration		
- as auditor	8,929	11,179
Operating lease costs:		
Plant and equipment	<u>116,487</u>	<u>118,606</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

3. Particulars of employees

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

	2005	2004 (restated)
	No	No
Number of administrative staff	25	23
Number of management staff	6	6
Number of sales staff	14	20
Number of warehouse staff	28	25
	<u>73</u>	<u>74</u>

The aggregate payroll costs of the above were:

	2005	2004 (restated)
	£	£
Wages and salaries	1,486,796	1,422,680
Social security costs	146,434	131,695
Other pension costs	69,907	55,776
	<u>1,703,137</u>	<u>1,610,151</u>

4. Directors' emoluments

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

	2005	2004 (restated)
	£	£
Emoluments receivable	207,370	201,032
Value of company pension contributions to money purchase schemes	50,316	40,144
	<u>257,686</u>	<u>241,176</u>

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

	2005	2004 (restated)
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

5. Income from fixed asset investments

	2005	2004 (restated)
	£	£
Other dividend income	4,407	4,346
Profit in share dealings	(85)	(2,185)
	<u>4,322</u>	<u>2,161</u>

6. Interest receivable

	2005	2004 (restated)
	£	£
Building society interest receivable	<u>6,310</u>	<u>5,719</u>

7. Interest payable and similar charges

	2005	2004 (restated)
	£	£
Interest payable on bank borrowing	392	117
Other similar charges payable	23,676	17,454
	<u>24,068</u>	<u>17,571</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2005	2004 (restated)
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	147,512	184,244
Total current tax	147,512	184,244
Deferred tax:		
Origination and reversal of timing differences	(7,043)	(6,470)
Tax on profit on ordinary activities	<u>140,469</u>	<u>177,774</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

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% (2004 - 30%).

	2005	2004 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>466,697</u>	<u>621,802</u>
Profit/(loss) on ordinary activities by rate of tax	140,909	186,541
Depreciation in excess of capital allowances	15,689	13,126
Amounts not deductible for tax purposes	13,100	8,329
Adjustment in respect of earlier periods	2,512	-
Other	<u>(24,698)</u>	<u>(23,752)</u>
Total current tax (note 8(a))	<u>147,512</u>	<u>184,244</u>

9. Dividends

Dividends on equity shares

	2005	2004 <i>(restated)</i>
	£	£
Paid		
Equity dividends on ordinary shares	<u>178,512</u>	<u>295,692</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2005 and 31st December 2005	<u>212,000</u>
Amortisation	
At 1st January 2005	183,875
Charge for the year	<u>28,125</u>
At 31st December 2005	<u>212,000</u>
Net book value	
At 31st December 2005	<u>-</u>
At 31st December 2004	<u>28,125</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

11. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 January 2005	944,326	185,720	53,090	190,402	1,373,538
Additions	—	468	6,750	9,960	17,178
Disposals	—	(810)	(24,890)	(38,910)	(64,610)
At 31 December 2005	<u>944,326</u>	<u>185,378</u>	<u>34,950</u>	<u>161,452</u>	<u>1,326,106</u>
Depreciation					
At 1 January 2005	52,648	106,247	39,302	95,357	293,554
Charge for the year	8,277	29,472	5,978	32,692	76,419
On disposals	—	(571)	(24,889)	(31,720)	(57,180)
At 31 December 2005	<u>60,925</u>	<u>135,148</u>	<u>20,391</u>	<u>96,329</u>	<u>312,793</u>
Net book value					
At 31 December 2005	<u>883,401</u>	<u>50,230</u>	<u>14,559</u>	<u>65,123</u>	<u>1,013,313</u>
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>

12. Investments

	£
Cost	
At 1st January 2005 and 31st December 2005	<u>37,931</u>
Net book value	
At 31st December 2005	<u>37,931</u>
At 31st December 2004	<u>37,931</u>

13. Stocks

	2005	2004 (restated)
	£	£
Stock	<u>160,021</u>	<u>130,432</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

14. Debtors

	2005	2004 (restated)
	£	£
Trade debtors	1,364,222	1,807,726
Other debtors	2,653	9,445
Prepayments and accrued income	170,324	170,534
Deferred taxation (note 15)	5,043	-
	<u>1,542,242</u>	<u>1,987,705</u>

Included in other debtors is £2,684 which relates to Mr P Mann's overdrawn directors current account, the maximum balance outstanding during the year was £3,735.

15. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2005	2004 (restated)
	£	£
Included in debtors (note 14)	5,043	-
Included in provisions	-	(2,000)
	<u>5,043</u>	<u>(2,000)</u>

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

	2005	2004 (restated)
	£	£
Balance brought forward	(2,000)	(8,470)
Profit and loss account movement arising during the year	7,043	6,470
Balance carried forward	<u>5,043</u>	<u>(2,000)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2005	2004 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	4,958	(2,000)
Other timing differences	85	-
	<u>5,043</u>	<u>(2,000)</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

16. Creditors: Amounts falling due within one year

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	111,346	28,357
Trade creditors	1,054,743	1,227,166
Corporation tax	145,000	183,300
Other taxation and social security	148,452	168,065
Directors current accounts	84,843	184,735
Accruals and deferred income	54,330	67,524
	<u>1,598,714</u>	<u>1,859,147</u>

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

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	<u>30,454</u>	<u>28,357</u>

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

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	<u>653,019</u>	<u>173,971</u>

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

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	<u>143,860</u>	<u>173,971</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

18. Share capital

Authorised share capital:

	2005	2004 (restated)
	£	£
15,000 Ordinary shares of £1 each	15,000	15,000
4 Ordinary Class 'A' - 'D' shares of £1 each	4	4
	<u>15,004</u>	<u>15,004</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	12,000	12,000	15,000	15,000
Ordinary Class 'A' - 'D' shares of £1 each	4	4	4	4
	<u>12,004</u>	<u>12,004</u>	<u>15,004</u>	<u>15,004</u>
Equity shares				
Ordinary shares of £1 each	12,000	12,000	15,000	15,000
Ordinary Class 'A' - 'D' shares of £1 each	4	4	4	4
	<u>12,004</u>	<u>12,004</u>	<u>15,004</u>	<u>15,004</u>

19. Other reserves

	2005	2004 (restated)
	£	£
Purchase of own shares	<u>3,000</u>	<u>—</u>

20. Profit and loss account

	2005	2004 (restated)
	£	£
Balance brought forward	1,340,465	1,192,129
Retained profit for the financial year	326,228	444,028
Equity dividends paid (FRS 25)	(178,512)	(295,692)
Purchase of own shares	<u>(600,000)</u>	<u>—</u>
Balance carried forward	<u>888,181</u>	<u>1,340,465</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

21. Reconciliation of movements in shareholders' funds

	2005		2004 (restated)	
	£	£	£	£
Profit for the financial year		326,228		444,028
Purchase of own ordinary shares	(3,000)		—	
Premium on purchase of own ordinary shares	(597,000)		—	
Equity dividends paid (FRS 25)		(178,512)		(295,692)
Net (reduction)/addition to shareholders' funds		(452,284)		148,336
Opening shareholders' funds		1,355,469		1,207,133
Closing shareholders' funds		<u>903,185</u>		<u>1,355,469</u>

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

	2005		2004 (restated)	
	£	£	£	£
Operating profit		480,133		631,493
Amortisation		28,125		42,333
Depreciation		76,419		76,503
Loss on disposal of fixed assets		5,680		4,027
(Increase)/decrease in stocks		(29,589)		4,538
Decrease/(increase) in debtors		450,506		(247,028)
(Decrease)/increase in creditors		(305,122)		86,251
Net cash inflow from operating activities		<u>706,152</u>		<u>598,117</u>

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

	2005		2004 (restated)	
	£	£	£	£
Increase/(decrease) in cash in the period		275,001		(63,583)
Net cash (inflow) from/outflow from bank loans		<u>(562,037)</u>		<u>65,692</u>
		(287,036)		2,109
Change in net debt		(287,036)		2,109
Net debt at 1 January 2005		<u>(75,918)</u>		<u>(78,028)</u>
Net debt at 31 December 2005		<u>(362,954)</u>		<u>(75,918)</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2005

24. Analysis of changes in net debt

	At 1 Jan 2005 £	Cash flows £	At 31 Dec 2005 £
Net cash:			
Cash in hand and at bank	<u>126,410</u>	<u>275,001</u>	<u>401,411</u>
Debt:			
Debt due within 1 year	(28,357)	(82,989)	(111,346)
Debt due after 1 year	<u>(173,971)</u>	<u>(479,048)</u>	<u>(653,019)</u>
	<u>(202,328)</u>	<u>(562,037)</u>	<u>(764,365)</u>
Net debt	<u>(75,918)</u>	<u>(287,036)</u>	<u>(362,954)</u>