

PENKETH'S LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st December 2007

Company Registration Number 1287607



MITCHELL CHARLESWORTH
Chartered Accountants

PENKETH'S LIMITED

Abbreviated Accounts

Year ended 31st December 2007

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PENKETH'S LIMITED

Officers and Professional Advisers

The board of directors

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

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 2007

The directors present their report and the financial statements of the company for the year ended 31st December 2007

Principal activities and business review

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

The directors are pleased with the results for the year which showed a 40% increase in profits before tax on the previous year. There is every confidence that similar results can be achieved in the forthcoming year.

Results and dividends

The profit for the year, after taxation, amounted to £477,621. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

Details of the financial risk management objectives and policies of the company are not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the year were as follows:

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

D J Finn was appointed as a director on 22nd October 2007.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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

PENKETH'S LIMITED

The Directors' Report *(continued)*

Year ended 31st December 2007

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 auditor is 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 auditor is aware of that information.

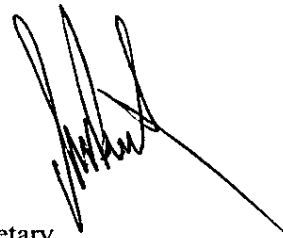
Auditor

A resolution to re-appoint Mitchell Charlesworth as auditor 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 28th May 2008

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester

INDEPENDENT AUDITOR'S REPORT TO PENKETH'S LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of Penketh's Limited for the year ended 31st December 2007 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 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.



MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

24 Nicholas Street
Chester
CH1 2AU

28/5/08

PENKETH'S LIMITED

Abbreviated Profit and Loss Account

Year ended 31st December 2007

	Note	2007 £	2006 £
Gross profit		3,492,234	3,236,583
Administrative expenses		2,798,314	2,682,055
Operating profit	2	693,920	554,528
Income from fixed asset investments	5	2,926	5,101
Interest receivable	6	13,324	13,732
Interest payable and similar charges	7	(43,698)	(49,785)
Profit on ordinary activities before taxation		666,472	523,576
Tax on profit on ordinary activities	8	188,851	137,344
Profit for the financial year		477,621	386,232

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 17 form part of these abbreviated accounts

PENKETH'S LIMITED

Abbreviated Balance Sheet

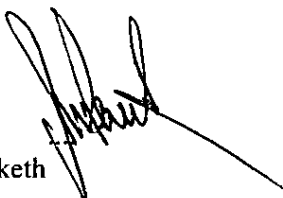
31st December 2007

	Note	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	10		1,114,273		1,107,899
Investments	11		35,239		37,106
			<u>1,149,512</u>		<u>1,145,005</u>
Current assets					
Stocks	12	202,163		187,535	
Debtors	13	2,260,354		1,936,305	
Cash at bank and in hand		173,867		111,987	
		<u>2,636,384</u>		<u>2,235,827</u>	
Creditors: Amounts falling due within one year	15	<u>2,284,947</u>		<u>1,870,255</u>	
Net current assets			<u>351,437</u>		<u>365,572</u>
Total assets less current liabilities			<u>1,500,949</u>		<u>1,510,577</u>
Creditors: Amounts falling due after more than one year	16		<u>490,295</u>		<u>569,352</u>
			<u>1,010,654</u>		<u>941,225</u>
Capital and reserves					
Called-up equity share capital	18		12,004		12,004
Other reserves	19		3,000		3,000
Profit and loss account	20		995,650		926,221
Shareholders' funds	21		<u>1,010,654</u>		<u>941,225</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 and authorised for issue on 28th May 2008 and are signed on their behalf by

S W Penketh



The notes on pages 8 to 17 form part of these abbreviated accounts

PENKETH'S LIMITED

Cash Flow Statement

Year ended 31st December 2007

	Note	2007 £	£	2006 £	£
Net cash inflow from operating activities	22		800,080		461,894
Returns on investments and Servicing of finance					
Income from other fixed asset investments		2,926		5,101	
Interest received		13,324		13,732	
Interest paid		<u>(43,698)</u>		<u>(49,785)</u>	
Net cash outflow from returns on investments and servicing of finance			(27,448)		(30,952)
Taxation			(140,851)		(137,220)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(91,815)		(174,552)	
Receipts from sale of fixed assets		7,296		11,482	
Disposal of investments		<u>1,867</u>		<u>825</u>	
Net cash outflow for capital expenditure and financial investment			(82,652)		(162,245)
Equity dividends paid			(408,192)		(348,192)
Cash inflow/(outflow) before financing			140,937		(216,715)
Financing					
Repayment of bank loans		<u>(79,057)</u>		<u>(72,709)</u>	
Net cash outflow from financing			(79,057)		(72,709)
Increase/(decrease) in cash	23		<u>61,880</u>		<u>(289,424)</u>

The notes on pages 8 to 17 form part of these abbreviated accounts

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

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

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
Computer 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

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, with the following exceptions

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

1. Accounting policies *(continued)*

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

	2007	2006
	£	£
Depreciation of owned fixed assets	59,982	53,874
Loss on disposal of fixed assets	18,163	14,610
Auditor's remuneration		
- as auditor	6,692	10,337
Operating lease costs		
Plant and equipment	<u>162,627</u>	<u>121,425</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

3. Particulars of employees

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

	2007	2006
	No	No
Number of administrative staff	32	27
Number of management staff	5	5
Number of sales staff	11	13
Number of warehouse staff	30	30
	<u>78</u>	<u>75</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	1,678,666	1,529,834
Social security costs	166,988	151,313
Other pension costs	75,437	73,289
	<u>1,921,091</u>	<u>1,754,436</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	227,926	205,388
Value of company pension contributions to money purchase schemes	55,593	52,359
	<u>283,519</u>	<u>257,747</u>

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

	2007	2006
	No	No
Money purchase schemes	<u>5</u>	<u>4</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

5. Income from fixed asset investments

	2007	2006
	£	£
Other dividend income	2,685	5,186
Profit in share dealings	241	(85)
	<u>2,926</u>	<u>5,101</u>

6. Interest receivable

	2007	2006
	£	£
Building society interest receivable	<u>13,324</u>	<u>13,732</u>

7. Interest payable and similar charges

	2007	2006
	£	£
Interest payable on bank borrowing	447	185
Other similar charges payable	<u>43,251</u>	<u>49,600</u>
	<u>43,698</u>	<u>49,785</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	<u>188,851</u>	<u>134,220</u>
Total current tax	<u>188,851</u>	<u>134,220</u>
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>3,124</u>
Tax on profit on ordinary activities	<u>188,851</u>	<u>137,344</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

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% (2006 - 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>666,472</u>	<u>523,576</u>
Profit on ordinary activities by rate of tax	199,942	160,646
Depreciation in excess of capital allowances	(1,374)	(4,804)
Amounts not deductible for tax purposes	10,017	16,476
Adjustment in respect of earlier periods	-	(8,313)
Other	<u>(19,734)</u>	<u>(29,785)</u>
Total current tax (note 8(a))	<u>188,851</u>	<u>134,220</u>

9. Dividends

Equity dividends

	2007 £	2006 £
Paid		
Equity dividends on ordinary shares	<u>408,192</u>	<u>348,192</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

10. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 January 2007	1,042,043	189,759	6,750	144,849	1,383,401
Additions	9,028	60,855	—	21,932	91,815
Disposals	(14,465)	(31,406)	(6,750)	(16,648)	(69,269)
At 31 December 2007	<u>1,036,606</u>	<u>219,208</u>	<u>—</u>	<u>150,133</u>	<u>1,405,947</u>
Depreciation					
At 1 January 2007	67,987	122,605	1,688	83,222	275,502
Charge for the year	8,307	19,293	900	31,482	59,982
On disposals	(540)	(24,740)	(2,588)	(15,942)	(43,810)
At 31 December 2007	<u>75,754</u>	<u>117,158</u>	<u>—</u>	<u>98,762</u>	<u>291,674</u>
Net book value					
At 31 December 2007	<u>960,852</u>	<u>102,050</u>	<u>—</u>	<u>51,371</u>	<u>1,114,273</u>
At 31 December 2006	<u>974,056</u>	<u>67,154</u>	<u>5,062</u>	<u>61,627</u>	<u>1,107,899</u>

National Westminster Bank Plc holds security in the form of a 1st legal charge over the leasehold property known as 4 Bassendale Road, Bromborough included above

Barclays Bank Plc holds security in the form of a legal charge over the leasehold property known as Unit 2, Bassendale Road, Bromborough included above

11. Investments

	£
Cost	
At 1st January 2007	37,106
Disposals	(1,867)
At 31st December 2007	<u>35,239</u>
Net book value	
At 31st December 2007	<u>35,239</u>
At 31st December 2006	<u>37,106</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

12. Stocks

	2007	2006
	£	£
Stock	<u>202,163</u>	<u>187,535</u>

13. Debtors

	2007	2006
	£	£
Trade debtors	2,025,503	1,752,890
Other debtors	8,782	8,919
Prepayments and accrued income	224,150	172,577
Deferred taxation (note 14)	1,919	1,919
	<u>2,260,354</u>	<u>1,936,305</u>

Included in other debtors is £494 which relates to Mr P Mann's overdrawn directors current account, the maximum balance outstanding during the year was £1,545

14. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2007	2006
	£	£
Included in debtors (note 13)	<u>1,919</u>	<u>1,919</u>

The movement in the deferred taxation account during the year was

	2007	2006
	£	£
Balance brought forward	1,919	5,043
Profit and loss account movement arising during the year	-	(3,124)
Balance carried forward	<u>1,919</u>	<u>1,919</u>

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

	2007	2006
	£	£
Excess of depreciation over taxation allowances	1,919	(1,166)
Other timing differences	-	3,085
	<u>1,919</u>	<u>1,919</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

15. Creditors: Amounts falling due within one year

	2007	2006
	£	£
Bank loans	122,304	122,304
Trade creditors	1,443,847	1,171,386
Corporation tax	190,000	142,000
Other taxation and social security	175,338	146,300
Directors current accounts	274,873	205,415
Accruals and deferred income	78,585	82,850
	<u>2,284,947</u>	<u>1,870,255</u>

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

	2007	2006
	£	£
Bank loans	<u>41,412</u>	<u>41,412</u>

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

	2007	2006
	£	£
Bank loans and overdrafts	<u>490,295</u>	<u>569,352</u>

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

	2007	2006
	£	£
Bank loans and overdrafts	<u>70,040</u>	<u>102,573</u>

17. Commitments under operating leases

At 31st December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 2 to 5 years	<u>16,600</u>	<u>164,419</u>	<u>16,600</u>	<u>94,775</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

18. Share capital

Authorised share capital:

	2007	2006
	£	£
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:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	12,000	12,000	12,000	12,000
Ordinary Class 'A' - 'D' shares of £1 each	4	4	4	4
	<u>12,004</u>	<u>12,004</u>	<u>12,004</u>	<u>12,004</u>

19. Other reserves

	2007	2006
	£	£
Capital redemption reserve	<u>3,000</u>	<u>3,000</u>

20. Profit and loss account

	2007	2006
	£	£
Balance brought forward	926,221	888,181
Retained profit for the financial year	477,621	386,232
Equity dividends	(408,192)	(348,192)
Balance carried forward	<u>995,650</u>	<u>926,221</u>

21. Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	477,621	386,232
Equity dividends	(408,192)	(348,192)
Net addition to shareholders' funds	69,429	38,040
Opening shareholders' funds	941,225	903,185
Closing shareholders' funds	<u>1,010,654</u>	<u>941,225</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2007

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

	2007 £	2006 £
Operating profit	693,920	554,528
Depreciation	59,982	53,874
Loss on disposal of fixed assets	18,163	14,610
Increase in stocks	(14,628)	(27,514)
Increase in debtors	(324,049)	(397,187)
Increase in creditors	366,692	263,583
Net cash inflow from operating activities	<u>800,080</u>	<u>461,894</u>

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

	2007 £	2006 £
Increase/(decrease) in cash in the period	61,880	(289,424)
Net cash outflow from bank loans	<u>79,057</u>	<u>72,709</u>
	140,937	(216,715)
Change in net debt	140,937	(216,715)
Net debt at 1 January 2007	(579,669)	(362,954)
Net debt at 31 December 2007	<u>(438,732)</u>	<u>(579,669)</u>

24. Analysis of changes in net debt

	At 1 Jan 2007 £	Cash flows £	At 31 Dec 2007 £
Net cash			
Cash in hand and at bank	<u>111,987</u>	<u>61,880</u>	<u>173,867</u>
Debt			
Debt due within 1 year	(122,304)	—	(122,304)
Debt due after 1 year	(569,352)	<u>79,057</u>	(490,295)
	(691,656)	<u>79,057</u>	(612,599)
Net debt	<u>(579,669)</u>	<u>140,937</u>	<u>(438,732)</u>