

BYRON & BYRON LIMITED

Directors' Report And Financial Statements

For the year ended 31 March 2012

WEDNESDAY



L1O4MMJ6

L12

19/12/2012

#131

COMPANIES HOUSE

Company Registration No 02327421 (England And Wales)

BYRON & BYRON LIMITED

COMPANY INFORMATION

Directors	O Gualtier L Diomidous
Secretary	A Gualtier
Company number	02327421
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

BYRON & BYRON LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

BYRON & BYRON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the company is that of the design and production of interior decorating accessories and fine art frames

The directors are pleased to report that trading levels have improved, helped by the new range of products launched in 2011. Although the gross margin has reduced in a competitive market, overhead costs have continued to be well controlled. The directors therefore report disappointing results but anticipate that the current year will show a reasonable profit from trading activities.

Directors

The following directors have held office since 1 April 2011

O Gualtieri

L Diomidous

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

BYRON & BYRON LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

O Gualtieri

Director

17 December 2012



BYRON & BYRON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BYRON & BYRON LIMITED

We have audited the financial statements of Byron & Byron Limited for the year ended 31 March 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BYRON & BYRON LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BYRON & BYRON LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Kingston Smith LLP.

Christopher Lane (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor

18/12/12

Devonshire House
60 Goswell Road
London
EC1M 7AD

BYRON & BYRON LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

		2012	2011
	Notes	£	£
Turnover	2	3,089,680	2,653,778
Cost of sales		(2,222,758)	(1,660,443)
Gross profit		866,922	993,335
Administrative expenses		(816,296)	(931,005)
Operating profit	3	50,626	62,330
Other interest receivable and similar income	4	21	4
Interest payable and similar charges		(1,275)	(2,941)
Profit on ordinary activities before taxation		49,372	59,393
Tax on profit on ordinary activities	5	(10,252)	(16,000)
Profit for the year	10	39,120	43,393

BYRON & BYRON LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6		27,714		19,413
Current assets					
Stocks		1,118,085		1,014,891	
Debtors	7	3,019,618		2,794,346	
Cash at bank and in hand		37,685		12,682	
		4,175,388		3,821,919	
Creditors: amounts falling due within one year	8	(1,252,400)		(929,750)	
Net current assets			2,922,988		2,892,169
Total assets less current liabilities			2,950,702		2,911,582
Capital and reserves					
Called up share capital	9		125,822		125,822
Profit and loss account	10		2,824,880		2,785,760
Shareholders' funds			2,950,702		2,911,582

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 17 December 2012

O Gualtieri
Director

Company Registration No 02327421

BYRON & BYRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services delivered during the accounting period, net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	25% reducing balance and 33% straight line
---------------------	--

1.5 Stock

Stock is valued at the lower of cost and net realisable value

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.7 Employee Benefit Trust

The company has established an Employee Benefit trust ('EBT'), which has an independent professional trustee, and the beneficiaries are the company's employees. The EBT receives contributions from the company and uses the accumulated assets to pay the company's employees for some or all of the services they have rendered to the company. The company recognises an expense in relation to these services when the trustees have earmarked the contributions for the benefit of specified employees such that the company cannot derive future economic benefit. No contributions were made in either 2011 or 2012.

2 Turnover

In the year to 31 March 2012 14% (2011 14%) of the company's turnover was to markets outside the United Kingdom

BYRON & BYRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging/(crediting)		
	Depreciation of tangible assets	9,198	8,369
	Operating lease rentals - land and buildings	135,000	120,000
	Auditors' remuneration	14,000	14,000
	Directors' emoluments		
	- Emoluments for qualifying services	124,246	138,596
	- Compensation for loss of office	-	13,750
	Profit on disposal of tangible assets	(767)	-
	(Profit)/loss on foreign exchange	(16,266)	31,796

4	Investment income	2012	2011
		£	£
	Bank interest	21	4

5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	10,252	16,000
	Total current tax	10,252	16,000

Part of the company's freehold property, occupied for its trade, was sold on 7 March 2008 and corporation tax on the gain arising on this disposal was deferred by way of roll-over relief and accordingly no provision was made for tax. If roll-over relief had not been obtained a corporation tax liability of approximately £395,000 would have arisen.

The remaining part of the freehold property was sold on 21 December 2009. Again, the company expects rollover relief to be available, for the portion relating to the period occupied, and accordingly no provision was made for tax. If roll-over relief is not obtained a corporation tax liability of approximately £212,000 would arise.

BYRON & BYRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

6 Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 April 2011	324,118
Additions	18,080
Disposals	(5,795)
At 31 March 2012	336,403
Depreciation	
At 1 April 2011	304,705
On disposals	(5,214)
Charge for the year	9,198
At 31 March 2012	308,689
Net book value	
At 31 March 2012	27,714
At 31 March 2011	19,413

Tangible fixed assets include assets with a net book value of £19,807 (2011 £8,967) which are held on finance leases. Depreciation charged on these assets in the year was £5,950 (2011 £2,988)

7 Debtors	2012 £	2011 £
Trade debtors	451,545	430,192
Amounts owed by parent and group undertakings	2,565,064	2,351,257
Other debtors	3,009	12,897
	3,019,618	2,794,346

The amount due from the immediate parent undertaking, Byron & Byron Holdings Limited of £2,561,457 (2011 £2,347,650) is technically due on demand. However, the funds of that company are substantially invested in freehold property used both by the group and as investment properties. Thus recovery of this amount is not expected until any such properties are disposed of and funds made available.

BYRON & BYRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

8 Creditors amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	404,057	82,067
Trade creditors	427,544	430,126
Taxation and social security	198,123	199,466
Other creditors	222,676	218,091
	<u>1,252,400</u>	<u>929,750</u>

The company's bank borrowings are secured by mortgages and fixed and floating charges over all of the company's present and future property and assets and a first charge over a life assurance policy in respect of the director O Gualtieri

9 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
125,822 Ordinary shares of £1 each	<u>125,822</u>	<u>125,822</u>

10 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 April 2011	2,785,760
Profit for the year	39,120
	<u>2,824,880</u>
Balance at 31 March 2012	<u>2,824,880</u>

11 Contingent liabilities

HMRC initiated an enquiry into the company's corporation tax return for the year ended 31 March 2003 in which the company claimed relief on payments made into the company's Employee Benefit Trust. The dispute centres around whether the payments made were tax deductible and as a result the company may be liable to pay further amounts of corporation tax. The estimated additional tax payment that is in dispute is approximately £90,000. Interest will also be payable if it is eventually agreed that the company has a liability in this respect.

The company has entered into unlimited guarantees in favour of the bankers of Byron & Byron Holdings Limited. At 31 March 2012 the contingent liability in this respect amounted to £4,965,201 (2011 £5,288,066).

BYRON & BYRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

12 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases as follows

	2012	2011
	£	£
Operating leases which expire		
Within one year	990	2,042

13 Control

The immediate parent company is Byron & Byron Holdings Limited, a company incorporated in England and Wales. O Gualtieri, a director, is considered the overall controlling party by virtue of his majority interest in the issued share capital of the ultimate parent company, Nabul AG, a company incorporated in Lichtenstein.

14 Related party relationships and transactions

During the year the company paid rent of £135,000 (2011 £120,000) and insurance of £35,819 (2011 £36,572) to Byron & Byron Holdings Limited. At the balance sheet date an amount of £2,561,457 (2011 £2,347,650) was due from Byron & Byron Holdings Limited, the company's immediate parent undertaking.

At the balance sheet date the company was owed £3,607 (2011 £3,607) from Nichols & Nichols Limited, a fellow subsidiary undertaking.

At the balance sheet date the company owed £127,152 (2011 £126,819) to Fretco Limited, a company under the common control of O Gualtieri. The amount owing includes a charge of £nil (2011 £40,000) for engineering development on new product lines.

During the year the company paid management fees of £18,479 (2011 £nil) to Nabul AG, the ultimate parent undertaking.

At the balance sheet date the company owed the director O Gualtieri £22,146 (2011 £25,960). This balance is included within other creditors.

O Gualtieri, a director, is a guarantor on the group's bank borrowings limited in total to £500,000 (2011 £500,000).

At the balance sheet date the company was owed £3,009 (2011 £nil) by L Diomidous, a director of the company.