

Company Registration No. 02660610 (England and Wales)

MARKETING & PROMOTIONAL SERVICES LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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MARKETING & PROMOTIONAL SERVICES LIMITED

COMPANY INFORMATION

Directors

Mr R D Kiefer
Mrs G F Kiefer

Secretary

Serviced Property and Asset Management Limited

Company number

02660610

Registered office

11 Manor Way
Old Woking
Surrey
GU22 9JX

Accountants

Morley and Scott
Winterton House
Nixey Close
Slough
Berkshire
SL1 1ND

MARKETING & PROMOTIONAL SERVICES LIMITED

CONTENTS

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

MARKETING & PROMOTIONAL SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007.

Principal activities

The principal activity of the company in the year under review was that of the design and supply of toys and novelties for promotional purposes.

Directors

The following directors have held office since 1 January 2007:

Mr R D Kiefer

Mrs G F Kiefer

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

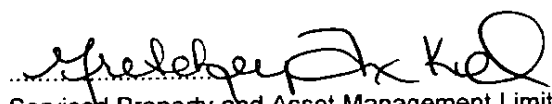
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


.....
Serviced Property and Asset Management Limited
Secretary
23/10/08
.....

MARKETING & PROMOTIONAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	2,701,845	2,107,346
Cost of sales		(2,030,267)	(1,771,925)
Gross profit		671,578	335,421
Administrative expenses		(633,758)	(679,876)
Other operating income		20,033	41,019
Operating profit/(loss)	3	57,853	(303,436)
Other interest receivable and similar income	4	3,701	9,461
Interest payable and similar charges		(13,307)	(10,042)
Profit/(loss) on ordinary activities before taxation		48,247	(304,017)
Tax on profit/(loss) on ordinary activities	5	(731)	44,601
Profit/(loss) for the year	13	47,516	(259,416)

MARKETING & PROMOTIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	6		7,661		10,215
Investments	7		124,171		124,171
			<u>131,832</u>		<u>134,386</u>
Current assets					
Stocks		189,782		138,751	
Debtors	8	700,512		666,606	
Cash at bank and in hand		417,476		196,186	
		<u>1,307,770</u>		<u>1,001,543</u>	
Creditors: amounts falling due within one year	9	<u>(828,603)</u>		<u>(567,505)</u>	
Net current assets			<u>479,167</u>		<u>434,038</u>
Total assets less current liabilities			610,999		568,424
Creditors: amounts falling due after more than one year	10		(93,474)		(98,415)
			<u>517,525</u>		<u>470,009</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		516,525		469,009
Shareholders' funds			<u>517,525</u>		<u>470,009</u>

MARKETING & PROMOTIONAL SERVICES LIMITED

BALANCE SHEET (CONTINUED)

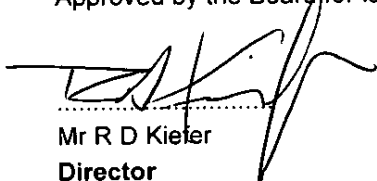
AS AT 31 DECEMBER 2007

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 23 Dec 08.



Mr R D Kieler
Director

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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 January 2007).

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 net invoiced sales of goods, excluding value added tax.

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:

Land and buildings Leasehold	25% on reducing balance
Plant and machinery	25% on reducing balance
Fixtures, fittings & equipment	25% on reducing balance

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in 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.

2 Turnover

In the year to 31 December 2007 89.00% (2006 - 67.50%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit/(loss)	2007 £	2006 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	2,554	3,146
Directors' emoluments	78,554	68,385

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

4	Investment income	2007 £	2006 £	
	Bank interest	3,701	9,461	
		<u>3,701</u>	<u>9,461</u>	
5	Taxation	2007 £	2006 £	
	Domestic current year tax			
	U.K. corporation tax	731	(35,919)	
	Adjustment for prior years	-	1,318	
		<u>731</u>	<u>(34,601)</u>	
	Current tax charge			
		731	(34,601)	
	Deferred tax			
	Deferred tax charge/credit current year	-	(10,000)	
		<u>731</u>	<u>(44,601)</u>	
6	Tangible fixed assets			
		Land and buildings	Plant and machinery etc	Total
		£	£	£
	Cost			
	At 1 January 2007 & at 31 December 2007	7,872	32,377	40,249
		<u>7,872</u>	<u>32,377</u>	<u>40,249</u>
	Depreciation			
	At 1 January 2007	7,685	22,349	30,034
	Charge for the year	47	2,507	2,554
		<u>7,732</u>	<u>24,856</u>	<u>32,588</u>
	At 31 December 2007			
		7,732	24,856	32,588
		<u>7,732</u>	<u>24,856</u>	<u>32,588</u>
	Net book value			
	At 31 December 2007	140	7,521	7,661
		<u>140</u>	<u>7,521</u>	<u>7,661</u>
	At 31 December 2006	187	10,028	10,215
		<u>187</u>	<u>10,028</u>	<u>10,215</u>

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

7 Fixed asset investments

	Unlisted investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 January 2007 & at 31 December 2007	117,354	28,465	145,819
Provisions for diminution in value			
At 1 January 2007 & at 31 December 2007	-	21,648	21,648
Net book value			
At 31 December 2007	117,354	6,817	124,171
At 31 December 2006	117,354	6,817	124,171

In 2004 the company made an investment loan of US\$21,053 to MAPS Asia, a company incorporated in Malaysia. In 2005 this loan was converted to an 80% equity interest in the company. Subsequently, in 2006 following the sale in the year under review of a part of the company's interest, this investment was reduced to a 50% equity interest. Since then, there has not been any change in the investment.

The company owns a 38.94% equity interest in the share capital of Serviced Property and Asset Management Limited. That company is registered in England and trades as a lessor of property and equipment. At 31 December 2006 its total capital and reserves amounted to £42,436 (2005:£32,612) and in the year ended it achieved a post tax profit amounting to £9,824 (2005:£18,881).

8 Debtors	2007 £	2006 £
Trade debtors	634,511	594,377
Other debtors	56,001	62,229
Deferred tax asset (see note 11)	10,000	10,000
	<u>700,512</u>	<u>666,606</u>

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

9 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	6,098	15,107
Trade creditors	499,074	456,996
Taxation and social security	25,718	32,458
Other creditors	297,713	62,944
	<u>828,603</u>	<u>567,505</u>
10 Creditors: amounts falling due after more than one year	2007 £	2006 £
Bank loans	<u>93,474</u>	<u>98,415</u>
Analysis of loans		
Not wholly repayable within five years by instalments	65,091	71,365
Wholly repayable within five years	34,481	32,862
	<u>99,572</u>	<u>104,227</u>
Included in current liabilities	<u>(6,098)</u>	<u>(5,812)</u>
	<u>93,474</u>	<u>98,415</u>
Instalments not due within five years	<u>65,091</u>	<u>71,365</u>

The bank loan represents amounts due to Barclays Bank PLC. The loan is payable over a 15 year period ending May 2019, by way of monthly installments initially at the rate of £991 per month, and bears interest at 2.2% over Barclays bank PLC Base Rate. Interest is charged quarterly and the periodic repayments are subject to annual review to take account of interest rate fluctuations.

The loan is secured by the way of fixed and floating charges over the whole of the assets and undertaking of the company and by way of a cross guarantee and debenture provided by Serviced Property and Asset Management Limited.

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

11 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2007 £
Balance at 1 January 2007 & at 31 December 2007	(10,000)

	2007 £	2006 £
Decelerated capital allowances	(10,000)	(10,750)
Tax losses available	-	750
	<u>(10,000)</u>	<u>(10,000)</u>

12 Share capital

	2007 £	2006 £
Authorised		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2007	469,009
Profit for the year	<u>47,516</u>
Balance at 31 December 2007	<u>516,525</u>

MARKETING & PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

14 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008:

	2007 £	2006 £
Operating leases which expire:		
Within one year	31,500	31,500

15 Related party transactions

Controlling party

In the opinion of the directors there is no one controlling party.

Saple International Limited

Mr W To owns 46.5% of the company's issued equity share capital and he is also the majority shareholder of Saple International Limited, incorporated in Hong Kong, which is a principal supplier to the company.

In the year under review the company purchased goods at a cost of £1,492,916 (2006:£1,008,142) and consultancy services at a cost of £71,429 (2006:86,286) from Saple International Limited. Such goods and services were purchased on normal commercial terms at prevailing market prices. The company is charged interest on late settlement of invoices for such matters and receives interest for early settlement. In the year under review the net amount of interest payable totalled £4,865 (2006:£2,785).

At the balance sheet date amounts due to Saple International Limited in these regards totalled £1,186 (2006:£299,818).

Serviced Property and Asset Management Limited

The company leases office premises from Serviced Property & Asset Management Limited, a company in which Mr.R D Kiefer and Mrs.G F Kiefer are directors and shareholders. In the year under review the company was charged amounts totalling £31,500 (2006:£31,500) excluding VAT for such services and, at the balance sheet date, amount outstanding and due by the company in these regards totalled £5,250 (2006:£10,500). The company has paid a lease deposit amounting to £12,000 to Serviced Property & Asset Management Limited and this amount is due to the company on expiry of the lease.

Finger Foods Limited

During the year, the company has not sold any goods & services to Finger Foods Limited (2006:£4,237), a company controlled by Mr.R D Kiefer. At the balance sheet date nothing was outstanding and due to the company (2006:£2,508 due to the company).