

COMPANY REGISTRATION NUMBER 143413

**A4 DISTRIBUTION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 JULY 2003**



Blueprint Audit Limited
Chartered Accountants Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

A4 DISTRIBUTION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2003

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditors' report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Notes to the abbreviated accounts	7

A4 DISTRIBUTION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Green D Robinson
Company secretary	A Green
Registered office	5 Logie Mill Beaver Bank Office Park Logie Green Road Edinburgh EH7 4HH
Auditors	Blueprint Audit Limited Chartered Accountants Registered Auditor Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

A4 DISTRIBUTION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2003.

Principal activities and business review

The principal activity of the company during the year was the wholesalers of sports equipment.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

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 not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 July 2003	At 1 August 2002
A Green	80	80
D Robinson	<u>20</u>	<u>20</u>

Directors' responsibilities

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 7 to 8, 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.

A4 DISTRIBUTION LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JULY 2003

Auditors

A resolution to re-appoint Blueprint Audit Limited 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:
5 Logie Mill
Beaver Bank Office Park
Logie Green Road
Edinburgh
EH7 4HH

Signed by order of the directors

x 

A Green
Company Secretary

Approved by the directors on x ^(DATE) 29/5/04

A4 DISTRIBUTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 14, together with the financial statements of the company for the year ended 31 July 2003 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 audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, 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 5 to 14 are properly prepared in accordance with those provisions.

Blueprint Audit Limited

Blueprint Audit Limited
Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date: 28/5/04

A4 DISTRIBUTION LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2003

	Note	2003 £	2002 £
Gross profit		2,535,301	2,267,918
Distribution costs		(779,766)	(601,592)
Administrative expenses		(1,407,343)	(1,377,041)
Operating profit	2	348,192	289,285
Interest receivable		1,045	2,915
Interest payable	5	(76,623)	(44,968)
Profit on ordinary activities before taxation		272,614	247,232
Tax on profit on ordinary activities	6	(65,245)	(53,408)
Retained profit for the financial year	16	207,369	193,824

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.

A4 DISTRIBUTION LIMITED
ABBREVIATED BALANCE SHEET
31 JULY 2003

	Note	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	8		163,905		138,417
Current assets					
Stocks	9	1,866,706		328,481	
Debtors	10	1,310,100		2,644,495	
Cash in hand		706		2,938	
		<u>3,177,512</u>		<u>2,975,914</u>	
Creditors: Amounts falling due within one year	11	<u>2,469,864</u>		<u>2,428,649</u>	
Net current assets			707,648		547,265
Total assets less current liabilities			871,553		685,682
Creditors: Amounts falling due after more than one year	12		20,483		47,855
			<u>851,070</u>		<u>637,827</u>
Provisions for liabilities and charges					
Deferred taxation	14		22,720		16,846
			<u>828,350</u>		<u>620,981</u>
Capital and reserves					
Called-up equity share capital	16		100		100
Share premium account	17		3,733		3,733
Profit and loss account	17		824,517		617,148
Shareholders' funds	18		<u>828,350</u>		<u>620,981</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 ^(date) 25/5/04 and are signed on their behalf by:

✓ 
A Green
Director

✓ 
D Robinson
Director

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidated accounts

In the opinion of the directors, the company and its subsidiary undertaking comprise a medium sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated on a straight line basis 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:

Fixtures and fittings	-	20-33%
Motor vehicles	-	25%
Computer and equipment	-	20-33%

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

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

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.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Employee benefit trusts

The company has established trusts for the benefit of employees and certain of their dependants. Monies contributed to these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where the company determines payments to a trust on the basis of employees' past services to the business and the company can obtain no future economic benefit from those contributions, such contributions paid or payable by the company to the trust are charged to the profit and loss account in the period to which they relate.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	37,476	39,188
Depreciation of assets held under hire purchase agreements	26,707	—
Auditors' remuneration		
- as auditors	5,205	2,775
Operating lease costs:		
Plant and equipment	—	1,100
Operating lease property	<u>49,840</u>	<u>32,500</u>

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

3. Particulars of employees

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

	2003	2002
	No	No
Management and administration	9	6
Selling and distribution	10	12
	<u>19</u>	<u>18</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,101,604	1,248,728
Social security costs	54,972	46,862
Other pension costs	148,913	19,893
	<u>1,305,489</u>	<u>1,315,483</u>

The company has made payments totalling £148,913 (2002: £19,893) to a defined contribution pension scheme, the assets of which are held in an independently administered fund. The pension cost charge represents the total contributions payable to the fund.

4. Directors' emoluments

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

	2003	2002
	£	£
Emoluments receivable	930,272	145,042
Value of company pension contributions to money purchase schemes	140,000	15,000
	<u>1,070,272</u>	<u>160,042</u>

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	704,370	77,347
Value of company pension contributions to money purchase schemes	137,000	12,000
	<u>841,370</u>	<u>89,347</u>

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

	2003 No	2002 No
Money purchase schemes	<u>2</u>	<u>2</u>

During the year the trustees of the Employee Benefit Trusts resolved at their discretion that £784,500 (2002: £nil) should be used for the benefit of the directors and this amount has been included in the aggregate emoluments stated above.

5. Interest payable

	2003 £	2002 £
Interest payable on bank borrowing	73,258	44,192
Finance charges	3,365	776
	<u>76,623</u>	<u>44,968</u>

6. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	56,274	36,562
Over provision in prior year	3,097	—
Total current tax	<u>59,371</u>	<u>36,562</u>
Deferred tax:		
Increase in deferred tax provision	<u>5,874</u>	<u>16,846</u>
Tax on profit on ordinary activities	<u>65,245</u>	<u>53,408</u>

A4 DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2003

(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 19% (2002 - 20%).

	2003 £	2002 £
Profit on ordinary activities before taxation	272,614	247,232
Profit on ordinary activities by rate of tax	51,797	49,446
Expenses not deductible for tax purposes	2,320	3,962
Capital allowances for the year in excess of depreciation	2,157	(16,846)
Adjustments to the tax charge in respect of prior years	3,097	—
Total current tax (note 6(a))	59,371	36,562

7. Fixed asset investment

The company owns 49% of the share capital of SARL F 4 Distribution a company incorporated in France. The company traded for the first time in the period to 31 May 2003. Its profit for the period was £20,698 and its aggregate capital and reserves £27,893.

8. Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Computer and equipment £	Total £
Cost				
At 1 August 2002	50,409	34,745	177,667	262,821
Additions	62,596	—	27,075	89,671
Disposals	(17,576)	—	(32,411)	(49,987)
At 31 July 2003	<u>95,429</u>	<u>34,745</u>	<u>172,331</u>	<u>302,505</u>
Depreciation				
At 1 August 2002	38,401	13,753	72,250	124,404
Charge for the year	10,190	8,686	45,307	64,183
On disposals	(17,576)	—	(32,411)	(49,987)
At 31 July 2003	<u>31,015</u>	<u>22,439</u>	<u>85,146</u>	<u>138,600</u>
Net book value				
At 31 July 2003	<u>64,414</u>	<u>12,306</u>	<u>87,185</u>	<u>163,905</u>
<i>At 31 July 2002</i>	<u>12,008</u>	<u>20,992</u>	<u>105,417</u>	<u>138,417</u>

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

Hire purchase agreements

Included within the net book value of £163,905 is £53,422 (2002 - £80,129) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £26,707 (2002 - £Nil).

9. Stocks

	2003	2002
	£	£
Goods for resale	1,866,706	328,481

10. Debtors

	2003	2002
	£	£
Trade debtors	876,705	790,928
Amounts owed by undertakings in which the company has a participating interest	75,683	73,311
Prepayments and accrued income	357,712	1,780,256
	<u>1,310,100</u>	<u>2,644,495</u>

11. Creditors: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	723,652	999,856
Trade creditors	211,775	155,018
Corporation tax	56,274	36,562
Other taxation and social security	127,668	212,484
Hire purchase agreements	26,972	25,767
Directors current accounts	559,158	19,993
Accruals and deferred income	764,365	978,969
	<u>2,469,864</u>	<u>2,428,649</u>

The bank holds a bond and floating charge over the assets and undertakings of the company together with a letter of guarantee for £160,000 from A Green, a director, supported by charges over his own property. The bank also holds a letter of guarantee for £800,000 from A Green and D Robinson, who are both directors of the company. An insurance policy on the life of A Green for £150,000 has been assigned to the bank.

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

	2003	2002
	£	£
Hire purchase agreements	<u>20,483</u>	<u>47,855</u>

A4 DISTRIBUTION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2003

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2003	2002
	£	£
Amounts payable within 1 year	26,972	25,767
Amounts payable between 2 to 5 years	20,483	47,855
	<u>47,455</u>	<u>73,622</u>

Obligations under hire purchase contracts are secured on the assets concerned.

14. Deferred taxation

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

	2003	2002
	£	£
Provision brought forward	16,846	—
Profit and loss account movement arising during the year	5,874	16,846
Provision carried forward	<u>22,720</u>	<u>16,846</u>

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	22,720	16,846
	<u>22,720</u>	<u>16,846</u>

15. Operating leases commitments

At 31 July 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	—	32,500
After more than 5 years	73,145	—
	<u>73,145</u>	<u>32,500</u>

A4 DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2003

16. Share capital

Authorised share capital:

	2003	2002
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. Reserves

	Share premium account	Profit and loss account
	£	£
Balance brought forward	3,733	617,148
Retained profit for the year	—	207,369
Balance carried forward	<u>3,733</u>	<u>824,517</u>

18. Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	207,369	193,824
Opening shareholders' equity funds	<u>620,981</u>	<u>427,157</u>
Closing shareholders' equity funds	<u>828,350</u>	<u>620,981</u>