

COMPANY REGISTRATION NUMBER 02797776

THORNTON COMMUNICATIONS LIMITED
FINANCIAL STATEMENTS
31 AUGUST 2007

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THORNTON COMMUNICATIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2007

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THORNTON COMMUNICATIONS LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 AUGUST 2007

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 August 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the installation of and consultancy in telecommunications and electronics

DIRECTOR

The director who served the company during the year was as follows

D F Lawson

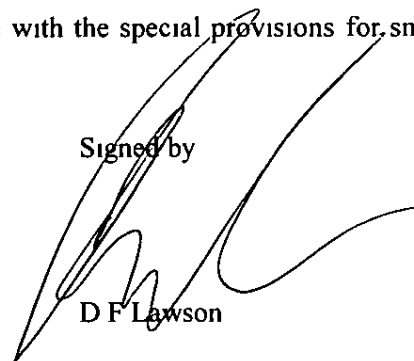
The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
230 Shirley Road
Southampton
Hampshire
SO15 3HR

Signed by



D F Lawson

Director

Approved by the director on 18 November 2007

THORNTON COMMUNICATIONS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2007

	Note	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
TURNOVER		654,279	1,188,057
Cost of sales		346,448	606,439
GROSS PROFIT		<u>307,831</u>	<u>581,618</u>
Distribution costs		–	3,081
Administrative expenses		185,899	465,541
OPERATING PROFIT	2	<u>121,932</u>	112,996
Interest receivable		1,901	3,159
Interest payable and similar charges	3	(242)	(2,540)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>123,591</u>	113,615
Tax on profit on ordinary activities	4	21,576	28,246
PROFIT FOR THE FINANCIAL YEAR		<u>102,015</u>	<u>85,369</u>

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

THORNTON COMMUNICATIONS LIMITED

BALANCE SHEET

31 AUGUST 2007

		2007		2006	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	6		—		—
Tangible assets	7		17,874		22,212
			<u>17,874</u>		<u>22,212</u>
CURRENT ASSETS					
Stocks		35,923		38,642	
Debtors	8	272,083		189,631	
Cash at bank		90,506		74,802	
			<u>398,512</u>	<u>303,075</u>	
CREDITORS: Amounts falling due within one year					
	9	167,744		178,660	
NET CURRENT ASSETS			<u>230,768</u>		<u>124,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>248,642</u>		<u>146,627</u>
CAPITAL AND RESERVES					
Called-up equity share capital	12		1,583		1,583
Profit and loss account	13		247,059		145,044
SHAREHOLDERS' FUNDS	14		<u>248,642</u>		<u>146,627</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved and signed by the director and authorised for issue on 18 November 2007

D F LAWSON

The notes on pages 4 to 9 form part of these financial statements

THORNTON COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Amortisation

Amortisation 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

Goodwill - evenly over estimated life of 20 years

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

Plant & Machinery	- 25% of cost
Fixtures & Fittings	- 25% of written down value
Motor Vehicles	- 25% of written down value
Office equipment	- 25% of written down value

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

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

THORNTON COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

1. ACCOUNTING POLICIES *(continued)***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)

	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
Director's emoluments	–	5,000
Director's pension contributions	–	799
Amortisation	–	2,400
Depreciation of owned fixed assets	9,361	47,912
Depreciation of assets held under hire purchase agreements	–	7,767
(Profit)/Loss on disposal of fixed assets	<u>(7,810)</u>	<u>3,104</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
Finance charges	<u>242</u>	<u>2,540</u>

4. TAXATION ON ORDINARY ACTIVITIES

	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
Current tax		
UK Corporation tax based on the results for the year at 19% (2006 - 19%)	<u>21,576</u>	<u>28,246</u>
Total current tax	<u>21,576</u>	<u>28,246</u>

THORNTON COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

5. DIVIDENDS**Equity dividends**

	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
Paid during the year		
Equity dividends on ordinary shares	<u>—</u>	<u>18,885</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2006 and 31 August 2007	<u>6,000</u>
AMORTISATION	
At 1 September 2006 and 31 August 2007	<u>(6,000)</u>
NET BOOK VALUE	
At 31 August 2007	<u>—</u>
At 31 August 2006	<u>—</u>

During the period ended 31 August 2006 the company fully amortised the goodwill

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 September 2006	344	1,254	80,994	21,134	103,726
Additions	—	—	7,463	—	7,463
Disposals	(344)	—	(37,844)	—	(38,188)
At 31 August 2007	<u>—</u>	<u>1,254</u>	<u>50,613</u>	<u>21,134</u>	<u>73,001</u>
DEPRECIATION					
At 1 September 2006	117	676	69,331	11,390	81,514
Charge for the year	—	116	4,229	5,016	9,361
On disposals	(117)	—	(35,631)	—	(35,748)
At 31 August 2007	<u>—</u>	<u>792</u>	<u>37,929</u>	<u>16,406</u>	<u>55,127</u>
NET BOOK VALUE					
At 31 August 2007	<u>—</u>	<u>462</u>	<u>12,684</u>	<u>4,728</u>	<u>17,874</u>
At 31 August 2006	<u>227</u>	<u>578</u>	<u>11,663</u>	<u>9,744</u>	<u>22,212</u>

THORNTON COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2007

7. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £17,874 is £Nil (2006 - £17,088) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2006 - £7,767)

8. DEBTORS

	2007	2006
	£	£
Trade debtors	135,684	150,131
Amounts owed by group undertakings	136,399	39,500
	<u>272,083</u>	<u>189,631</u>

9. CREDITORS: Amounts falling due within one year

	2007		2006
	£		£
Trade creditors		11,399	22,656
Other creditors including taxation and social security			
Corporation tax	28,395		28,119
PAYE and social security	6,413		9,466
VAT	8,528		739
Hire purchase agreements	-		2,723
Other creditors	105,195		106,256
Accruals and deferred income	7,814		8,701
	<u>156,345</u>		<u>156,004</u>
	<u>167,744</u>		<u>178,660</u>

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2007	2006
	£	£
Amounts payable within 1 year	-	2,723
	<u>-</u>	<u>2,723</u>

THORNTON COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

11. RELATED PARTY TRANSACTIONS

On the 1 September 2005 the company became a wholly owned subsidiary of Charabi Limited, a company incorporated in England & Wales, Registered number 02737063

During the year the company was charged £85,000 (2006 - £60,500) in respect of management charges by the parent company Charabi Limited. At 31 August 2007 Charabi Limited owed Thornton Communications Limited £136,399 (2006 - £39,500)

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

12. SHARE CAPITAL**Authorised share capital:**

	2007 £	2006 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1,583</u>	<u>1,583</u>	<u>1,583</u>	<u>1,583</u>

13. PROFIT AND LOSS ACCOUNT

	Year to 31 Aug 07 £	Period from 1 May 05 to 31 Aug 06 £
Balance brought forward	145,044	78,560
Profit for the financial year	102,015	85,369
Equity dividends paid (FRS 25)	-	(18,885)
Balance carried forward	<u>247,059</u>	<u>145,044</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	102,015	85,369
Equity dividends paid (FRS 25)	-	(18,885)
Net addition to shareholders' funds	<u>102,015</u>	<u>66,484</u>
Opening shareholders' funds	<u>146,627</u>	<u>80,143</u>
Closing shareholders' funds	<u>248,642</u>	<u>146,627</u>

THORNTON COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007

15. ULTIMATE PARENT COMPANY

Thornton Communications Limited is a wholly owned subsidiary of Charabi Limited, a company incorporated in England & Wales, Registered number 02737063