

**PROJECT FRAMING LTD**  
**REPORT AND ACCOUNTS**  
**30 JUNE 2010**

**RAWSE, VARLEY & CO**  
Chartered Accountants  
Bradford

## **PROJECT FRAMING LTD**

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**PROJECT FRAMING LTD**

<b>Director</b>	R Bremner
<b>Secretary</b>	L D Bremner
<b>Registered office</b>	112 Power Road Chiswick London W4 5PN
<b>Bankers</b>	HSBC Bank plc 133 Regent Street London W1A 4BQ
<b>Accountants</b>	Rawse, Varley & Co Chartered Accountants Lloyds Bank Chambers Hustlergate Bradford BD1 1UQ
<b>Company No.</b>	2730976

**PROJECT FRAMING LTD****DIRECTOR'S REPORT**

The director presents his report and the accounts for the year ended 30 June 2010.

**Principal activity**

The principal activity of the company is picture framing.

**Result and dividend**

The loss after taxation for the year amounted to £3,032.

The director does not recommend the payment of a dividend for the year.

**Directors**

Mr R Bremner is the current director and served throughout the year.

The director's report has been prepared taking advantage of the small companies exemption contained in section 415A of the Companies Act 2006.

R BREMNER

Director

30 March 2011

**PROJECT FRAMING LTD****CHARTERED ACCOUNTANTS' REPORT****to the director on the unaudited accounts of Project Framing Ltd**

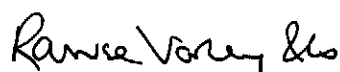
In accordance with the engagement letter dated 17 March 2005 and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the accounts of the company for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's director in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to him in this 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 director for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

You have acknowledged on the balance sheet as at 30 June 2010 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.



RAWSE, VARLEY & CO  
Chartered Accountants  
Bradford

30 March 2011

## **PROJECT FRAMING LTD**

### **ACCOUNTING POLICIES**

The company has adopted the following accounting policies which form an integral part of the accounts.

#### **Accounting convention**

The accounts are prepared under the historical cost convention.

#### **Turnover**

Turnover represents the invoice value of goods and services supplied, less returns, excluding value added tax.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated to write off the assets to their estimated residual values by the end of their useful lives at the following annual rates:

Plant and machinery	– 25% of book value
Furniture, fittings and equipment	– 20% and 25% of book value
Motor vehicles	– 25% of book value

#### **Stock and work in progress**

Stock and work in progress are stated at the lower of cost and estimated net realisable value. In the case of work in progress cost includes an appropriate proportion of manufacturing overheads.

#### **Deferred taxation**

Provision is made at projected rates of corporation tax in respect of all timing differences between the recognition of gains and losses in the accounts and tax computations. Deferred taxation assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future from which the underlying timing differences can be deducted.

**PROJECT FRAMING LTD****PROFIT AND LOSS ACCOUNT****Year ended 30 June 2010**

	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>		1,058,523	1,826,503
Cost of sales		614,222	947,508
		<hr/>	<hr/>
<b>Gross profit</b>		444,301	878,995
Administrative expenses		443,747	661,705
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>		(554)	217,290
Net interest payable	1	584	213
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation<sup>2</sup></b>		(1,138)	217,077
Taxation	4	1,894	54,599
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities after taxation</b>		(3,032)	162,478
Retained profit brought forward		479,989	317,511
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		<u>476,957</u>	<u>479,989</u>

All the components of operating (loss)/profit relate to continuing operations.

There were no recognised gains or losses other than the (loss)/profit for the year.

**PROJECT FRAMING LTD****BALANCE SHEET****30 June 2010**

	Note	£	2010 £	£	2009 £
<b>Net assets</b>					
<b>Fixed assets</b>					
Tangible assets	5		75,356		71,203
<b>Current assets</b>					
Stock and work in progress	6	86,663		95,730	
Debtors	7	456,882		318,515	
Cash at bank and in hand		<u>87,063</u>		<u>313,115</u>	
		630,608		727,360	
<b>Current liabilities</b>					
Creditors falling due within one year	8	<u>194,610</u>		<u>278,753</u>	
<b>Net current assets</b>			<u>435,998</u>		<u>448,607</u>
<b>Total assets less current liabilities</b>			511,354		519,810
Creditors falling due after more than one year	9	11,519		16,839	
<b>Provisions for liabilities</b>					
Deferred taxation	10	<u>2,878</u>	<u>14,397</u>	<u>2,982</u>	<u>19,821</u>
			<u>496,957</u>		<u>499,989</u>
<b>Financed by</b>					
<b>Capital and reserves</b>					
Called up share capital	11		20,000		20,000
Profit and loss account			<u>476,957</u>		<u>479,989</u>
			<u>496,957</u>		<u>499,989</u>

For the year ended 30 June 2010 the company was entitled to exemption from audit under Section 477 (2) of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibility for:

- (i) ensuring the company keeps accounting records which comply with Section 386;  
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 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

Approved on 30 March 2011

R BREMNER - Director



**PROJECT FRAMING LTD****NOTES TO THE ACCOUNTS****30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>1. Net interest payable</b>		
Bank interest receivable	(140)	(1,175)
Pension scheme loan payable	724	1,388
	<u>584</u>	<u>213</u>
<b>2. Profit on ordinary activities before taxation</b>		
This is stated after charging:		
Staff costs (note 3)	205,254	412,505
Depreciation	19,678	23,187
Operating lease charges – property lease	50,000	50,000
– equipment hire	<u>2,444</u>	<u>2,444</u>
<b>3. Staff costs</b>		
(a) Staff costs comprise:		
Wages and salaries	187,137	374,036
Social security costs	17,577	37,926
Other pension costs	540	543
	<u>205,254</u>	<u>412,505</u>
The average number of persons employed during the year was 10 (2009 – 11).		
(b) Directors' emoluments:		
Aggregate remuneration, including benefits in kind	<u>25,461</u>	<u>134,120</u>

Retirement benefits are accruing in respect of one director under a money purchase pension scheme.

**PROJECT FRAMING LTD****NOTES TO THE ACCOUNTS****30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>4. Taxation</b>		
a) Analysis of charge for the year		
Current tax:		
UK corporation tax on the (loss)/profit for the year	1,998	54,713
Deferred tax:		
Origination and reversal of timing differences	(104)	(114)
	<hr/>	<hr/>
Tax charge on (loss)/profit on ordinary activities	<u>1,894</u>	<u>54,599</u>
b) Factors affecting the current tax charge for the year		
The tax assessed for the year differs from the small companies rate of corporation tax of 21% as explained below.		
(Loss)/profit on ordinary activities before taxation	(1,138)	<u>217,077</u>
(Loss)/profit on ordinary activities at 21% (2009 – 21%)	(239)	45,586
Effects of:		
Expenses not deductible for tax purposes	2,133	2,186
Capital allowances less than depreciation	104	114
Tax at higher rate	-	6,827
	<hr/>	<hr/>
Current tax charge	<u>1,998</u>	<u>54,713</u>

**PROJECT FRAMING LTD****NOTES TO THE ACCOUNTS**  
**30 June 2010****5. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Furniture, fittings, and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Cost:				
1 July 2009	126,557	105,649	59,497	291,703
Additions	3,475	5,903	18,000	27,378
Disposals	-	-	(17,497)	(17,497)
	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2010	130,032	111,552	60,000	301,584
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
1 July 2009	108,583	86,680	25,237	220,500
Charge for the year	5,362	5,751	8,565	19,678
Disposals	-	-	(13,950)	(13,950)
	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2010	113,945	92,431	19,852	226,228
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts:				
30 June 2010	<u>16,087</u>	<u>19,121</u>	<u>40,148</u>	<u>75,356</u>
30 June 2009	<u>17,974</u>	<u>18,969</u>	<u>34,260</u>	<u>71,203</u>

There were no contracted commitments to future capital expenditure (2009 – none).

	<b>2010 £</b>	<b>2009 £</b>
<b>6. Stock and work in progress</b>		
Materials and consumables	<u>86,663</u>	<u>95,730</u>
<b>7. Debtors</b>		
Trade debtors	405,076	288,354
Other debtors	35,276	11,361
Prepayments and accrued income	16,530	18,800
	<hr/>	<hr/>
	<u>456,882</u>	<u>318,515</u>

**PROJECT FRAMING LTD****NOTES TO THE ACCOUNTS**  
**30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>8. Creditors falling due within one year</b>		
Trade creditors	144,464	111,857
Corporation tax	1,998	50,233
Other taxation and social security	28,216	24,900
Pension scheme loan (note 9)	5,490	5,479
Director's current account	1,303	1,303
Accruals	13,139	84,981
	<u>194,610</u>	<u>278,753</u>
<b>9. Creditors falling due after more than one year</b>		
Pension scheme loan repayable within five years	17,009	22,318
Less: falling due within one year	5,490	5,479
	<u>11,519</u>	<u>16,839</u>
<b>10. Deferred taxation</b>		
Opening balance	2,982	3,096
(Credit)/charge to profit and loss account	(104)	(114)
	<u>2,878</u>	<u>2,982</u>
Closing balance	<u>2,878</u>	<u>2,982</u>
Comprising:		
Capital allowances in excess of depreciation	<u>2,878</u>	<u>2,982</u>
<b>11. Share capital</b>		
Authorised:		
50,000 shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

## PROJECT FRAMING LTD

NOTES TO THE ACCOUNTS  
30 June 2010

	2010 £	2009 £
<b>12. Reconciliation of movements in shareholders' funds</b>		
(Loss)/profit for the year	(3,032)	162,478
Opening shareholders' funds	499,989	337,511
	<hr/>	<hr/>
Closing shareholders' funds	<u>496,957</u>	<u>499,989</u>

**13. Operating lease commitments**

	Land and buildings		Equipment	
	2010 £	2009 £	2010 £	2009 £
Amounts payable in the next financial year in respect of operating leases expiring				
Between one and two years	-	-	2,444	-
Between two and five years	-	-	-	2,444
After five years	50,000	50,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>50,000</u>	<u>50,000</u>	<u>2,444</u>	<u>2,444</u>

**14. Pension commitments**

The company operates money purchase pension schemes for directors and staff. The schemes' funds are administered by trustees and are independent of the company's finances.

**15. Bank security**

Bank borrowing is secured by a debenture over the company's assets. There was no bank borrowing at 30 June 2010 (2009 – none).

**PROJECT FRAMING LTD****NOTES TO THE ACCOUNTS****30 June 2010****16. Related party transactions**

- (a) The director's current account of Mr R Bremner was in credit at 30 June 2010 by £1,303 (2009 – £1,303). The account is interest free and repayable on demand.
- (b) The company made the following transactions with Osborne & Allen Limited on normal commercial terms:

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Sales	158,717	85,258
Purchases	21,752	4,443
Purchase of fixed asset	<u>18,000</u>	<u>-</u>

There was an amount owing by Osborne & Allen Limited at 30 June 2010 of £154,003 (2009 - £78,433).

Mr R Bremner has an interest in these transactions by virtue of his shareholding in Osborne & Allen Limited.

- c) The company obtained a loan from the Project Framing Limited SSAS Fund as disclosed in note 9. The loan has been made on normal commercial terms, interest being payable at bank base rate plus 3% over the five year term of the loan.

**17. Controlling party**

The company's ultimate controlling party is Mr R Bremner.

**PROJECT FRAMING LTD****TRADING ACCOUNT**  
**Year ended 30 June 2010**

		<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Sales</b>		1,058,523	1,826,503
<b>Cost of sales</b>			
<b>Purchases</b>			
Mouldings	216,243	252,241	
Mountboard	33,915	67,235	
Glass and hardboard	59,162	96,782	
Packaging	67,669	76,616	
Other materials	22,820	32,662	
Printing, scanning, pictures and other goods	167,471	347,933	
Freight and carriage	29,198	34,194	
	<hr/>	<hr/>	
	596,478	907,663	
Decrease in stock and work in progress	17,744	39,845	
	<hr/>	<hr/>	
		614,222	947,508
<b>Gross profit</b>		<hr/>	<hr/>
42.0% of sales (2009 – 48.1%)		444,301	878,995
<b>Overheads</b>			
	<b>Schedule</b>		
Staff costs	1	205,254	412,505
Establishment costs	2	106,645	110,361
General costs	3	113,231	115,652
Financial costs	4	584	213
Depreciation	5	19,725	23,187
		<hr/>	<hr/>
		445,439	661,918
<b>(Loss)/profit on ordinary activities before taxation</b>		<hr/>	<hr/>
		(1,138)	217,077

**PROJECT FRAMING LTD****SCHEDULES TO TRADING ACCOUNT**  
**Year ended 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>1. Staff costs</b>		
Salaries and wages	187,137	374,036
National insurance contributions	17,577	37,926
Pension contributions	540	543
	<u>205,254</u>	<u>412,505</u>
<b>2. Establishment costs</b>		
Rent	50,000	50,000
Rates and water	19,892	19,377
Maintenance, repairs and waste removal	18,836	25,768
Light and heat	15,473	12,772
Hire of forklift	2,444	2,444
	<u>106,645</u>	<u>110,361</u>
<b>3. General costs</b>		
Advertising and promotion	-	171
Artists' commissions	52,515	54,149
Travel and entertaining	14,313	13,852
Motor expenses	9,203	10,925
Printing, postage and stationery	2,246	6,176
Telephone	5,663	5,010
Insurance	17,589	19,425
Legal and professional	1,290	960
Accountancy	3,000	3,900
Bank charges	910	846
Exchange rate differences	(4,219)	(9,182)
Miscellaneous expenses	10,721	9,420
	<u>113,231</u>	<u>115,652</u>
<b>4. Financial costs</b>		
Pension scheme loan interest	724	1,388
Bank and other interest receivable	(140)	(1,175)
	<u>584</u>	<u>213</u>

**This page does not form part of the statutory accounts**



**PROJECT FRAMING LTD****SCHEDULES TO TRADING ACCOUNT****Year ended 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>5. Depreciation</b>		
Plant and machinery	5,362	5,992
Furniture, fittings and equipment	5,751	5,775
Motor vehicles	8,565	11,420
	<hr/>	<hr/>
	19,678	23,187
Loss on disposal of motor vehicle	47	-
	<hr/>	<hr/>
	<u>19,725</u>	<u>23,187</u>

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