

**Xiod Distribution UK Limited**  
**Registered no. 02162039**

**Annual report**

**For the year ended 31 December 2005**



# **Xiod Distribution UK Limited**

## **Annual Report for the year ended 31 December 2005**

	<b>Page</b>
Directors' report	2-3
Independent auditors' report	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-12

# **Xiod Distribution UK Limited**

## **Directors' report for the year ended 31 December 2005**

The Directors present their report and the audited financial statements for the year ended 31 December 2005.

### **Principal activities**

The Company's principal activities during the year were distributors of consumer electronics products.

### **Review of business and future developments**

The company recommenced trading on 1 January 2005 and as a result of a change in business strategy the company decided to terminate its trading activities in July 2005. Despite this, the company was able to make a favourable profit in the year.

### **Results and dividends**

The profit for the year after taxation was £223,000 (2004: Nil). No dividend was paid during the year and the Directors do not recommend payment of any dividend (2004: Nil). In 2004, the company was non-trading and dormant.

### **Directors**

The Directors, none of whom have a beneficial interest in the shares of the Company, who served during the period were:-

H G Park	appointed on 2 March 2004
C K Kwak	appointed on 4 July 2003

# **Xiod Distribution UK Limited**

## **Directors' report**

**for the year ended 31 December 2005** *(Continued)*

### **Policy on practice and payment of creditors**

The Company's policy with regard to the payment of its suppliers is to:

- Agree the terms of payment at the start of business with that supplier;
- Ensure that the suppliers are made aware of the terms of payment; and
- Pay in compliance with its contractual and legal obligations.

### **Post balance sheet date events**

The Directors are not aware of any important events affecting the Company since the year-end.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

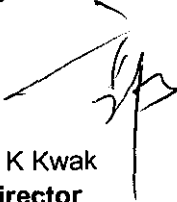
### **Statement of directors' responsibilities**

The Directors are required by UK company law to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

The Directors confirm that suitable accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2005. The Directors also confirm that applicable accounting standards have been followed and that financial statements have been prepared on the going concern basis.

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.

**By order of the board**



C K Kwak  
Director

22<sup>nd</sup> March 2006

## **Xiod Distribution UK Limited**

### **Independent auditors' report to the members of Xiod Distribution UK Limited**

We have audited the financial statements of Xiod Distribution UK Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

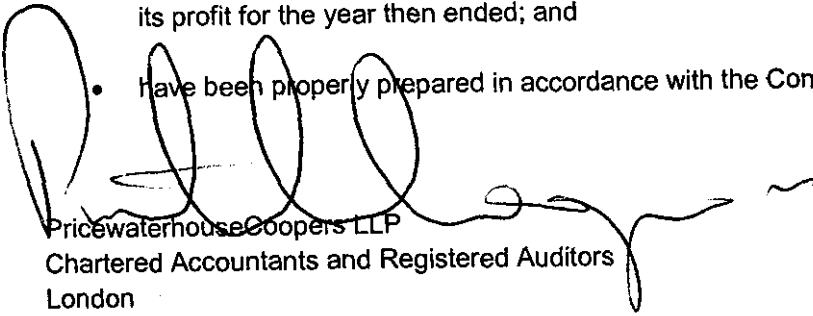
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Xiod Distribution UK Limited

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- Have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

22<sup>nd</sup> March 2006

# Xiod Distribution UK Limited

## Profit and loss account for the year ended 31 December 2005

	<i>Notes</i>	2005 £'000	2004 £'000
Turnover	2	9,786	-
Cost of sales		(8,563)	-
<b>Gross profit</b>		<b>1,223</b>	-
Other operating expenses	3	(776)	-
<b>Operating profit</b>		<b>447</b>	-
Interest payable and similar charges	4	(128)	-
<b>Profit on ordinary activities before taxation</b>		<b>319</b>	-
Taxation	6	(96)	-
<b>Profit on ordinary activities after taxation</b>		<b>223</b>	-
<b>Retained loss at 1 January</b>		<b>(97)</b>	<b>(97)</b>
<b>Retained profit/(loss) at 31 December</b>	12	<b>126</b>	<b>(97)</b>

The Company has no recognised gains and losses other than the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

All of the amounts stated above relate to continuing operations.

# Xiod Distribution UK Limited

## Balance sheet at 31 December 2005

	Notes	2005 £'000	2004 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	981	3
Cash at bank and in hand		31	-
		<b>1,012</b>	<b>3</b>
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	<b>(786)</b>	<b>-</b>
<b>Net current assets</b>		<b>226</b>	<b>3</b>
<b>Net assets</b>		<b>226</b>	<b>3</b>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	126	(97)
<b>Equity shareholders' funds</b>	<b>13</b>	<b>226</b>	<b>3</b>

The financial statements on pages 6 to 12 were approved by the Board of Directors on ~~22 March 2006~~ and were signed on its behalf by:

  
C K Kwak  
Director



# **Xiod Distribution UK Limited**

## **Notes to the financial statements for the year ended 31 December 2005**

### **1 Principal accounting policies**

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Directors consider that the accounting policies adopted are suitable, have been applied consistently and are supported by reasonable and prudent judgements and estimates. A summary of the more important Company accounting policies is set out below.

The company is exempt from preparing and delivering to the Registrar of Companies consolidated financial statements as it is a wholly owned subsidiary of the ultimate parent, Samsung corporation, incorporated in Korea, whose accounts are publicly available.

#### **Basis of accounting**

These accounts have been prepared on a going concern basis.

#### **Changes to accounting policy**

The application of the presentation requirements in FRS 25 Financial instruments: disclosure and presentation had no impact for the company for the year ending 31 December 2005.

#### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year except where rates of exchange are fixed under contractual arrangements. All differences on exchange are taken directly to the profit and loss account.

#### **Cash flow statement**

In accordance with FRS 1 (revised), the company has not prepared a statement of cash flows for the current year, as it is a wholly owned subsidiary of the Samsung Corporation Group (incorporated in Korea) whose financial statements are publicly available.

#### **Revenue recognition**

In accordance with the amendment to FRS 5 'Reporting the substance of transactions' namely Application Note G 'Revenue Recognition', the Company reports turnover relating to certain transactions undertaken during the year on a net recognition basis. Application Note G states that where the seller is not exposed to the majority of the benefits and risks associated with the exchange transaction, then the substance of the transaction is that the seller acts as an agent. Consequently, the Company reports as turnover the commission or other amounts received or receivable in return for its performance under the contractual arrangement. For all transactions revenue is recognised at the bill of landing date when the risks and rewards have transferred to the customer and the collection of debt is reasonably assured.

# Xiod Distribution UK Limited

## Notes to the financial statements for the year ended 31 December 2005

### 2 Turnover

The Company's turnover results from general merchandising. Turnover represents invoiced sales, less credit notes as well as settlement discount, net of value added tax, to third parties. Turnover is solely to UK customers.

### 3 Other operating expenses

	2005 £'000	2004 £'000
Distribution costs	351	-
Administrative expenses	425	-
	776	-

### 4 Interest payable and similar charges

	2005 £'000	2004 £'000
Group Interest	128	-

### 5 Profit on ordinary activities before taxation

The auditors' remuneration in respect of audit services provided for the year ending 31 December 2005 has been borne by Samsung UK Limited.

### 6 Taxation

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	319	-
Profit on ordinary activities at the UK tax rate 30%	96	-

# Xiod Distribution UK Limited

## Notes to the financial statements for the year ended 31 December 2005

### 7 Directors' emoluments

Emoluments in respect of Mr. H G Park and Mr. C K Kwak's services provided to Xiod Distribution UK Limited as directors were paid by Samsung UK Limited. Both directors are directors of Samsung UK Limited and it is not possible to make an accurate apportionment of their emoluments in respect of the Company's activities, which are not considered to be material. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Samsung UK Limited.

### 8 Employee information

The average monthly number of persons (solely executive directors) employed by the Company during the year was:

	2005	2004
Administration	2	2

#### Staff cost

Sales and Admin services are provided by Samsung UK Ltd employees. Accordingly the Wages and Salaries are borne and paid by Samsung UK. A service fee for backroom service support is charged to the Company for the service provided. It is not possible to make an accurate apportionment of Samsung UK Limited employees' wages & salaries included in the overall service fee.

### 9 Debtors

	2005 £'000	2004 £'000
<b>Amounts falling due within one year</b>		
Trade debtors - third party	457	-
Amounts owed by group undertakings	321	3
Other debtors	203	-
	<b>981</b>	<b>3</b>

### 10 Creditors

	2005 £'000	2004 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	410	-
Other creditors	278	-
Accruals and deferred income	2	-
Corporation Tax	96	-
	<b>786</b>	<b>-</b>

# Xiod Distribution UK Limited

## Notes to the financial statements for the year ended 31 December 2005

### 11 Share capital

	2005 £'000	2004 £'000
Authorised ordinary shares capital of £1 each		
At 1 January	500	500
At 31 December	500	500
Allotted, called up and fully paid ordinary shares of £1 each		
At 1 January	100	100
At 31 December	100	100

### 12 Reserves – Profit and loss account

	2005 £'000	2004 £'000
At 1 January	(97)	(97)
Profit for the year	223	-
At 31 December	126	(97)

### 13 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Opening shareholders' funds	3	3
Profit for the financial year	223	-
Closing shareholders' funds	226	3

## **Xiod Distribution UK Limited**

### **Notes to the financial statements for the year ended 31 December 2005**

#### **14 Guarantees**

As at 31 December 2005, Xiod Distribution UK Limited had no guarantee (2004: nil) over amounts borrowed by any other parties.

#### **15 Related party transactions**

In accordance with Financial Reporting Standard No.8 : Related Party Disclosures, the Company is exempt from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial accounts.

#### **16 Ultimate parent and controlling company**

The company is 75% owned and controlled by Samsung UK Limited, the immediate parent undertaking. The ultimate parent undertaking and controlling company is Samsung Corporation, incorporated in Korea, and is the parent company of the largest group that consolidates these financial statements. Copies of that company's consolidated accounts may be obtained from Samsung Plaza, 263 Seohyun-dong, Bundang-Ku, Kyungki-do, Korea.