

COMPANY REGISTRATION NUMBER 2828751

ANGEL CARDS LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2008



HURST MORRISON THOMSON LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

ANGEL CARDS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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ANGEL CARDS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A B D Negal
J Wilson
S M Negal
G M Warner
J Negal

Company secretary

J Wilson

Registered office

5 Fairmile
Henley On Thames
Oxfordshire
RG9 2JR

Auditor

Hurst Morrison Thomson LLP
Chartered Accountants
& Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

Bankers

Natwest plc
PO Box 12263
1 Princes Street
London
EC2R 8PH

Solicitors

Bracher Rawlins
180 Fleet Street
London
EC4A 2HO

ANGEL CARDS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements of the company for the year ended 31 March 2008

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the retailing of greeting cards, gifts and stationery. The whole of the turnover is attributable to this continuing activity.

DIRECTORS

The directors who served the company during the year were as follows

A B D Negal
J Wilson
S M Negal
G M Warner
B Negal
J Negal

B Negal resigned as a director on 19 May 2007

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and 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 these 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ANGEL CARDS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

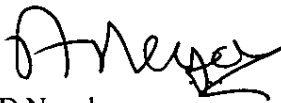
AUDITOR

A resolution to appoint Hurst Morrison Thomson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

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

Signed on behalf of the directors



A B D Negal

Approved by the directors on 30/1/2008

ANGEL CARDS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANGEL CARDS LIMITED

YEAR ENDED 31 MARCH 2008



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR
telephone 01491 579866
facsimile 01491 573397
email hmt@hmtgroup.co.uk
www.hmtgroup.com

We have audited the financial statements of Angel Cards Limited for the year ended 31 March 2008 on pages 6 to 14, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 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 auditor's 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 DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 judgements 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.

ANGEL CARDS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANGEL CARDS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2008

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

30th June, 2008

ANGEL CARDS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
TURNOVER		1,100,254	1,276,759
Cost of sales		<u>277,160</u>	<u>626,325</u>
GROSS PROFIT		823,094	650,434
Administrative expenses		659,745	1,079,590
Other operating income	2	<u>—</u>	<u>(16,000)</u>
OPERATING PROFIT/(LOSS)	3	163,349	(413,156)
Interest payable and similar charges		1,995	969
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		161,354	(414,125)
Tax on profit/(loss) on ordinary activities	5	(32,430)	81,025
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>128,924</u>	<u>(333,100)</u>

The notes on pages 8 to 14 form part of these financial statements.

ANGEL CARDS LIMITED

BALANCE SHEET

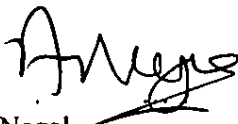
31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	6	48,561	60,105
Tangible assets	7	189,284	185,025
		<u>237,845</u>	<u>245,130</u>
CURRENT ASSETS			
Stocks		194,576	120,000
Debtors	8	86,653	142,435
Cash in hand		10,506	10,009
		<u>291,735</u>	<u>272,444</u>
CREDITORS: Amounts falling due within one year	10	384,600	540,637
NET CURRENT LIABILITIES		<u>(92,865)</u>	<u>(268,193)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>144,980</u>	<u>(23,063)</u>
CREDITORS: Amounts falling due after more than one year	11	404,679	365,560
		<u>(259,699)</u>	<u>(388,623)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	100	100
Profit and loss account	16	(259,799)	(388,723)
DEFICIT	17	<u>(259,699)</u>	<u>(388,623)</u>

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

These financial statements were approved by the directors and authorised for issue on
and are signed on their behalf by

30) 6) 2008


A B D Negal

The notes on pages 8 to 14 form part of these financial statements.

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Going Concern

The company is being supported by loans and extended credit facilities obtained from a company related by common ownership. The directors, who are also directors of the other group company, intend to continue providing this support to the company for the foreseeable future as they wish the company to continue providing the services which it currently offers. For this reason, it was thought appropriate to prepare the financial statements on a going concern basis. The accounts do not include any adjustments which would arise from the withdrawal of this support.

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 - 10 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:

Leasehold Premium - 14 years
Fixtures & Fittings - between 3 to 14 years
Motor Vehicles - 4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

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

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

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.

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

2. OTHER OPERATING INCOME

	2008	2007
	£	£
Other operating income	<u>—</u>	<u>16,000</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	2008	2007
	£	£
Amortisation	11,544	9,795
Depreciation of owned fixed assets	25,042	43,724
Depreciation of assets held under hire purchase agreements	4,351	—
Profit on disposal of fixed assets	—	(13,009)
Misappropriation of cash	—	41,277
Auditor's fees	<u>5,500</u>	<u>5,000</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2008	2007
	£	£
Aggregate emoluments	32,174	51,724
Value of company pension contributions to money purchase schemes	<u>2,014</u>	<u>2,450</u>
	<u>34,188</u>	<u>54,174</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2008	2007
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2008	2007
	£	£
Deferred tax		
Origination and reversal of timing differences (note 9)		
Capital allowances	<u>32,430</u>	<u>(81,025)</u>

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2007 and 31 March 2008	<u>95,244</u>
AMORTISATION	
At 1 April 2007	35,139
Charge for the year	<u>11,544</u>
At 31 March 2008	<u>46,683</u>
NET BOOK VALUE	
At 31 March 2008	<u>48,561</u>
At 31 March 2007	<u>60,105</u>

Goodwill arose on the purchase of retail property and is being written off over the period of the lease

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 April 2007	7,000	298,478	21,046	326,524
Additions	–	12,767	20,885	33,652
At 31 March 2008	<u>7,000</u>	<u>311,245</u>	<u>41,931</u>	<u>360,176</u>
DEPRECIATION				
At 1 April 2007	3,998	124,401	13,100	141,499
Charge for the year	672	21,430	7,291	29,393
At 31 March 2008	<u>4,670</u>	<u>145,831</u>	<u>20,391</u>	<u>170,892</u>
NET BOOK VALUE				
At 31 March 2008	<u>2,330</u>	<u>165,414</u>	<u>21,540</u>	<u>189,284</u>
At 31 March 2007	<u>3,002</u>	<u>174,077</u>	<u>7,946</u>	<u>185,025</u>

Hire purchase agreements

Included within the net book value of £189,284 is £16,534 (2007 - £Nil) 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 £4,351 (2007 - £Nil)

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

8. DEBTORS

	2008	2007
	£	£
Trade debtors	—	2,000
Other debtors	42,910	64,262
Deferred taxation (note 9)	43,743	76,173
	<u>86,653</u>	<u>142,435</u>

9. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2008	2007
	£	£
Included in debtors (note 8)	<u>43,743</u>	<u>76,173</u>

The movement in the deferred taxation account during the year was

	2008	2007
	£	£
Balance brought forward	76,173	(4,852)
Profit and loss account movement arising during the year	(32,430)	81,025
Balance carried forward	<u>43,743</u>	<u>76,173</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2008	2007
	£	£
Excess of depreciation over taxation allowances	<u>43,743</u>	<u>76,173</u>
	<u>43,743</u>	<u>76,173</u>

10. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Overdrafts	119,339	96,749
Trade creditors	87,269	86,696
Amounts owed to undertakings in which the company has a participating interest	158,996	324,870
Other taxation	12,996	14,009
Hire purchase agreements	6,000	—
Other creditors	—	18,313
	<u>384,600</u>	<u>540,637</u>

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

11. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Hire purchase agreements	8,000	—
Other creditors	396,679	365,560
	<u>404,679</u>	<u>365,560</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2008	2007
	£	£
Operating leases which expire		
Within 1 year	25,000	21,000
Within 2 to 5 years	86,242	26,753
After more than 5 years	22,500	32,750
	<u>133,742</u>	<u>80,503</u>

13. CONTINGENCIES

The company is party to cross guarantees with Crown Cards Limited and Acreyard Limited for total banking facilities which are secured by a fixed and floating charge over the assets of Angel Cards Limited

14. RELATED PARTY TRANSACTIONS

During the year the company purchased goods to the value of £347,357 (2007 £421,585) from Crown Cards Limited, a company related by common ownership. At the 31 March 2008 the company owed Crown Cards Limited £158,996 (2007 £324,870)

At 31 March 2008 the company owed Acreyard Limited £396,679 (2007 £365,560) a company related by common ownership

No other transactions with related parties were undertaken such as are required to be disclosed under financial Reporting Standard for Smaller Entities (effective January 2007)

ANGEL CARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

15. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16. RESERVES

	Profit and loss account £
Balance brought forward	(388,723)
Profit for the year	<u>128,924</u>
Balance carried forward	<u>(259,799)</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit/(Loss) for the financial year	128,924	(333,100)
Opening shareholders' deficit	<u>(388,623)</u>	<u>(55,523)</u>
Closing shareholders' deficit	<u>(259,699)</u>	<u>(388,623)</u>

18. CONTROLLING PARTY

J Negal is the controlling party by virtue of his shareholding in the company