

Thesaurus Demonstration Company Ltd

Reports and financial statements

For the year ended
31st December 2005

Registered number: 15xxx64

Thesaurus Demonstration Company Ltd

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Thesaurus Demonstration Company Ltd

Directors and other information

Directors	Director ABC Director XYZ
Secretary	Director XYZ
Auditors	ABC Accountants & Co, Kilbride, Co.Meath
Bankers	Bankers Choice Bank, Main Street, Ashbourne, Co.Meath
Solicitors	Any Solicitor & Co, Main Street, Ashbourne, Co.Meath
Registered Office	Main Street, Ashbourne, Co.Meath
Company Registered Number	15xxx64

Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

Directors' report

The directors present their annual report together with the audited financial statements of the company for the year ended 31st December 2005

Principal activities, business review and future development

The principal activity of the company is grocery retailing.

Results and dividends

	€
The profit/(loss) for the financial period amounted to	206,082
Dividend:	Nil
The Directors do not intend to pay a dividend this year.	
Retained profit for the financial period attributable to equity shareholders	206,082
Retained earnings at start of period	136,435
Retained earnings at end of period	342,517

Directors

The present membership of the Board is set out on page 1.

Interests of directors and company secretary

Any such interests are included in the notes to the financial statements.

Health and safety of employees

The well-being of the company's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 1989, imposes certain requirements on employers and the company is taking the necessary action to ensure compliance with the Act, including the adoption of safety statements.

Auditors

In accordance with Section 160 (2) of the Companies Act, 1963, the auditors,

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Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

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ABC Accountants & Co., Accountants & Financial Advisors, will continue in office.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at:

Main Street,
Ashbourne,
Co.Meath

On behalf of the board

Director ABC

Director XYZ

25th January 2006

Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF Thesaurus Demonstration Company Ltd

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have audited the financial statements of the Thesaurus Demonstration Company Ltd for the year ended 31st December 2005 which comprise the income statement, cash flow statement and balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8

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 International Financial Reporting Standards.

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

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 Acts 1963 to 2005. We also report to you whether in our opinion: proper books of account have been kept by the Company, whether at the balance sheet date, there exists a financial situation requiring an Extraordinary General Meeting of the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's balance sheet and its income and cash flow statements are in agreement with the books of account.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures

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Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

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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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 2005 and of the results of its operations and its cash flows for the period then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2005 and International Financial Reporting Standards.

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

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

The net assets of the Company as stated in the balance sheet on page 10 are more than half of the amount of its called-up share capital and in our opinion on that basis there did not exist at 31st December 2005 a financial situation which, under section 40(1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the Company.

ABC Accountants & Co,
Accountants & Financial Advisors

25th January 2006

Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

Statement of 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 and of the profit or loss of the company for that period. In preparing those 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 books of account 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 Acts, 1963 to 2001 and all Regulations to be construed as one with those Acts. 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.

On behalf of the board

Director ABC

Director XYZ

25th January 2006

Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations. The adoption of these new and revised Standards and Interpretations has resulted in no changes to the company's accounting policies.

Revenue

Revenue represents net sales to customers and excludes VAT.

Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated to write down the cost of assets to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

Leasehold premises and improvements	- over the term of the lease
Fixtures and fittings	- 5 years
Plant, machinery and equipment	- 5 years
Motor vehicles	- 4 years

Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of finished goods and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads.

Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Income tax

The charge for taxation is based on the profit for the year. Deferred taxation is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. The full deferred tax effect is recognised on differences between amounts funded and amounts charged to the profit and loss account in relation to

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Thesaurus Demonstration Company Ltd

For the year ended 31st December 2005

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pensions and other post retirement benefits. In calculating the amount of deferred tax, discounting is used. (If appropriate - The revaluation of property is not considered to constitute a timing difference as there is no intention to dispose of such property in the foreseeable future.)

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

Pension benefits for employees are met by payments to a defined contribution pension fund. Contributions are charged to the profit account in the year in which they fall due.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated life.

Patents

Patents are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Thesaurus Demonstration Company Ltd

Income Statement

For the year ended 31st December 2005

For the year ended
31st December 2004

	<i>Note</i>	€	€
Revenue	1	1,419,172	1,320,192
Cost of sales		(780,192)	(716,556)
Gross profit		<u>638,980</u>	<u>603,636</u>
Net operating expenses		(395,845)	(383,122)
Operating profit/(loss)		<u>243,135</u>	<u>220,514</u>
Finance costs	3	(11,004)	(12,376)
Investment revenues	2	7,598	11,562
Profit/(loss) on ordinary activities before taxation	4	<u>239,729</u>	<u>219,700</u>
Income tax expense	9	(33,647)	(27,462)
Profit/(loss) on ordinary activities after taxation		<u>206,082</u>	<u>192,238</u>
Dividend on equity shares	6	-	-
Retained profit/(loss)		<u>206,082</u>	<u>192,238</u>
Retained earnings at the beginning of the period		136,435	(55,803)
Retained earnings at the end of the period		<u><u>342,517</u></u>	<u><u>136,435</u></u>

The revenue and operating profit relate to continuing operations as no businesses were acquired or disposed of in the current or prior period.

A separate Statement of Total Recognised Gains and Losses is not required, as there are none other than those reflected in the Income Statement.

On behalf of the board

Director ABC (Director)

Director XYZ (Director)

Thesaurus Demonstration Company Ltd

Balance Sheet

As at 31st December 2005

As at
31st December 2004

	Note	€	€
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	10	<u>62,992</u>	<u>86,088</u>
		62,992	86,088
<i>Current assets</i>			
Inventories	11	56,821	54,263
Trade and other receivables	12	42,135	107,697
Cash and cash equivalents		<u>542,628</u>	<u>136,394</u>
		641,584	298,354
 Total assets		 <u>704,576</u>	 <u>384,442</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Share Capital	14	2	2
Retained earnings		<u>342,517</u>	<u>136,435</u>
Total equity		342,519	136,437
<i>Non-current liabilities</i>			
		<u>-</u>	<u>-</u>
<i>Current liabilities</i>			
Trade and other payables	13	187,723	110,125
Current tax liabilities	13	118,492	67,344
Obligations under finance leases		17,144	29,000
Bank loans		<u>38,698</u>	<u>41,536</u>
		362,057	248,005
 Total liabilities		 <u>362,057</u>	 <u>248,005</u>
 Total equity and liabilities		 <u>704,576</u>	 <u>384,442</u>

On behalf of the board

Director ABC (Director)

Director XYZ (Director)

Thesaurus Demonstration Company Ltd

Cash Flow Statement

For the year ended 31st December 2005

For the year ended
31st December 2004

	€	€
Operating activities		
Cash receipts from customers	1,484,734	1,212,495
Cash paid to suppliers and employees	(1,053,878)	(960,809)
Cash generated from operations	<u>430,856</u>	<u>251,686</u>
Income taxes paid	(6,522)	-
Interest paid	(11,004)	(12,376)
Net cash from operating activities	<u><u>413,330</u></u>	<u><u>239,310</u></u>
Investing activities		
Interest Received	7,598	11,562
Purchases of property, plant and equipment	-	(143,480)
Net cash used in investing activities	<u><u>7,598</u></u>	<u><u>(131,918)</u></u>
Financing activities		
Loans (repaid) increased	(2,838)	-
Obligations under finance leases (repaid) increased	(11,856)	29,000
Proceeds on issue of shares	-	2
Net cash (used in) financing activities	<u><u>(14,694)</u></u>	<u><u>29,002</u></u>
Net increase (decrease) in cash and cash equivalents	406,234	136,394
Cash and cash equivalents at the start of the period	136,394	-
Cash and cash equivalents at the end of the period	<u><u>542,628</u></u>	<u><u>136,394</u></u>

Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 1 Revenue

31st Dec 2004

By geographical region;

Republic of Ireland

1,419,172

1,320,192

1,419,172

1,320,192

All revenue derives from the main activity described in the directors' report.

Note 2 Investment revenues

Interest Received

7,598

11,562

7,598

11,562

Note 3 Finance costs

Bank Interest

2,560

2,356

Interest on loans repayable within 5 years

2,766

3,500

Finance Lease Interest

5,678

6,520

11,004

12,376

Note 4 Statutory and other information

Audit Fees

3,187

3,500

Depreciation

23,096

14,000

Note 5 Directors Remuneration

Directors Remuneration

49,695

45,000

49,695

45,000

Note 6 Dividend

The Directors do not intend to pay a dividend this year.

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Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 7 Staff numbers and costs

31st Dec 2004

The average number of employees, including executive directors, analysed by category, was as follows:

Administrative	4	4
Stores	3	2
Floor Staff	3	2
Cashiers	4	4
Drivers	1	1
	<u>15</u>	<u>13</u>

The aggregate payroll costs of these employees were as follows:

Wages and Salaries	184,067	180,220
Social Welfare Costs	7,685	4,632
Pension Costs	7,620	6,352
	<u>199,372</u>	<u>191,204</u>

Note 8 Pension Information

Contributions to pension scheme	<u>7,620</u>	<u>6,352</u>
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The company operates a defined contribution pension scheme.

Note 9 Income tax expense

Corporation Tax Charge	33,647	27,462
	<u>33,647</u>	<u>27,462</u>

Factors affecting tax charge for period

Profit on ordinary activities before tax	239,729	219,700
Profit on ordinary activities multiplied by the average rate of tax 12.5% (2004 - 12.5%)	29,966	27,462
Expenses not deductible for tax purposes	777	-
Utilisation of losses	563	-
Capital allowances for period in excess of depreciation	2,341	-
Current tax charge for period	<u>33,647</u>	<u>27,462</u>

Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 10 Property, plant and equipment

<i>Cost or Valuation</i>	<i>At 01/01/05</i>	<i>Additions</i>	<i>Disposals</i>	<i>At 31/12/05</i>
Cars	28,000	-	-	28,000
Vans & Trucks	64,000	-	-	64,000
Fixtures and Fittings	26,500	-	-	26,500
Plant & Machinery	21,000	-	-	21,000
Office Equipment	3,980	-	-	3,980
	<u>143,480</u>	<u>-</u>	<u>-</u>	<u>143,480</u>

<i>Depreciation</i>	<i>At 01/01/05</i>	<i>This period</i>	<i>Disposals</i>	<i>At 31/12/05</i>
Cars	11,200	-	-	11,200
Vans & Trucks	25,600	12,800	-	38,400
Fixtures and Fittings	10,600	5,300	-	15,900
Plant & Machinery	8,400	4,200	-	12,600
Office Equipment	1,592	796	-	2,388
	<u>57,392</u>	<u>23,096</u>	<u>-</u>	<u>80,488</u>

<i>Summary</i>	<i>Cost</i>	<i>Deprec.</i>	<i>NBV</i>
Cars	28,000	11,200	16,800
Vans & Trucks	64,000	38,400	25,600
Fixtures and Fittings	26,500	15,900	10,600
Plant & Machinery	21,000	12,600	8,400
Office Equipment	3,980	2,388	1,592
	<u>143,480</u>	<u>80,488</u>	<u>62,992</u>

Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 11 Inventories

31st Dec 2004

Finished Goods	56,821	54,263
	<u>56,821</u>	<u>54,263</u>

There are no material differences between the replacement cost of stock and the balance sheet amounts.

Note 12 Trade and other receivables

Trade debtors	37,135	102,697
Prepayments and accrued income	5,000	5,000
	<u>42,135</u>	<u>107,697</u>

Note 13 Trade and other payables

Trade creditors	163,472	82,216
Accruals	13,521	13,521
Amounts owing to directors	10,728	14,388
Other creditors	118,494	67,344
	<u>306,215</u>	<u>177,469</u>

Due at period end to creditors who claim retention of title	<u>12,451</u>	<u>13,984</u>
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Other Creditors include:

VAT	51,434	32,561
PAYE/PRSI	12,471	7,321
Corporation Tax Balance	54,587	27,462

Note 14 Share Capital

Authorised:

1,000,000 Ordinary shares of €1 each	1,000,000	1,000,000
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Allotted, called up and fully paid:

1,000,000 Ordinary shares of €1 each	2	2
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Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 15 Interests of directors and company secretary

The directors and secretary who held office during the period had no interests other than those shown below in the shares of the company:

		<i>Number</i>
Director ABC	1,000,000 Ordinary shares of €1 each	1
Director XYZ	1,000,000 Ordinary shares of €1 each	1

Note 16 Directors loans

		31st Dec 2004	
	Closing	Opening	Maximum
Director ABC	8,305	9,865	9,865
Director XYZ	2,423	4,523	4,523

There are no conditions attaching to these loans, the directors intend to call in these loans in the next twelve months.

Thesaurus Demonstration Company Ltd

Notes to the Accounts

For the year ended 31st December 2005

(All amounts are expressed in Euro)

Note 17 Material interest of directors in contracts with the company

None of the directors had a beneficial interest in a material contract to which the company was a party during the period.

Note 18 Approval of financial statements

The directors approved the financial statements on 25th January 2006.

Thesaurus Demonstration Company Ltd
Supplementary Information

The following information does not form part of the statutory financial statements and is included solely for the information of management.

Thesaurus Demonstration Company Ltd

Trading, Profit & Loss Account

For the year ended 31st December 2005

For the year ended
31st December 2004

	€	€	€	€
Sales/Turnover at 21%		191,314		134,560
Sales/Turnover @ 0%		1,227,858		<u>1,185,632</u>
Total Sales		1,419,172		<u>1,320,192</u>
Opening Stock/WIP	54,263		49,568	
Confectionary	76,928		68,532	
Stationery/Greeting Cards	14,611		12,563	
Hardware items	1,240		1,050	
Frozen Desserts	8,588		7,695	
Cigarettes/Tobacco	75,328		72,635	
Tolietries	27,545		23,429	
Packaging	1,873		1,212	
Dry Grocery at 21%	12,496		10,108	
Dairy/Bakery	284,574		273,654	
Frozen Foods	158,180		149,861	
Dry Grocery	107,691		89,998	
Fruit & Vegetables	13,696		10,514	
Closing Stock/WIP	(56,821)		<u>(54,263)</u>	
Cost of Sales		780,192		716,556
Gross Profit		638,980		<u>603,636</u>
Interest Received		7,598		11,562
		646,578		<u>615,198</u>
<i>Less Overheads</i>				
Directors Remuneration	49,695		45,000	
Wages	142,057		139,852	
Staff Pension Scheme	7,620		6,352	
Staff Training	2,136		1,549	
Staff Canteen Expenses	15,043		17,562	
Staff uniforms	816		1,452	
Motor Fuel - Diesel	4,234		1,234	
Motor Tax	985		352	
Motor Insurance	3,212		2,531	
Motor Servicing/Repairs	3,717		862	
Audit Fees	3,187		3,500	
ESB	22,803		21,895	
Gas	13,326		12,635	
Telephone & Fax	5,057		2,654	
Insurance Premiums (Non motor)	9,639		14,320	
Rent Payable	29,508		29,500	
Rates	3,625		3,625	
Stationery	2,479		1,200	
Postage	840		968	
Cleaning	2,386		9,864	
Security	31,736		29,865	
		354,101		<u>346,772</u>

Thesaurus Demonstration Company Ltd

Trading, Profit & Loss Account

For the year ended 31st December 2005

For the year ended
31st December 2004

	€	€	€	€
		354,101		346,772
Waste Disposal	10,696		8,941	
Bank Interest	2,560		2,356	
Bank Charges	1,208		1,231	
Loan Interest	2,766		3,500	
Finance Lease Interest	5,678		6,520	
Advertising	1,653		2,541	
Repairs to Buildings	3,878		3,451	
Repairs to equipment	562		1,845	
General repairs	-		128	
Trade Subscriptions	651		651	
Depreciation	23,096		14,000	
Sundry Expenses	-		3,562	
Total Overheads		406,849		395,498
Net Profit/(Loss)		<u>239,729</u>		<u>219,700</u>