

Company Registration No 03502796 (England and Wales)

BAREFOOT BOOKS LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010



BAREFOOT BOOKS LIMITED

COMPANY INFORMATION

Directors	T Strickland N J Traversy
Secretary	N J Traversy
Company number	03502796
Registered office	29/30 Fitzroy Square London W1T 6LQ
Accountants	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
Business address	124 Walcot Street Bath BA1 5BG
Bankers	Barclays Bank plc P O Box 858 Wytham Court 11 West Way Oxford OX2 0XP

BAREFOOT BOOKS LIMITED

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BAREFOOT BOOKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is the publication of children's books

Directors

The following directors have held office since 1 January 2010

T Strickland

N J Traversy

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


N J Traversy

22/08/11

BAREFOOT BOOKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover		819,838	887,167
Cost of sales		(266,167)	(332,288)
Gross profit		553,671	554,879
Distribution costs		(170,855)	(202,808)
Administrative expenses		(790,034)	(737,817)
Loss on ordinary activities before taxation	2	(407,218)	(385,746)
Tax on loss on ordinary activities	3	-	-
Loss for the year	9	(407,218)	(385,746)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BAREFOOT BOOKS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	4		82,293		125,324
Current assets					
Stocks		312,976		298,620	
Debtors	5	197,296		203,031	
Cash at bank and in hand		130		224,347	
		<u>510,402</u>		<u>725,998</u>	
Creditors, amounts falling due within one year	6	<u>(960,809)</u>		<u>(812,218)</u>	
Net current liabilities			<u>(450,407)</u>		<u>(86,220)</u>
Total assets less current liabilities			<u>(368,114)</u>		<u>39,104</u>
Capital and reserves					
Called up share capital	8	1,603,448		1,603,448	
Profit and loss account	9	(1,971,562)		(1,564,344)	
Shareholders' funds	10	<u>(368,114)</u>		<u>39,104</u>	

For the financial year ended 31 December 2010 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for 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 sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 22/08/11


N J Traversy
Director


T Strickland
Director

Company Registration No 03502796

BAREFOOT BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for books sold net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements	3 years straight line
Computer equipment & software	3 or 5 years straight line
Fixtures, fittings & equipment	3 years straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Pensions

The company contributes to individual pension plans for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

BAREFOOT BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

2	Operating loss	2010	2009
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	46,131	37,418
	Loss on foreign exchange transactions	7,668	30,624
	Operating lease rentals		
	- Plant and machinery	3,833	3,435
	- Other assets	23,700	23,700
	Directors' remuneration	82,442	82,442
		<u> </u>	<u> </u>
3	Taxation	2010	2009
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(407,218)	(385,746)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	(85,516)	(81,007)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	(2,078)	5,361
	Depreciation add back	9,688	7,858
	Capital allowances	(3,482)	(16,463)
	Tax losses carried forward	81,388	84,251
		<u> </u>	<u> </u>
		85,516	81,007
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 2,095,195 (2009 - £ 1,711,185) available for carry forward against future trading profits

BAREFOOT BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2010	66,087	294,312	360,399
Additions	-	3,100	3,100
At 31 December 2010	66,087	297,412	363,499
Depreciation			
At 1 January 2010	47,262	187,813	235,075
Charge for the year	12,208	33,923	46,131
At 31 December 2010	59,470	221,736	281,206
Net book value			
At 31 December 2010	6,617	75,676	82,293
At 31 December 2009	18,825	106,499	125,324

5 Debtors

	2010	2009
	£	£
Trade debtors	166,789	173,262
Other debtors	30,507	29,769
	197,296	203,031

BAREFOOT BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6	Creditors amounts falling due within one year	2010 £	2009 £
	Bank loans and overdrafts	153,164	-
	Trade creditors	48,117	53,337
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	557,481	570,509
	Taxation and social security	59,742	24,336
	Other creditors	142,305	164,036
		<u>960,809</u>	<u>812,218</u>

The bank overdraft is secured by a personal guarantee given by N J Traversy, a director of the company

7 Pension and other post-retirement benefit commitments

Defined contribution

The pension cost charge represents contributions payable to the personal pension plans of the employees of Barefoot Books Limited. All contributions were paid in the year

	2010 £	2009 £
Contributions payable by the company for the year	<u>4,033</u>	<u>5,459</u>

8 Share capital

Allotted, called up and fully paid

1,603,448 Ordinary shares of £1 each

2010 £	2009 £
<u>1,603,448</u>	<u>1,603,448</u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	(1,564,344)
Loss for the year	<u>(407,218)</u>
Balance at 31 December 2010	<u>(1,971,562)</u>

BAREFOOT BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

10 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Loss for the financial year	(407,218)	(385,746)
Opening shareholders' funds	39,104	424,850
Closing shareholders' funds	<u>(368,114)</u>	<u>39,104</u>

11 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year	11,850	-	-	1,134
Between two and five years	-	23,700	992	-
	<u>11,850</u>	<u>23,700</u>	<u>992</u>	<u>1,134</u>

12 Control

The ultimate parent company is Barefoot Books Inc, a company registered in the United States of America

The ultimate controlling party is N J Traversy

13 Related party relationships and transactions

During the year licence fees of £51,000 (2009 £70,000) were charged by The Barefoot Child Ltd to the company. The Barefoot Child Limited is the company's immediate parent company. Barefoot Books Ltd recharged management expenses of £4,000 (2009 £10,000) to The Barefoot Child Ltd. At the balance sheet date the amount owed to The Barefoot Child Ltd was £152,366 (2009 £521,766)

During the year purchases of £252,842 (2009 £266,004) were made from Barefoot Books Inc, the company's ultimate parent company. At the balance sheet date the amount due to Barefoot Books Inc was £405,115 (2009 £48,743)