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KJ PITTALIS & CO

ALISON HAYES (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

THURSDAY



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COMPANIES HOUSE

ALISON HAYES (UK) LIMITED

COMPANY INFORMATION

Directors	Mr Evelthon Vassiliou Mr Robert Chamberlain Mr George Vassiliou Ms Julie Thompson Ms Sara Laurell (Appointed 1 April 2010) Mr Nicholas Georgiades Mr Chrisis Nicolaou (Appointed 1 April 2010) Ms L Tvrtkovic Sahin (Appointed 1 April 2010) Ms Basola Valles (Appointed 1 April 2010)
Secretary	Mr Shailen Thakrar
Company number	2241601
Registered office	Global House 303 Ballards Lane London N12 8NP
Auditors	K J Pittalis LLP Chartered Accountants Global House 303 Ballards Lane London N12 8NP
Business address	361B-363B Liverpool Road London Great Britain N1 1NL
Bankers	Bank of Cyprus (London) Limited 27-31 Charlotte Street London Great Britain W1T 1RP
Solicitors	Pittalis & Co Solicitors Global House 303 Ballards Lane London Great Britain N12 8NP

ALISON HAYES (UK) LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 19

ALISON HAYES (UK) 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 and review of the business

The principal activity of the company continued to be that of designers, manufacturers and wholesalers of wearable, high quality ladies garments

The company is a wholly owned subsidiary of Synek Limited, a company incorporated in Cyprus. The company has a wholly owned subsidiary, Alison Hayes (Romania) SRL which deals with the production, warehousing and distribution in Romania

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect growth in the future

The current year shows a 1.31% reduction in turnover mainly due to the current economic climate. Sales and margins in 2011 are expected to stabilise and the company is in a good position to benefit from any upturn in the economic climate

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include interest earned on cash and short term investments, liquidity of investments and foreign currency fluctuations. The company's liquid resources are invested having regard to the timing of payments to be made in the ordinary course of the activities. The company operates in a global market not just in sterling and Euros in which the bulk of the operating costs are incurred. The company does not hedge potential future income, since the existence, quantum and timing of such income cannot be accurately predicted. The board considers that the company's exposure to changing market prices on the values of financial instruments does not have a significant impact on the financial assets and liabilities

Trade debtors are managed by credit and cash flow risk policies concerning the amount of credit offered to customers and the regular monitoring of amounts outstanding, both for time and credit limits

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due

The key financial performance indicators of turnover, gross profit and net profit after taxation communicate the financial performance of the company as a whole

The key financial performance indicators for the last three years are as follows

	2010 £	2009 £	2008 £
Turnover	30,041,349	30,440,042	37,231,077
Gross profit	6,610,358	5,564,781	9,256,042
Net (Loss)/profit after taxation	(790,650)	(1,152,080)	216,637

Results and dividends

The results for the year are set out on page 6

An interim ordinary dividend was paid amounting to £200,000. The directors do not recommend payment of a final dividend

ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value

The company's main asset at Liverpool Road, London N1 1NL was revalued in July 2010 by Mr R C Rogers Chartered Surveyor, at £1 5m This amount has been included in the financial statements

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years They consider that the next year will show a substantial growth in sales

The directors are looking into ways of diversifying their sourcing of raw materials

Directors

The following directors have held office since 1 January 2010

Mr Evelthon Vassiliou

Mr Robert Chamberlain

Mr George Vassiliou

Ms Julie Thompson

Ms Sara Laurell

(Appointed 1 April 2010)

Mr Nicholas Georghiades

Mr Chrisis Nicolaou

(Appointed 1 April 2010)

Ms L Tvrkovic Sahin

(Appointed 1 April 2010)

Ms Basola Valles

(Appointed 1 April 2010)

Auditors

K J Pittalis LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

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

ALISON HAYES (UK) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Ms Julie Thompson

Director

2 June 2011

ALISON HAYES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ALISON HAYES (UK) LIMITED

We have audited the financial statements of ALISON HAYES (UK) LIMITED for the year ended 31 December 2010 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALISON HAYES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ALISON HAYES (UK) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mr John Pittalis (Senior Statutory Auditor)
for and on behalf of K J Pittalis LLP

2 June 2011

Chartered Accountants
Statutory Auditor

Global House
303 Ballards Lane
London
N12 8NP

ALISON HAYES (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	30,041,349	30,440,042
Cost of sales		(23,430,991)	(24,875,261)
Gross profit		6,610,358	5,564,781
Distribution costs		(5,602,072)	(5,030,971)
Administrative expenses		(1,680,489)	(1,678,043)
Other operating income		7,200	15,460
Operating loss	3	(665,003)	(1,128,773)
Investment income	4	1,368	2,046
Other interest receivable and similar income	4	81	395
Interest payable and similar charges	5	(127,096)	(147,170)
Loss on ordinary activities before taxation		(790,650)	(1,273,502)
Tax on loss on ordinary activities	6	-	121,422
Loss for the year	17	(790,650)	(1,152,080)

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

Note of historical cost profits and losses

	2010 £	2009 £
Reported loss on ordinary activities before taxation	(790,650)	(1,273,502)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	6,810	4,957
Historical cost loss on ordinary activities before taxation	(783,840)	(1,268,545)
Historical cost loss for the year retained after taxation, extraordinary items and dividends	(983,840)	(2,347,123)


ALISON HAYES (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	8	1,618,045		1,680,126	
Investments	9	2,665,210		2,665,210	
			<u>4,283,255</u>		<u>4,345,336</u>
Current assets					
Stocks	10	481,101		545,458	
Debtors	11	4,420,674		4,271,738	
Investments	12	50,000		50,000	
Cash at bank and in hand		126,536		77,255	
			<u>5,078,311</u>		<u>4,944,451</u>
Creditors: amounts falling due within one year	13	<u>(3,886,189)</u>		<u>(2,967,048)</u>	
Net current assets			<u>1,192,122</u>		<u>1,977,403</u>
Total assets less current liabilities			<u>5,475,377</u>		<u>6,322,739</u>
Creditors: amounts falling due after more than one year	14		<u>(1,035,071)</u>		<u>(1,188,636)</u>
			<u>4,440,306</u>		<u>5,134,103</u>
Capital and reserves					
Called up share capital	16	1,000,000		1,000,000	
Revaluation reserve	17	1,181,553		1,010,374	
Profit and loss account	17	2,258,753		3,123,729	
Shareholders' funds	18		<u>4,440,306</u>		<u>5,134,103</u>

Approved by the Board and authorised for issue on 2 June 2011


Mr Evelthon Vassiliou
Director

Company Registration No 2241601

ALISON HAYES (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		25,782		835,799
Returns on investments and servicing of finance				
Interest received	81		395	
Interest paid	(127,096)		(147,170)	
Dividends received	1,368		2,046	
Net cash outflow for returns on investments and servicing of finance		(125,647)		(144,729)
Taxation		(55,478)		-
Capital expenditure				
Payments to acquire tangible assets	(18,477)		(3,029)	
Receipts from sales of tangible assets	330,500		-	
Net cash inflow/(outflow) for capital expenditure		312,023		(3,029)
Equity dividends paid		(200,000)		(1,200,000)
Net cash outflow before management of liquid resources and financing		(43,320)		(511,959)
Financing				
Other new long term loans	36,812		-	
Repayment of other long term loans	(180,977)		(130,943)	
Net cash outflow from financing		(144,165)		(130,943)
Decrease in cash in the year		(187,485)		(642,902)

ALISON HAYES (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating loss to net cash inflow from operating activities		2010	2009	
			£	£	
	Operating loss		(665,003)	(1,128,773)	
	Depreciation of tangible assets		57,407	64,169	
	Profit on disposal of tangible assets		(10,496)	-	
	Decrease/(increase) in stocks		64,357	(333,942)	
	(Increase)/decrease in debtors		(147,122)	3,105,975	
	Increase/(decrease) in creditors within one year		726,639	(871,630)	
	Net cash inflow from operating activities		25,782	835,799	
2	Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	77,255	49,281	-	126,536
	Bank overdrafts	(2,248,729)	(236,766)	-	(2,485,495)
		(2,171,474)	(187,485)	-	(2,358,959)
	Liquid resources				
	Current asset investments	50,000	-	-	50,000
	Debt				
	Debts falling due within one year	(140,800)	(9,400)	-	(150,200)
	Debts falling due after one year	(1,188,636)	153,565	-	(1,035,071)
		(1,329,436)	144,165	-	(1,185,271)
	Net debt	(3,450,910)	(43,320)	-	(3,494,230)
3	Reconciliation of net cash flow to movement in net debt		2010	2009	
			£	£	
	Decrease in cash in the year		(187,485)	(642,902)	
	Cash outflow from decrease in debt		144,165	130,943	
	Movement in net debt in the year		(43,320)	(511,959)	
	Opening net debt		(3,450,910)	(2,938,951)	
	Closing net debt		(3,494,230)	(3,450,910)	

ALISON HAYES (UK) 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 modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

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

Land and buildings Freehold	fifty years
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

The assets of the scheme are held separately from those of the company in an independently administered fund

1.8 Deferred taxation

Deferred tax is not provided as there is no reasonable probability of a material amount becoming payable in the foreseeable future

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies (continued)

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.

1 10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Synek Limited, a company incorporated in Cyprus, and is included in the consolidated accounts of that company.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2010	2009
	£	£

Operating loss is stated after charging

Depreciation of tangible assets

57,407	64,169
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Loss on foreign exchange transactions

14,313	-
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Auditors' remuneration

16,000	26,000
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and after crediting

Profit on disposal of tangible assets

(10,496)	-
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Profit on foreign exchange transactions

-	(2,260)
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4 Investment income

	2010	2009
	£	£

Income from fixed asset investments

1,368	2,046
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Bank interest

81	395
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<u>1,449</u>	<u>2,441</u>
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5 Interest payable

	2010	2009
	£	£

On amounts payable to group companies

36,812	55,796
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On bank loans and overdrafts

90,284	91,374
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<u>127,096</u>	<u>147,170</u>
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ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	-	(121,422)
	Current tax charge	<u>-</u>	<u>(121,422)</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(790,650)	(1,273,502)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0 00% (2009 0 00%)	-	-
	Effects of		
	Tax losses utilised	-	(121,422)
	Current tax charge	<u>-</u>	<u>(121,422)</u>

The company has estimated losses of £ 1,526,357 (2009 £ 749,028) available for carry forward against future trading profits

7	Dividends	2010 £	2009 £
	Ordinary interim paid	200,000	1,200,000
		<u>200,000</u>	<u>1,200,000</u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2010	1,595,000	459,687	482,078	85,640	2,622,405
Additions	-	-	18,477	-	18,477
Revaluation	296,853	-	-	-	296,853
Disposals	(391,853)	-	-	(19,920)	(411,773)
At 31 December 2010	1,500,000	459,687	500,555	65,720	2,525,962
Depreciation					
At 1 January 2010	54,000	419,001	422,871	46,407	942,279
On disposals	(73,853)	-	-	(17,916)	(91,769)
Charge for the year	19,853	11,588	16,485	9,481	57,407
At 31 December 2010	-	430,589	439,356	37,972	907,917
Net book value					
At 31 December 2010	1,500,000	29,098	61,199	27,748	1,618,045
At 31 December 2009	1,541,000	40,686	59,207	39,233	1,680,126

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 January 2010 & at 31 December 2010	573,892
Depreciation based on cost	
At 1 January 2010	144,444
Charge for the year	13,043
At 31 December 2010	157,487
Net book value	
At 31 December 2010	416,405
At 31 December 2009	429,448

Land and buildings include an investment property. The investment property was sold in June 2010 for £330,000. The realised gain is shown in the profit and loss account. The company's main asset at Liverpool Road, London N1 1NL was revalued in July 2010 by Mr R C Rogers Chartered Surveyor at £1.5m. The valuation is reflected in the financial statements.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2010 & at 31 December 2010	2,665,210
Net book value	
At 31 December 2010	<u>2,665,210</u>
At 31 December 2009	<u>2,665,210</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Alison Hayes (Romania) SRL	Romania	ordinary	99.96

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2010 £	Profit/(loss) for the year 2010 £
Alison Hayes (Romania) SRL	Principal activity Manufacture of garments	<u>8,696,635</u>	<u>(146,292)</u>

10 Stocks

	2010 £	2009 £
Finished goods and goods for resale	<u>481,101</u>	<u>545,458</u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

11 Debtors	2010 £	2009 £
Trade debtors	4,175,626	3,948,695
Amounts owed by parent and fellow subsidiary undertakings	-	20,822
Corporation tax	123,236	121,422
Other debtors	22,916	33,585
Prepayments and accrued income	98,896	147,214
	4,420,674	4,271,738

12 Current asset investments	2010 £	2009 £
Listed investments	50,000	50,000
	50,000	50,000

These comprise investments in shares of a company listed on the Cyprus Stock Exchange. The market value of shares listed on the Cyprus Stock Exchange at the date of signing the financial statements was approximately £48,069 (cost- £50,000)

13 Creditors: amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	2,635,695	2,389,529
Trade creditors	95,216	132,484
Amounts owed to parent and fellow subsidiary undertakings	55,463	-
Amounts owed to subsidiary undertakings	618,844	11,560
Corporation tax	-	53,664
Other taxes and social security costs	379,997	271,741
Other creditors	8,772	972
Accruals and deferred income	92,202	107,098
	3,886,189	2,967,048

The bank overdraft and other facilities are secured by a first legal charge over the company's freehold property

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	£	£
14 Creditors: amounts falling due after more than one year		
Other loans	1,035,071	1,188,636
	<u>1,035,071</u>	<u>1,188,636</u>
Analysis of loans		
Not wholly repayable within five years by instalments	434,271	625,436
Wholly repayable within five years	751,000	704,000
	<u>1,185,271</u>	<u>1,329,436</u>
Included in current liabilities	(150,200)	(140,800)
	<u>1,035,071</u>	<u>1,188,636</u>
Loan maturity analysis		
In more than one year but not more than two years	300,400	281,600
In more than two years but not more than five years	450,600	422,400
In more than five years	434,271	625,436
	<u>434,271</u>	<u>625,436</u>

The company borrowed £1,280,000 from the parent company, Synek Limited, to finance the continued growth of the business. Interest is charged at a rate of 2.25% above the 3 month LIBOR rate.

15 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2010	2009
	£	£
Contributions payable by the company for the year	57,168	42,165
	<u>57,168</u>	<u>42,165</u>
16 Share capital		
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

17 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2010	1,010,374	3,123,729
Loss for the year	-	(790,650)
Transfer from revaluation reserve to profit and loss account	(125,674)	125,674
Dividends paid	-	(200,000)
Revaluation during the year	296,853	-
Balance at 31 December 2010	1,181,553	2,258,753

18 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Loss for the financial year	(790,650)	(1,152,080)
Dividends	(200,000)	(1,200,000)
	(990,650)	(2,352,080)
Other recognised gains and losses	296,853	-
Net depletion in shareholders' funds	(693,797)	(2,352,080)
Opening shareholders' funds	5,134,103	7,486,183
Closing shareholders' funds	4,440,306	5,134,103

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

19 Directors' emoluments	2010	2009
	£	£
Emoluments for qualifying services	534,201	475,232
Company pension contributions to money purchase schemes	40,725	34,290
	<u>574,926</u>	<u>509,522</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2009- 3)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	164,320	278,640
Company pension contributions to money purchase schemes	21,000	21,000
	<u>185,320</u>	<u>299,640</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010	2009
	Number	Number
Employees	<u>70</u>	<u>64</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	2,552,246	2,373,638
Social security costs	278,782	245,203
Other pension costs	57,168	42,165
	<u>2,888,196</u>	<u>2,661,006</u>

21 Control

The ultimate parent company is Synek Limited and it owns 100% of the ordinary share capital. Synek Limited is a company registered in Cyprus and prepares group financial statements and copies can be obtained from Stavros Avenue 56, Kariadides Trading Centre, Block A2, Flat 105, Strovolos, Nicosia, Cyprus.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

22 Related party transactions

During the year the company paid production costs in the ordinary course of business to Alison Hayes (Romania) SRL a subsidiary undertaking. The production costs paid were £22,223,908 (2009-£22,454,541)