

Roc

STANLEY GIBBONS LIMITED

REPORT AND ACCOUNTS

30 JUNE 1995

REGISTERED NUMBER 348043



**STANLEY GIBBONS LIMITED**

**REGISTERED NUMBER 348043**

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 1995**

	Page
Report of the Directors	1
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6

## **STANLEY GIBBONS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 30 June 1995.

### **PRINCIPAL ACTIVITIES**

The principal activities are those of stamp dealing, philatelic publishing, auctioneering, mail order, retailing, philatelic exhibitions and the manufacture of philatelic accessories.

### **REVIEW OF THE BUSINESS**

The results for the year are disclosed in the profit and loss account on page 4.

These accounts have been prepared on a going concern basis as the ultimate parent company, Stanley Gibbons Holdings Plc, has given a written undertaking that it will continue to support the company's activities.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend in respect of the year ended 30 June 1995 (1994 - £nil) and propose that the profit for the year of £506,097 (1994: £437,514) be transferred to reserves.

### **FIXED ASSETS**

Movements in fixed assets are shown in notes 7 and 8 to the accounts. Fixed assets include a reference collection at a cost of £205,756 which is not depreciated since in the opinion of the directors, the residual value of the reference collection is expected to exceed cost for the foreseeable future.

### **DIRECTORS**

The directors of the company during the year were:-

P I Fraser (Chairman)  
A Semel  
R Watkins  
A J Pandit  
P Kinns

**STANLEY GIBBONS LIMITED****DIRECTORS' REPORT (Continued)****DIRECTORS' INTERESTS IN SHARES OF THE COMPANY**

None of the directors had any interest in the shares of Stanley Gibbons Limited. The interests of the directors in the ordinary share capital of the ultimate parent company, Stanley Gibbons Holdings Plc, were as listed below:

	Number of Ordinary Shares of 25p each	
	30 June 1995	1 July 1994
A Semel	Nil	Nil
P Kinns	2,100	2,100

P I Fraser and A J Pandit were directors, and R Watkins was an alternate director of Stanley Gibbons Holdings Plc, the ultimate parent company. Their interests in the shares of Stanley Gibbons Holdings Plc are disclosed in the report and accounts of that company.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made. The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities. The Directors are satisfied that the business is a going concern.

**TAXATION STATUS**

So far as the directors are aware, the company was a close company within the provisions of the Income and Corporation Taxes Act 1988 at 30 June 1995.

**INSURANCE OF DIRECTORS**

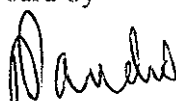
The group has effected insurance for its directors against liability in relation to the group.

**AUDITORS**

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Solomon Hare as auditors to the company will be put to the annual general meeting.

Approved by the Board of Directors  
and signed on behalf of the Board by

A J Pandit FCA MBA  
Secretary  
399 Strand  
London  
WC2R 0LX



29 September 1995

## AUDITORS' REPORT TO THE MEMBERS OF STANLEY GIBBONS LIMITED

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 6 and 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

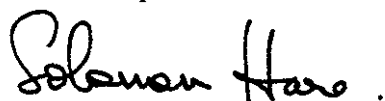
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SOLOMON HARE

Registered Auditors  
Chartered Accountants

Oakfield House  
Oakfield Grove  
Clifton  
Bristol BS8 2BN

29 September 1995

## STANLEY GIBBONS LIMITED

## PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 30 JUNE 1995

	Notes	£	1995 £	1994 £
TURNOVER - Continuing operations			7,326,491	3,355,323
- Acquisitions			-	2,997,968
	2		7,326,491	6,353,291
Cost of sales			(3,344,472)	(3,038,769)
GROSS PROFIT			3,982,019	3,314,522
Distribution costs			2,781,484	2,256,943
Administrative expenses			711,983	609,265
OPERATING PROFIT - Continuing Operations		488,552		364,918
- Acquisitions		-		83,396
			488,552	448,314
Other interest receivable and similar income			18,428	3,517
Interest payable and similar charges			(883)	(14,317)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		506,097	437,514
Tax on profit on ordinary activities	6		-	-
PROFIT FOR THE FINANCIAL YEAR			506,097	437,514
Dividends paid and proposed			-	-
AMOUNT TRANSFERRED TO RESERVES	15		506,097	437,514
TOTAL RECOGNISED GAINS AND LOSSES				

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 15 form part of these accounts.

## STANLEY GIBBONS LIMITED

## BALANCE SHEET AT 30 JUNE 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	7	430,815	452,610
Investments	8	8,300	8,300
		<u>439,115</u>	<u>460,910</u>
<b>CURRENT ASSETS</b>			
Stocks	9	3,036,684	2,695,522
Debtors	10	924,440	1,032,623
Cash at bank and in hand		437,045	528,461
		<u>4,398,169</u>	<u>4,256,606</u>
Creditors (amounts falling due within one year)	11	(5,978,680)	(6,336,004)
		<u>(1,580,511)</u>	<u>(2,079,398)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(1,141,396)</u>	<u>(1,618,488)</u>
Creditors (amounts falling due after more than one year)	12	(6,247)	(35,252)
		<u>(1,147,643)</u>	<u>(1,653,740)</u>
<b>NET LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000	1,000
Profit and loss account	15	(1,148,643)	(1,654,740)
		<u>(1,147,643)</u>	<u>(1,653,740)</u>

Approved by the board

P I Fraser

Director

29 September 1995

The notes on pages 6 to 15 form part of these accounts

# STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### a Basis of preparation

These accounts have been prepared in accordance with applicable accounting standards under the historical cost convention as amended by the revaluation of investments in subsidiaries held as fixed assets..

#### b Going Concern

These accounts have been prepared on the going concern basis, as the ultimate parent company, Stanley Gibbons Holdings Plc, has given a written undertaking that it will continue to support the company's activities.

#### c Consolidation

The company has claimed exemption under section 228(1) of the Companies Act 1985 from the preparation of group accounts on the grounds that it is itself a wholly owned subsidiary of a company registered in England.

#### d Turnover

Turnover represents amounts invoiced by the company in respect of goods sold and services provided during the year excluding value added tax.

#### e Tangible fixed assets and depreciation

The cost of tangible fixed assets is written-off using the straight line method at the following annual rates:

Motor vehicles, plant and machinery	25%
Fixtures, fittings, tools and equipment	4% - 25%

Fixed assets include a reference collection of certain stamps held on a long term basis. These are included at cost and not depreciated because in the opinion of the directors the residual value is expected to exceed cost for the foreseeable future.

#### f Investment in subsidiary undertakings

The company revalues its investment in its subsidiary undertakings in order to reflect the underlying net assets at each year end.

#### g Stocks

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. In the case of stamp stocks it is not always practicable to ascertain individual costs. The cost of parcels of high value stamps is apportioned between the items purchased on the basis of the expert opinion of the group's dealers. Lower value stamp stocks are valued as a proportion of their anticipated realisable value, as a best estimate of cost, based on the expert opinion of the group's dealers.



# STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES (continued)

#### h Deferred taxation

Provision is made, using the liability method, for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

#### i Foreign exchange

Transactions in foreign currencies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

#### j Fixed assets held under leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases.

Depreciation on leased assets is charged to profit and loss account on the same basis as shown above.

Leasing payments are treated as consisting of capital and interest elements and the interest is charged to profit and loss account using the straight line method.

All other leases are 'operating leases' and the relevant annual rentals are charged to profit and loss account on a straight-line basis over the lease term.

#### k Pension costs

The company participates in a group pension scheme operated by Stanley Gibbons Holdings PLC. The scheme is a defined benefit scheme. The assets of the scheme are held under the provisions of a trust deed and are invested in Government stocks and unitised funds managed by two UK institutions. Contributions to the scheme are charged to the profit and loss account so as to spread the pension cost over employees' working lives with the group. The contributions are determined by a qualified and independent actuary on the basis of triennial valuations using the attained age method. The last actuarial valuation of the scheme was at 1 July 1994.

#### l Cash flow statement

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it is a wholly owned subsidiary.

#### m Goodwill

Goodwill is written off to reserves in the year in which it arises.

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 2 TURNOVER

## Geographical market

	1995	1994
	£	£
United Kingdom	5,622,731	5,091,545
Other	1,703,760	1,261,746
	<u>7,326,491</u>	<u>6,353,291</u>

## 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
	£	£
Profit on ordinary activities before taxation is arrived at after charging:		
Directors' remuneration (note 4)	108,379	139,054
Depreciation - owned assets	55,411	44,169
- assets held under finance leases	43,001	66,954
Auditors' remuneration - Audit	13,000	12,200
- Other Services	3,480	3,030
Interest payable on bank and other borrowings repayable within five years	-	4,546
Operating leases - plant and machinery	9,519	7,236
Interest payable on finance leases	9,153	9,771
Loss on sale of fixed assets	1,784	-
and after crediting:	<u></u>	<u></u>
Profit on sale of fixed assets	-	5,291
	<u></u>	<u></u>

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 4 DIRECTORS' REMUNERATION

The remuneration paid to the directors of Stanley Gibbons Limited was:

	1995 £	1994 £
Remuneration as executives (including pension contributions and benefits in kind)	108,379	139,054
Compensation for loss of office	-	8,510
	<u>108,379</u>	<u>147,564</u>

	1995 £	1994 £
Remuneration excluding pension scheme contributions:		
Chairman	-	-
Highest paid director	<u>47,510</u>	<u>45,080</u>

Other directors in scale:

	No. of directors	
£0 - £5,000	1	1
£15,001 - £20,000	-	1
£25,001 - £30,000	1	2
£30,001 - £35,000	1	1

## 5 STAFF NUMBERS AND COSTS

The average weekly number of persons employed by the company (including executive directors) during the year was 116 (1994 - 99).

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	1,431,650	1,294,310
Social security costs	111,952	108,449
Other pension costs	23	-
	<u>1,543,625</u>	<u>1,402,759</u>

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxable profits arising in the year are available to be offset against trading losses brought forward. The company has unused trading losses carried forward at 30 June 1995 for corporation tax purposes of approximately £91,000 (1994: £428,000)

## 7 TANGIBLE FIXED ASSETS

	Reference Collection £	Leasehold land and buildings £	Fixtures, fittings, tools and equipment £	Vehicles, Plant and machinery £	Total £
Cost					
At 1 July 1994	193,669	152,608	219,382	693,875	1,259,534
Additions	12,255	-	8,672	59,363	80,290
Disposals	(168)	(3,184)	(2,662)	(19,370)	(25,384)
Adjustments	-	(149,424)	149,424	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	205,756	-	374,816	733,868	1,314,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 July 1994	-	63,703	185,980	557,241	806,924
Charge for the year	-	7,117	11,143	80,152	98,412
Relating to disposals	-	(1,470)	(1,849)	(18,392)	(21,711)
Adjustments	-	(69,350)	69,350	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	-	-	264,624	619,001	883,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts					
At 30 June 1995	205,756	-	110,192	114,867	430,815
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1994	193,669	88,905	33,402	136,634	452,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book amounts of tangible fixed assets includes £28,788 (1994 - £94,098) in respect of assets held under finance leases and hire purchase contracts.

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 8 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 July 1994 and at 30 June 1995	1,056,742
	<hr/>
Provisions for diminution in value	
At 1 July 1994 and at 30 June 1995	1,048,442
	<hr/>
Net book value	
At 30 June 1995	8,300
	<hr/>
At 30 June 1994	8,300
	<hr/>

## Subsidiaries:-

Name	Country of incorporation or registration	Class of shares held	Proportion of shares held %	Nature of business
Philatelic Research and Trading Co Ltd	England	Ordinary	100%	Dormant
Blueprime Limited	England	Ordinary	100%	Dormant
Chas Nissen and Company	England	Ordinary & Preference	100%	Dormant
Stanley Gibbons Currency Limited	England	Ordinary	100%	Dormant
Stanley Gibbons Magazines Limited	England	Ordinary	100%	Dormant
Philatelic Publishers Limited	England	Ordinary	100%	Dormant

## 9 STOCKS

	1995 £	1994 £
Raw materials and consumables	166,507	148,736
Work in progress	115,542	117,604
Finished goods and goods for resale	2,754,635	2,429,182
	<hr/>	<hr/>
	3,036,684	2,695,522
	<hr/>	<hr/>

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 10 DEBTORS

	1995 £	1994 £
Trade debtors	814,736	838,871
Amounts owed by group undertakings	32,128	77,815
Other debtors	18,545	17,981
Prepayments and accrued income	59,031	97,956
	<hr/>	<hr/>
	924,440	1,032,623
	<hr/>	<hr/>

## 11 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	1995 £	1994 £
Trade creditors	1,045,716	1,204,068
Amounts owed to group undertakings	4,577,984	4,714,484
Other creditors	65,396	36,646
Other taxes and social security	39,289	37,757
Accruals and deferred income	221,290	286,764
Obligations under finance leases and hire purchase contracts	29,005	56,285
	<hr/>	<hr/>
	5,978,680	6,336,004
	<hr/>	<hr/>

The amounts owed to group companies have been subordinated in favour of the interests of other creditors so long as the company remains a subsidiary of Stanley Gibbons Holdings Plc.

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 12 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts	6,247	35,252
	<u>          </u>	<u>          </u>
Obligations under finance leases and hire purchase contracts are due as follows:		
Within 1-2 years	6,247	29,005
Within 2-5 years	-	6,247
	<u>6,247</u>	<u>35,252</u>
	<u>          </u>	<u>          </u>

The hire purchase creditors are secured on the specific assets which are being purchased under such contracts.

## 13 DEFERRED TAXATION

No provision has been made for deferred taxation. The total potential (asset)/liability for deferred taxation is as follows:

	1995 £000	1994 £000
Capital Allowances	595	-
Other timing differences	(68,151)	(92,028)
Unused trading losses	(29,947)	-
	<u>(97,503)</u>	<u>(92,028)</u>
	<u>          </u>	<u>          </u>

## 14 CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
9,999,000 preference shares of £1 each	9,999,000	9,999,000
	<u>          </u>	<u>          </u>
	10,000,000	10,000,000
	<u>          </u>	<u>          </u>
Allotted and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>

## STANLEY GIBBONS LIMITED

## NOTES TO THE ACCOUNTS

## 15 PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
At 1 July 1994	(1,654,740)	(1,963,254)
Profit for the financial year	506,097	437,514
Goodwill written-off	-	(129,000)
	<hr/>	<hr/>
At 30 June 1995	(1,148,643)	(1,654,740)
	<hr/>	<hr/>

## 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
At 1 July 1994	(1,653,740)	(1,962,254)
Profit for the financial year	506,097	437,514
Goodwill written-off	-	(129,000)
	<hr/>	<hr/>
At 30 June 1995	(1,147,643)	(1,653,740)
	<hr/>	<hr/>

## 17 COMMITMENTS UNDER OPERATING LEASES

At 30 June 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	1995 £	1994 £
Operating leases which expire:		
After five years	-	43,800
	<hr/>	<hr/>



**STANLEY GIBBONS LIMITED****NOTES TO THE ACCOUNTS****18 PENSION AND SIMILAR OBLIGATIONS**

The company participates in a group pension scheme operated by Stanley Gibbons Holdings PLC. The scheme is a defined benefit scheme. The assets of the scheme are held under the provisions of a trust deed and are invested in Government stocks and unitised funds managed by two UK institutions. Contributions to the scheme are charged to the profit and loss account so as to spread the pension cost over employees' working lives with the group. The contributions are determined by a qualified and independent actuary on the basis of triennial valuations using the attained age method. The last actuarial valuation of the scheme was at 1 July 1994. Particulars of this valuation are contained in the accounts of Stanley Gibbons Holdings PLC for the year ended 30 June 1995.

The most recent actuarial valuation has shown that the surplus of the scheme has increased. This has resulted in a reduced pension charge for all group companies.

A proportion of the total pension credit for the group of £9,862 has been credited to the company by Stanley Gibbons Holdings PLC.

**19 CONTINGENT LIABILITIES**

There is a fixed charge over the UK leasehold properties, book debts and goodwill of Stanley Gibbons Holdings PLC and its subsidiary undertakings and a floating charge over the remaining assets of Stanley Gibbons Holdings PLC and the subsidiary undertakings with guarantees between the company, Stanley Gibbons Holdings PLC and each of the other UK subsidiary undertakings in connection with the group's banking facilities.

**20 ULTIMATE PARENT COMPANY**

The company's ultimate parent company is Stanley Gibbons Holdings PLC, a company registered in England.