

**COMPANIES HOUSE**

**02251098**

Grant Thornton 

**THE DRAWING GROUP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 1994**

**COMPANY NO: 2251098**



**THE DRAWING GROUP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

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Company registration number: 2251098

Registered office: 3-9 West Street  
Hull  
HU1 3UR

Directors: S E St Quinton  
M G St Quinton

Secretary: S E St Quinton

Bankers: Lloyds Bank plc  
Hull

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
Sheffield

**THE DRAWING GROUP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

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# THE DRAWING GROUP LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the year ended 31 December 1994.

### Principal activity

The principal activity of the company is the supply of drawing office equipment, art, craft and design materials and copying services.

### Business review and future developments

The directors are satisfied with the results for the year and are committed to a policy of continued development to enhance the company's future trading prospects.

### Profit, dividends and appropriations

The profit for the year is shown in the profit and loss account on page 5. The directors recommend the payment of a dividend of £16,896 (1993 £8,000) and the retained profit for the year of £169,584 (1993 £73,546) has been transferred to reserves.

### Fixed assets

Details of fixed assets are shown in note 6 to the financial statements.

### Directors

The directors of the company at 31 December 1994 are shown below, all served throughout the year except where stated. The interest of the directors in the shares of the company at 1 January 1994 and 31 December 1994, as recorded in the register of directors interests, were as follows:

	Ordinary shares of £1 each	
	31 December 1994	1 January 1994
S E St Quinton - Chairman	4,000	4,000
M G St Quinton	-	-

K E R Newlove resigned as a director on 29 July 1994.

# THE DRAWING GROUP LIMITED

## REPORT OF THE DIRECTORS (CONTINUED)

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### Directors' responsibilities for the financial statements

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 accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



S E St Quinton  
Secretary

21 June 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE DRAWING GROUP LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

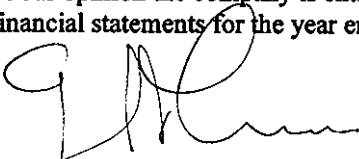
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled under section 248 of the Companies Act 1985 not to prepare group financial statements for the year ended 31 December 1994.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
SHEFFIELD

21 June 1995

## **THE DRAWING GROUP LIMITED**

### **ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from previous years and are set out below.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### **Depreciation**

Depreciation is calculated to write down the cost less residual value of all fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Plant and machinery	10-25%
Fixtures and equipment	10-33 $\frac{1}{3}$ %
Motor vehicles	25%

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Deferred tax**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **Contributions to pension funds**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**THE DRAWING GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

	Note	1994 £	1993 £
Turnover		1,050,443	143,959
Cost of sales		<u>(548,589)</u>	<u>-</u>
Gross profit		501,854	143,959
Selling and distribution costs		(50,736)	(18,231)
Administrative expenses		<u>(458,234)</u>	<u>(49,913)</u>
<b>Operating (loss)/profit</b>		(7,116)	75,815
Income from shares in group undertakings		193,056	-
Net interest	2	<u>(2,696)</u>	<u>5,731</u>
<b>Profit on ordinary activities before tax</b>	1	183,244	81,546
Tax recoverable	4	<u>3,236</u>	<u>-</u>
<b>Profit for the year</b>		186,480	81,546
Dividend	5	<u>(16,896)</u>	<u>(8,000)</u>
<b>Retained profit for the year</b>	13	<u><u>169,584</u></u>	<u><u>73,546</u></u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

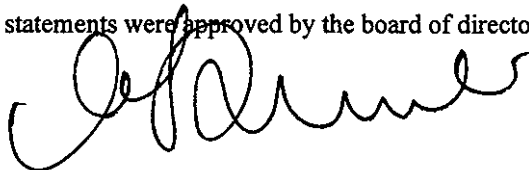


**THE DRAWING GROUP LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1994**

	Note	1994 £	1993 £
<b>Fixed assets</b>			
Tangible assets	6	175,418	20,409
Investments	7	<u>5,750</u>	<u>10,748</u>
		181,168	31,157
<b>Current assets</b>			
Stocks	8	73,538	-
Debtors	9		
- amounts falling due within one year		100,444	167,590
- amounts falling due after more than one year		224,209	320,000
Cash at bank and in hand		<u>49,000</u>	<u>83,028</u>
		447,191	570,618
<b>Creditors: amounts falling due within one year</b>	10	<u>(234,411)</u>	<u>(397,289)</u>
<b>Net current assets</b>		<u>212,780</u>	<u>173,329</u>
<b>Total assets less current liabilities</b>		393,948	204,486
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(19,878)</u>	<u>-</u>
		<u>374,070</u>	<u>204,486</u>
<b>Capital and reserves</b>			
Share capital	12	5,000	5,000
Profit and loss account	13	<u>369,070</u>	<u>199,486</u>
<b>Shareholders' funds</b>	14	<u>374,070</u>	<u>204,486</u>

The financial statements were approved by the board of directors on 21 June 1995.



S E St Quinton

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE DRAWING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

### 1 Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before tax are stated after charging:

	1994 £	1993 £
Auditors' remuneration	3,000	700
Depreciation of tangible fixed assets	<u>48,718</u>	<u>15,225</u>

### 2 Net interest

	1994 £	1993 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, otherwise than by instalments	-	(11,355)
Finance charges in respect of finance leases	(2,691)	-
Other interest payable and similar charges	(887)	-
Other interest receivable and similar income	882	17,086
	<u>(2,696)</u>	<u>5,731</u>

### 3 Directors and employees

Staff costs during the year were as follows:

	1994 £	1993 £
Wages and salaries	222,247	97,302
Social security costs	17,011	8,064
Other pension costs	9,499	8,155
	<u>248,757</u>	<u>113,521</u>

The average number of employees of the company during the year was:

	Number	Number
Sales and distribution	23	-
Administration	5	8
	<u>28</u>	<u>8</u>

Remuneration in respect of directors was as follows:

	£	£
Management remuneration	<u>32,093</u>	<u>47,852</u>

**THE DRAWING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

**4 Taxation**

	1994 £	1993 £
Adjustment in respect of previous years	<u>3,236</u>	<u>-</u>

**5 Dividends**

	1994 £	1993 £
Ordinary shares - dividends paid	<u>16,896</u>	<u>8,000</u>

**6 Tangible fixed assets**

	Fixtures and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 1994	28,483	40,750	69,233
Additions	96,166	38,900	135,066
Intra group transfers	251,240	50,127	301,367
Disposals	(54,898)	(54,295)	(109,193)
At 31 December 1994	<u>320,991</u>	<u>75,482</u>	<u>396,473</u>
Depreciation			
At 1 January 1994	25,516	23,308	48,824
Charge for year	27,945	20,773	48,718
Intra group transfers	185,327	23,521	208,848
Disposals	(43,915)	(41,420)	(85,335)
At 31 December 1994	<u>194,873</u>	<u>26,182</u>	<u>221,055</u>
Net book amount			
At 31 December 1994	<u>126,118</u>	<u>49,300</u>	<u>175,418</u>
Net book amount			
At 31 December 1993	<u>2,967</u>	<u>17,442</u>	<u>20,409</u>

# THE DRAWING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

### 6 Tangible fixed assets (continued)

The figures stated above include assets held under finance leases as follows:

	Fixtures and equipment £
Net book amount at 31 December 1994	<u>29,442</u>
Net book amount at 31 December 1993	<u>850</u>
Depreciation provided in the year	<u>7,908</u>

### 7 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 1994 and 31 December 1994	<u>90,748</u>
Provisions	
At 1 January 1994	80,000
Provided in the year	4,998
At 31 December 1994	<u>84,998</u>
Net book amount at 31 December 1994	<u>5,750</u>
Net book amount at 31 December 1993	<u>10,748</u>

Name of subsidiary undertakings	Country of registration and operation	Class of shares	Proportion held	Nature of business
The Drawing Group (Hull) Limited	England	Ordinary	100%	Dormant
The Drawing Group (Sheffield) Limited	England	Ordinary	75%	Dormant
The Drawing Group (Grimsby) Limited	England	Ordinary	100%	Property rental

**THE DRAWING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

**8 Stocks**

	1994 £	1993 £
Finished goods and goods for resale	<u>73,538</u>	<u>-</u>

**9 Debtors**

	1994 £	1993 £
Amounts due within one year:		
Trade debtors	88,171	-
Amounts owed by group undertakings	-	161,944
Corporation tax recoverable	6,891	2,666
Other debts	119	-
Prepayments and accrued income	<u>5,263</u>	<u>2,980</u>
	<u>100,444</u>	<u>167,590</u>
Amounts due after more than one year:		
Amount owed by group undertakings	<u>224,209</u>	<u>320,000</u>
	<u>324,653</u>	<u>487,590</u>

**10 Creditors: amounts falling due within one year**

	1994 £	1993 £
Bank overdraft	83,492	-
Trade creditors	92,239	1,776
Amounts owed to group undertakings	8,497	372,413
Social security and other taxes	20,354	19,415
Accruals and deferred income	14,662	3,685
Amounts due under finance leases	<u>15,167</u>	<u>-</u>
	<u>234,411</u>	<u>397,289</u>

**11 Creditors: amounts falling due after more than one year**

	1994 £	1993 £
Amounts due under finance leases	<u>19,878</u>	<u>-</u>

**THE DRAWING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

**12 Share capital**

	1994 £	1993 £
Authorised 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

**13 Profit and loss account**

	£
At 1 January 1994	199,486
Profit for the year	<u>169,584</u>
At 31 December 1994	<u>369,070</u>

**14 Reconciliation of movements in shareholders' funds**

	1994 £	1993 £
Profit for the year	186,480	81,546
Dividends	<u>(16,896)</u>	<u>(8,000)</u>
	169,584	73,546
Shareholders' funds at 1 January 1994	<u>204,486</u>	<u>130,940</u>
Shareholders' funds at 31 December 1994	<u>374,070</u>	<u>204,486</u>

**15 Capital commitments**

The company had no capital commitments at 31 December 1994 or 31 December 1993.

**16 Contingent liabilities**

There were no contingent liabilities at 31 December 1994 or 31 December 1993.

**17 Pensions**

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.