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Colorama Photodisplay Limited

Abbreviated financial statements for the year ended 31 July 1995

Report of the auditors to the directors of Colorama Photodisplay Limited
Under Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages 3 to 6 together with the annual financial statements of Colorama Photodisplay Limited for the year ended 31 July 1995. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3, and that the abbreviated balance sheet has been properly prepared in accordance with Schedule 8 from the full financial statements.

In our opinion, the company is entitled to the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

We reported as auditors of Colorama Photodisplay Limited to the members on 13 NOV 1995 on the company's annual financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 July 1995, and our audit report was as follows:

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the 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 affairs of the company at 31 July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Birmingham
13 November 1995

Balance sheet
at 31 July 1995

	Notes	1995	1994
		£	£
Fixed assets			
Tangible assets		**33,238**	25,573
Current assets			
Stocks		**246,923**	236,109
Debtors	2	**261,531**	225,122
Cash at bank and in hand		**34,616**	36,267
		543,070	497,498
Creditors: amounts falling due within one year		**206,107**	199,231
Net current assets		**336,963**	298,267
Net assets		**370,201**	323,840
Capital and reserves			
Called up share capital	3	**50,000**	50,000
Profit and loss account		**320,201**	273,840
Equity shareholders' funds	4	**370,201**	323,840

Advantage has been taken of the exemptions for small companies conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, as it meets the conditions, the company is entitled to benefit from the exemptions as a small company.

Approved by the Board on the date shown below

Alexander Harris

A F Harris
Director
13th November 1995

Notes to the abbreviated financial statements for the year ended 31 July 1995

Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Goodwill

Goodwill arising on acquisitions is written off immediately against reserves.

Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Plant and machinery	20 - 33
Motor vehicles	20
Fixtures and fittings	20 - 33

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Foreign currencies

Transactions in foreign currencies are converted at the rate ruling at the date of settlement. Assets and liabilities expressed in foreign currencies have been translated at the rate of ruling at the balance sheet date. Profits or losses arising in respect of foreign currency differences on normal trading items are included in the results of the year in which they arise.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension scheme arrangements

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 amount of any contributions payable to the pension scheme in respect of the accounting period is charged to the profit and loss account. Any outstanding or prepaid contributions at the balance sheet date are shown as liabilities or assets respectively.

The company provides no other post retirement benefits to its employees.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Where fixed assets are financed by leasing agreement, which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital lease element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

2 Debtors

Included within debtors is an amount of £Nil (1994: £6,250) falling due after more than one year.

3 Called up share capital

	1995 £	1994 £
Authorised		
50,000 ordinary shares of £1 each	**50,000**	50,000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	**50,000**	50,000

4 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	**323,840**	264,301
Goodwill written off	**(20,000)**	-
Profit for the financial year	**66,361**	59,539
Closing shareholders' funds	**370,201**	323,840