

Company Registration No. 2441955 (England and Wales)

STOCKS AUSTIN SICE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

COMPANIES HOUSE COPY

 **Hacker
Young**
Chartered Accountants



St Alphage House 2 Fore Street London EC2Y 5DH

STOCKS AUSTIN SICE LIMITED

COMPANY INFORMATION

Directors	D Stocks N Austin D Lyon
Secretary	D Stocks
Company number	2441955
Registered office	St Alphage House 2 Fore Street London EC2Y 5DH
Auditors	Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
Business address	6 Salem Road London W2 4BU

STOCKS AUSTIN SICE LIMITED

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STOCKS AUSTIN SICE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

Principal activities, review of the business and events after the balance sheet date

The principal activity of the company is that of graphic designers.

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

By a shareholders' resolution on 28 May 1999, the company purchased 6,267 ordinary shares of £1 each held by the former director, J Sice, representing 22.22% of the company's issued share capital, for a consideration of £400,000.

It was also then agreed that the company would purchase at any time on or before 31 March 2000 the remaining shares held by J Sice, being 3,133 ordinary shares for a consideration of £200,000. This was completed on 31 March 2000.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Year 2000

To date there has been no year 2000 issues problems.

Directors

The following directors have held office since 1 January 1999:

D Stocks

N Austin

D Lyon

J Sice

(Resigned 28 May 1999)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1999	1 January 1999
D Stocks	9,400	9,400
N Austin	9,400	9,400
D Lyon	-	-

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be re-appointed as auditors of the company will be put to the Annual General Meeting.

STOCKS AUSTIN SICE LIMITED

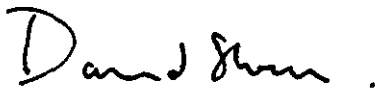
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year 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 the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

By order of the board



D Stocks

Director

23 June 2000

STOCKS AUSTIN SICE LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF STOCKS AUSTIN SICE LIMITED

We have audited the financial statements on pages 4 to 13. These have been prepared in accordance with the basis and the accounting policies set out on page 7.

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 as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hacker Young

23 June 2000

Chartered Accountants
Registered Auditor

STOCKS AUSTIN SICE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	3,712,773	3,936,539
Cost of sales		(1,688,487)	(1,637,190)
Gross profit		<u>2,024,286</u>	<u>2,299,349</u>
Administrative expenses		(2,019,260)	(2,108,413)
Other operating income		-	61,669
Operating profit	3	<u>5,026</u>	<u>252,605</u>
Other interest receivable and similar income	4	<u>23,706</u>	<u>46,704</u>
Profit on ordinary activities before taxation		<u>28,732</u>	<u>299,309</u>
Tax on profit on ordinary activities	5	(2,735)	(69,825)
Profit on ordinary activities after taxation	13	<u><u>25,997</u></u>	<u><u>229,484</u></u>

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

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

STOCKS AUSTIN SICE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	6		165,988		219,387
Current assets					
Stocks	7	54,652		99,122	
Debtors	8	819,714		911,387	
Cash at bank and in hand		413,802		698,618	
			1,288,168		1,709,127
Creditors: amounts falling due within one year	9	(966,936)		(1,057,016)	
Net current assets			321,232		652,111
Total assets less current liabilities			487,220		871,498
Provisions for liabilities and charges	10		-		(10,275)
			487,220		861,223
Capital and reserves					
Called up share capital	12		21,933		28,200
Other reserves	13		6,267		-
Profit and loss account	13		459,020		833,023
Shareholders' funds - equity interests	17		487,220		861,223

The financial statements were approved by the Board on 23 June 2000



D Stocks
Director



N Austin
Director

STOCKS AUSTIN SICE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £	1998 £
Net cash inflow from operating activities	14	198,984	34,799
Returns on investments and servicing of finance			
Interest received	23,706	46,704	
Net cash inflow for returns on investments and servicing of finance		23,706	46,704
Taxation		(68,500)	(25,950)
Capital expenditure			
Payments to acquire tangible assets	(39,006)	(80,185)	
Net cash outflow for capital expenditure		(39,006)	(80,185)
Net cash inflow/(outflow) before financing		115,184	(24,632)
Financing			
Purchase of own shares	(400,000)	-	
Net cash outflow from financing		(400,000)	-
Decrease in cash in the year	15	(284,816)	(24,632)

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

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 are stated at cost less depreciation. Depreciation is provided on the straight line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold premises	10%
Computer equipment	33.3%
Fixtures, fittings & equipment	15%

1.5 Leasing

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

1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value. Full provision is made for any foreseeable losses on uncompleted jobs.

1.7 Pensions

Payments to defined contribution pension schemes are charged to the profit and loss account as they become payable.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

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

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

3	Operating profit	1999	1998
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	92,405	77,922
	Operating lease rentals - property	61,250	65,000
	Auditors' remuneration	5,500	5,200
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	1999	1998
		£	£
	Bank interest	23,706	46,704
		<u> </u>	<u> </u>
5	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 23% (1998 - 28%)	15,500	69,000
	Deferred taxation	(10,275)	4,875
		<u> </u>	<u> </u>
		5,225	73,875
	Prior years		
	U.K. Corporation tax	(2,490)	(4,050)
		<u> </u>	<u> </u>
		2,735	69,825
		<u> </u>	<u> </u>

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

6 Tangible fixed assets

	Leasehold premises	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 1999	18,878	286,355	212,409	517,642
Additions	-	38,215	791	39,006
At 31 December 1999	18,878	324,570	213,200	556,648
Depreciation				
At 1 January 1999	7,539	181,753	108,963	298,255
Charge for the year	1,888	61,827	28,690	92,405
At 31 December 1999	9,427	243,580	137,653	390,660
Net book value				
At 31 December 1999	9,451	80,990	75,547	165,988
At 31 December 1998	11,339	104,602	103,446	219,387

Included in the above are fully depreciated fixed assets costing £147,164 which were still in use at 31 December 1999.

7 Work in progress

	1999	1998
	£	£
Work in progress	54,652	99,122

8 Debtors

	1999	1998
	£	£
Trade debtors	784,576	889,521
Other debtors	8,235	4,445
Prepayments and accrued income	26,903	17,421
	819,714	911,387

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

9 Creditors: amounts falling due within one year	1999 £	1998 £
Trade creditors	404,832	386,738
Corporation tax	13,510	69,000
Other taxes and social security costs	86,007	224,836
Accruals and deferred income	462,587	376,442
	<u>966,936</u>	<u>1,057,016</u>

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 1999	10,275
Profit and loss account	(10,275)
	<u>-</u>
Balance at 31 December 1999	<u>-</u>

11 Pension costs

The company makes contributions to the directors and staff personal pension plans. Contributions paid and payable during the year amounted to £104,289 (1998 - £49,769).

12 Share capital	1999 £	1998 £
Authorised		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
21,933 Ordinary shares of £1 each	<u>21,933</u>	<u>28,200</u>

By a shareholders' resolution on 28 May 1999, the company purchased 6,267 ordinary shares of £1 each held by the former director, J Sice, representing 22.22% of the company's issued share capital, for a consideration of £400,000. It was also then agreed that the company would purchase at any time on or before 31 March 2000 the remaining shares held by J Sice, being 3,133 ordinary shares for a consideration of £200,000. This was completed on 31 March 2000.

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

13 Statement of movements on reserves

	Capital redemption reserve £	Profit and loss account £
Balance at 1 January 1999	-	833,023
Retained profit for the year	-	25,997
Purchase of own shares	6,267	(400,000)
Balance at 31 December 1999	6,267	459,020

The capital redemption reserve arose as a result of the purchase by the company of 6,267 of its own shares on 28 May 1999 for £400,000 from a former director.

14 Reconciliation of operating profit to net cash inflow from operating activities	1999 £	1998 £
Operating profit	5,026	252,605
Depreciation of tangible assets	92,405	77,922
Decrease/(increase) in stocks	44,470	(25,833)
Decrease/(increase) in debtors	91,673	(99,617)
Decrease in creditors within one year	(34,590)	(170,278)
Net cash inflow from operating activities	198,984	34,799

15 Analysis of net funds	1 January 1999 £	Cash flow £	Other non-cash changes £	31 December 1999 £
Net cash:				
Cash at bank and in hand	698,618	(284,816)		413,802
Debt:	-	-		-
Net funds	698,618	(284,816)	-	413,802

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

16 Reconciliation of net cash flow to movement in net funds	1999 £	1998 £
Decrease in cash in the year	(284,816)	(24,632)
Opening net funds	698,618	723,250
Closing net funds	413,802	698,618

17 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit for the financial year	25,997	229,484
Purchase of own shares	(400,000)	-
Net (depletion in)/addition to shareholders' funds	(374,003)	229,484
Opening shareholders' funds	861,223	631,739
Closing shareholders' funds	487,220	861,223

18 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999 £	1998 £
Expiry date:		
Between two and five years	60,000	-
In over five years	15,000	60,000
	75,000	60,000

STOCKS AUSTIN SICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

19 Directors' emoluments	1999 £	1998 £
Emoluments for qualifying services - salaries and benefits	447,603	653,086
Company pension contributions to money purchase schemes	100,292	40,000
	<u>547,895</u>	<u>693,086</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1998 - 3).

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

Emoluments for qualifying services - salaries and benefits	213,799	350,000
Company pension contributions to money purchase schemes	292	12,000
	<u>213,799</u>	<u>350,000</u>

20 Employees

Number of employees

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

1999 Number	1998 Number
<u>32</u>	<u>31</u>

Employment costs

	£	£
Wages and salaries	1,240,067	1,400,843
Social security costs	133,379	146,732
Other pension costs	104,289	49,769
	<u>1,477,735</u>	<u>1,597,344</u>

21 Post balance sheet events

By a shareholders' resolution on 28 May 1999, the company purchased 3,133 ordinary shares of £1 each held by the former director, J Sice, for a consideration of £200,000 on 31 March 2000.