

**LANGLAND ADVERTISING DESIGN
AND MARKETING LIMITED**

Annual Report and Financial Statements

Year Ended 30th September 2000



LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Annual Report and Financial Statements for the Year Ended 30th September 2000

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Directors	P Chin J Chin
Secretary	J Chin
Registered Office	Langland House 93a Peascod Street Windsor Berkshire SL4 1DH
Auditors	Crickmore & Co West House Chilton Oxfordshire OX11 0SH
Company Number	2633451

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Report of the Directors for the Year Ended 30th September 2000

The directors submit their report together with the audited financial statements for the year ended 30th September 2000.

Results and Dividends

The trading profit for the year before tax and dividends was £451,720 (1999 - £292,030). The directors recommend the payment of a final dividend of £60,000 (1999 - £50,000 final and £50,000 interim).

Principal Activity, Review of Business and Future Developments

The principal activity of the company is that of advertising, design and marketing for the pharmaceutical industry.

The company has enjoyed a successful year of trading with turnover up 8.4% on the previous financial year. In the summer of 2001, the long awaited move to larger premises will facilitate expansion and diversification plans which include the introduction of a media buying arm.

There have been no events since the balance sheet date which materially affect the position of the company.

3% of the company's turnover is attributable to markets outside the U.K..

Fixed Assets

Movements on fixed assets are set out in note 7 to the accounts.

Directors

The directors of the company during the period and their interests in the ordinary share capital of the company were:

	<u>Ordinary shares</u> <u>of £1 each</u> 30th September 2000 and 1st October 1999
P Chin	50
J Chin	50

Charitable Donations

The company made charitable donations during the year totalling £20,617 (1999 - £10,107)

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Report of the Directors for the Year Ended 30th September 2000 (Continued)

Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- ◆ 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

A resolution to re-appoint Crickmore & Co as auditors of the company will be proposed at the annual general meeting.

Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities.

By order of the Board



J Chin
Secretary
6th June 2001

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Profit and Loss Account for the Year Ended 30th September 2000

	<u>Note</u>	<u>Year Ended</u> <u>30th September</u> <u>2000</u> £	<u>Year Ended</u> <u>30th September</u> <u>1999</u> £
Turnover	2	2,217,996	1,985,555
Direct expenses		935,663	999,944
Gross profit		1,282,333	985,611
Administrative expenses	3	863,034	722,551
Operating profit		419,299	263,060
Other income: Interest receivable		32,421	28,970
Profit on ordinary activities before taxation		451,720	292,030
Taxation	5	119,753	67,012
Profit on ordinary activities after taxation		331,967	225,018
Dividends	6	60,000	100,000
Retained profit for the year		271,967	125,018
Profit and loss account brought forward		809,269	684,251
Profit and loss account carried forward		£1,081,236	£809,269

All amounts relate to continuing activities.

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

The notes on pages 5 to 8 form part of these financial statements.

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Balance Sheet at 30th September 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		70,908		80,367
Current assets					
Work in progress	8	120,316		41,539	
Debtors and prepayments	9	504,498		515,256	
Cash at bank and in hand		1,014,982		538,570	
		1,639,796		1,095,365	
Creditors					
Amounts falling due within one year	10	629,368		366,363	
Net current assets			1,010,428		729,002
Total assets			£1,081,336		£809,369
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			1,081,236		809,269
Shareholders funds - equity			£1,081,336		£809,369

These financial statements have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 applicable to small companies on the grounds that the company is entitled to the benefits of those exemptions as a small company.

The financial statements were approved by the Board on 6th June 2001.



P Chin
Director

The notes on pages 5 to 8 form part of these financial statements.

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Notes Forming Part of the Financial Statements for the Year Ended 30th September 2000.

1 Accounting Policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less VAT.

Depreciation

Depreciation is provided to write off the cost less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Office furniture	25 % per annum
Office equipment	33.3 % - 50 % per annum
Motor vehicles	33.3 % per annum

Work in Progress

Work in progress is valued at the cost of expenses incurred on a project plus cost of time spent on that project.

Pension Costs

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 costs represents contributions payable by the company to the fund.

Cashflow Statement

As permitted by The Financial Reporting Standard for Smaller Entities, the company has not prepared a cashflow statement on the grounds that it qualifies as a small company.

Deferred Taxation

Provision is made 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.

2 Turnover and Profits

The turnover and profit before taxation is attributable to the principal activity.

Analysis by market:

	<u>2000</u>	<u>1999</u>
	£	£
United Kingdom	2,151,724	1,923,298
Europe	69,272	62,257
	<u>2,220,996</u>	<u>1,985,555</u>

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Notes Forming Part of the Financial Statements for the Year Ended 30th September 2000
(Continued)

3 <u>Administrative Expenses</u>	<u>2000</u>	<u>1999</u>
	£	£
Administrative expenses include:		
Depreciation on motor vehicles	16,358	14,138
Depreciation on office furniture	5,640	4,518
Depreciation on office equipment	18,188	28,240
Auditors remuneration - audit services	2,023	1,751
	<hr/>	<hr/>

4 Employees

The average number of employees, including directors, during the year was 19 (1999 - 17)

	<u>2000</u>	<u>1999</u>
	£	£
Staff costs consist of:		
Wages and salaries	431,486	442,113
Social security costs	57,951	46,007
Other pension costs	14,353	14,345
	<hr/>	<hr/>
	503,790	502,465
	<hr/>	<hr/>

Directors' emoluments consist of:

Remuneration for management services	94,926	91,174
Pension contributions	14,353	14,345
	<hr/>	<hr/>
	109,279	105,519
	<hr/>	<hr/>

5 Taxation

	<u>2000</u>	<u>1999</u>
	£	£
UK Corporation tax on profits for the year at 24.75% (1999 - 20.5%)	119,753	67,012
	<hr/>	<hr/>

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Notes Forming Part of the Financial Statements for the Year Ended September 2000 (Continued)

6 Dividends

	<u>2000</u> £	<u>1999</u> £
Ordinary		
1st Interim paid:	-	50,000
Proposed dividend: £600 (1999 - £500) per share	60,000	50,000
	<hr/> 60,000	<hr/> 100,000

7 Tangible Assets

	<u>Motor Vehicles</u> £	<u>Office Equipment</u> £	<u>Office Furniture & Fixtures</u> £	<u>Total</u> £
Cost				
Balance brought forward at 1st October 1999	81,680	105,907	37,874	225,461
Additions	-	23,232	7,497	30,729
Disposals	-	(18,117)	-	(18,117)
Balance carried forward at 30th September 2000.	<hr/> 81,680	<hr/> 111,022	<hr/> 45,371	<hr/> 238,073
Depreciation				
Balance brought forward at 1st October 1999.	37,670	75,897	31,527	145,094
Charge for the year	16,358	18,188	5,640	40,186
Eliminated on disposals	-	(18,115)	-	(18,115)
At 30th September 2000.	<hr/> 54,028	<hr/> 75,970	<hr/> 37,167	<hr/> 167,165
Net book value at 30th September 2000.	<hr/> <hr/> 27,652	<hr/> <hr/> 35,052	<hr/> <hr/> 8,204	<hr/> <hr/> 70,908
Net book value at 30th September 1999.	<hr/> <hr/> 44,010	<hr/> <hr/> 30,010	<hr/> <hr/> 6,347	<hr/> <hr/> 80,367

At the balance sheet date the company had not authorised, nor contracted for any capital expenditure.

8 Work in Progress

	<u>2000</u> £	<u>1999</u> £
Work in progress	<hr/> 120,316	<hr/> 41,539

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Notes Forming Part of the Financial Statements for the Year Ended September 2000 (Continued)

9 Debtors	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	492,618	500,590
Prepayments	11,880	14,666
	<hr/>	<hr/>
	504,498	515,256
	<hr/>	<hr/>
All these amounts fall due within one year		
10 Creditors falling due within one year	<u>2000</u>	<u>1999</u>
	£	£
Trade creditors	188,040	138,761
Taxation and social security	15,155	13,137
VAT	98,462	49,677
Accruals	116,055	58,715
Other creditors	31,944	1,552
Corporation tax	119,712	54,521
Proposed dividend	60,000	50,000
	<hr/>	<hr/>
	629,368	366,363
	<hr/>	<hr/>
11 Share Capital	<u>Authorised</u>	<u>Allotted, called</u>
	<u>2000 and 1999</u>	<u>up and fully paid</u>
	£	£
Ordinary shares of £1 each	1,000	100
	<hr/>	<hr/>
12 Reconciliation of movement in shareholders funds	<u>2000</u>	<u>1999</u>
	£	£
Opening shareholders funds	809,369	684,351
Profit for the year	271,967	125,018
	<hr/>	<hr/>
Closing shareholders funds	1,081,336	809,369
	<hr/>	<hr/>
13 Commitments under operating leases		

At 30th September 2000 the company had a commitment, until 25th March 2001, of £11,450 (1999 - £23,325) the respect of a non-cancellable operating lease for land and buildings.

LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

Report of the auditors

To the Shareholders of LANGLAND ADVERTISING DESIGN AND MARKETING LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 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 of you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes an 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 misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the preparation 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 30th September 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Crickmore & Co
Chartered Accountants
and Registered Auditors
West House
Chilton
Oxfordshire
OX11 0SH

6th June 2001