

PROPORTION (HOLDINGS) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

Company Number: 2783235



Blackstone
Franks

AUDITORS' REPORT TO PROPORTION (HOLDINGS) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 5 together with the financial statements of Proportion (Holdings) Ltd for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Blackstone Franks

Blackstone Franks
Chartered Accountants and Registered Auditors
Barbican House
26-34 Old Street
London
EC1V 9QR

Date: *27 July 2000*

Ref:SVT/S536

PROPORTION (HOLDINGS) LIMITED

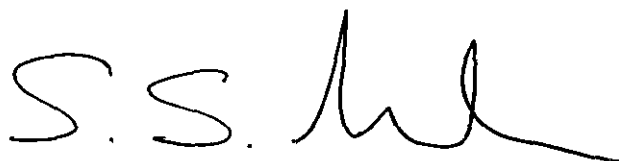
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1999

| | Notes | 1999 £ | 1998 £ |
|--|-------|------------------|------------------|
| Fixed Assets | 2 | | |
| Tangible fixed assets | | 930,017 | 185,574 |
| Fixed asset investments | | 253,402 | 253,402 |
| | | <u>1,183,419</u> | <u>438,976</u> |
| Current Assets | | | |
| Debtors | | 568,936 | 146,416 |
| | | <u>568,936</u> | <u>146,416</u> |
| Creditors: Amounts Falling Due Within One Year | | <u>(710,316)</u> | <u>(182,430)</u> |
| Net Current Liabilities | | <u>(141,380)</u> | <u>(36,014)</u> |
| Total Assets Less Current Liabilities | | <u>1,042,039</u> | <u>402,962</u> |
| Creditors: Amounts Falling Due After More Than One Year | | <u>(456,521)</u> | <u>-</u> |
| | | <u>585,518</u> | <u>402,962</u> |
| Capital and Reserves | | | |
| Share capital | 3 | 10,362 | 10,362 |
| Share premium account | | 81,479 | 81,479 |
| Profit and loss account | | 493,677 | 311,121 |
| Shareholders' Funds | | <u>585,518</u> | <u>402,962</u> |

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board and signed on its behalf by:



Susan S. Muller, Director

Date: 26-7-00

PROPORTION (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company is exempt from the requirement to prepare group financial statements by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Depreciation

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

| | |
|-------------------------------------|----------|
| Freehold properties | nil |
| Plant/showroom and office equipment | 10 years |
| Motor vehicles | 4 years |
| Production moulds | 15 years |
| Computer equipment | 4 years |

Investments

Investments are included at cost less amounts written off.

PROPORTION (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

2 Fixed Assets

| | Tangible Fixed Assets | Fixed Asset Investments | Total |
|--------------------------------------|--------------------------------------|--|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 1999 | 328,086 | 253,402 | 581,488 |
| Additions | 794,820 | - | 794,820 |
| At 31 December 1999 | 1,122,906 | 253,402 | 1,376,308 |
| Depreciation and Amortisation | | | |
| At 1 January 1999 | 142,512 | - | 142,512 |
| Charge for the year | 50,377 | - | 50,377 |
| At 31 December 1999 | 192,889 | - | 192,889 |
| Net Book Value | | | |
| At 31 December 1999 | 930,017 | 253,402 | 1,183,419 |
| At 31 December 1998 | 185,574 | 253,402 | 438,976 |

3 Share Capital

Authorised

54,400 Ordinary shares of £0.10 each
49,220 A Ordinary shares of £0.10 each

1999
£

1998
£

5,440
4,922

10,362

Allotted

54,400 Allotted, called up and fully paid ordinary shares of £0.10 each
49,220 Allotted, called up and fully paid A ordinary shares of £0.10 each

5,440
4,922

10,362

4 Transactions with Directors

During the year the company paid £10,000 (1998 £ 10,082) to David M. Anderson a director for the provision of consultancy services.

PROPORTION (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

5 **Subsidiary Undertakings**

| Name of company | Country of incorporation | Holding | Proportion of voting rights and shares held | Nature of business |
|----------------------------|-----------------------------|---------|--|--|
| Proportion London Limited | England | 100% | 100% | Manufacture and distribution of display equipment |
| Proportion Display Limited | England | 100% | 100% | Dormant |

At 31 December 1999 the aggregate share capital and reserves of Proportion London Limited amounted to £203,109 (1998 £203,109) and its profit for the year was £684,653 (1998 £305,547)