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BLUE SKY PROMOTIONS LIMITED

REPORTS AND

FINANCIAL STATEMENTS

FOR YEAR ENDED AUGUST 2001



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Blue Sky Promotions Limited

Annual report and financial statements for the year ended 31st August 2001

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Directors

G Slocombe

Secretary

S Slocombe

Registered Office

67c Chestergate
Macclesfield
Cheshire
SK11 6DG

Registered Number

03417350

Accountants

Path Consultants Ltd
'The Courtyard'
67c Chestergate
Macclesfield
Cheshire.
SK11 6DG

Report of the directors for the year ended 31st August 2001

The directors submit their report together with the financial statements for the year ended 31st August 2001

Results

The profit and loss is set out on Page 2 and shows the profit for the year.

Principal activities

The principal activity of the company during the year was the supply of promotional goods.

Directors

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

Ordinary share of £1.00 each

	2001
G Slocombe	1

Directors' Responsibility statement

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;
- 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 a 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.

In preparing this report advantage has been taken of the exemptions conferred by section A of part III of schedule 8, and subsection (1) of section 249A, in the opinion of the directors, the company is entitled to the exemptions on the basis that it qualifies as a small company.

By order of the board



G Slocombe
Director

Blue Sky Promotions Limited

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Profit and loss account for the year ended 31st August 2001

	Notes	2001 £	2000 £
Turnover	1	96,023.89	155,424.53
Cost of Sales		65,246.91	113,687.13
Gross Profit		<u>30,776.98</u>	<u>41,737.40</u>
Administration expenses	2	16,910.23	22,715.23
Operating Profit		<u>13,866.75</u>	<u>19,022.17</u>
Interest Receivable		0.00	0.00
Interest Payable		0.00	0.00
Profit on ordinary activities before taxation		<u>13,866.75</u>	<u>19,022.17</u>
Taxation on profit on ordinary activities	3	2,773.35	3,804.50
Profit for the financial period		<u>11,093.40</u>	<u>15,217.67</u>
Dividends paid		19,000.00	22,750.00
Profit for the period		<u>-7,906.60</u>	<u>-7,532.33</u>
Retained profits brought forward		448.77	7,981.10
Retained profits carried forward		<u><u>-7,457.83</u></u>	<u><u>448.77</u></u>

All amounts relate to continuing activities.

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

Balance Sheet for the period ended 31 August 2001

	Notes	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS					
Tangible Assets	4		9,884		12,797
CURRENT ASSETS					
Debtors - due within one year	5	10,161		22,401	
Stock		0		0	
Cash at bank and in hand		121		10,765	
		<u>10,282</u>		<u>33,166</u>	
CURRENT LIABILITIES					
Creditors - amounts due within one year	6a	27,623		45,512	
NET CURRENT ASSETS		<u>-17,341</u>		<u>-12,346</u>	
LIABILITIES DUE 2-5 YEARS	6b	<u>0</u>		<u>0</u>	
TOTAL ASSETS LESS LIABILITIES			<u>-7,456</u>		<u>451</u>
CAPITAL AND RESERVES					
Called up share capital - equity	7		2		2
Profit and loss account - equity			-7,458		449
			<u>-7,456</u>		<u>451</u>

In preparing these financial statements for the period 31 August 2001 the company is entitled to the exemption conferred by subsection (1) of section 249A of the companies act, no notice has been deposited under subsection (2) of section 249B in relation to its accounts for the period ended 31st August 2001

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with s221 of the companies act 1985. The directors acknowledge their responsibility for preparing accounts which give a true and fair view of the company and of its profit/loss for the year ended 31 August 2001 in accordance with the requirements of s226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Advantage has been taken of the exemptions conferred by section A of part III of schedule 8, and in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

These financial statements were approved by the Board on February 2002.



G Slocombe
Director

The notes on pages 4 and 5 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 August 2001.

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 external customers at invoiced amount less value added tax.

Depreciation

Depreciation is provided to write off the cost less residual values of all fixed assets over their useful lives. It is calculated on the net book value of the assets at the following rates:-

25%

Deferred taxation

No provision is made for timing differences between the treatment of certain items for taxation and accounting purposes as it is unlikely that a liability or asset will crystallise.

2	Directors	2001	2000	
		£	£	
	Directors' emoluments	0	0	
3	Taxation			
	Based on profits for the year			
	- UK corporation tax financial year 2000 at 20%	1,156	2,219	
	- UK corporation tax financial year 2001 at 20 %	1,618	1,585	
		<u>2,773</u>	<u>3,804</u>	
4	Fixed Assets			
		Motor Vehicles	Plant & Machinery	Total
	Cost	£	£	£
	At 1st September 2000	14,983	2,632	17,615
	Additions	0	380	380
	Disposals	0	0	0
	At 31 August 2001	<u>14,983</u>	<u>3,012</u>	<u>17,995</u>
	Depreciation			
	At 1st September 2000	3,746	1,072	4,818
	Provided for the year	2,809	485	3,294
	Eliminated on disposals	0	0	0
	At 31 August 2001	<u>6,555</u>	<u>1,557</u>	<u>8,112</u>
	NBV @ 31 AUGUST 2001	<u>8,428</u>	<u>1,455</u>	<u>9,883</u>
	NBV @ 31 AUGUST 2000	11,237	1,560	12,797

Notes forming part of the financial statements for the year ended 31 August 2001

5	Debtors	2001	2000
	Amounts receivable within one year	10,161	22,401
	Prepayments	0	0
		<u>10,161</u>	<u>22,401</u>
6a	Creditors		
	Amounts falling due within one year		
	Trade Creditors	8,612	23,390
	Accruals	1,715	1,215
	Finance Creditors	5,208	8,433
	Taxation & Social Security	2,773	4,302
	Others	9,315	8,172
		<u>27,623</u>	<u>45,512</u>
6b	Amounts due 2-5 years		
	Finance Creditor	0	0
	Directors Loans	0	0
		<u>0</u>	<u>0</u>
7	Share Capital	Authorised	Allotted, called up and fully paid
		2001	2000
		£	£
	Ordinary shares of £1.00 each.	<u>2</u>	<u>2</u>
8	Capital Commitments		
	Contracted for		<u>0</u>
	Authorised but not contracted for		<u>0</u>
9	Reconciliation of shareholders funds	2001	2000
		£	£
	Profit for the period	-7,907	-7,532
	Opening shareholders funds	451	7,983
	Distributions in year	0	0
	Closing shareholders funds	<u>-7,456</u>	<u>451</u>

Blue Sky Promotions Limited

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Corporation tax computation for the period ended 31 August 2001

	£	
Profit on ordinary activities before taxation	13,866.75	
Add back		
Depreciation	3,294.68	
	<u>17,161.43</u>	
Deduct		
Capital Allowances	3,294.46	
	<u>13,866.97</u>	
Taxation on profit on ordinary activities		
	£	Tax Due
Based on profits for the year		
-UK corporation tax financial year 2000 at 20%	8,089.07	1,617.81
-UK corporation tax financial year 2001 at 20%	5,777.90	1,155.58
	<u>13,866.97</u>	<u>2,773.39</u>

Capital Allowances

	Motor Vehicles £	Plant & Machinery £	Total £
WDV Brought Forward	11,237.25	1,560.16	12,797.41
Additions	0.00	380.42	380.42
Disposals	0.00	0.00	0.00
	<u>11,237.25</u>	<u>1,940.58</u>	<u>13,177.83</u>
Capital Allowances @ 25%	2,809.31	485.15	3,294.46
WDV Carried Forward	<u>8,427.94</u>	<u>1,455.44</u>	<u>9,883.37</u>

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Detailed Profit and loss account for the year ended 31 August 2001.

	2001 £	2000 £
TURNOVER		
Sales	96,023.89	155,424.53
COST OF SALES		
Purchases	65,246.91	113,687.13
GROSS PROFIT	<u>30,776.98</u>	<u>41,737.40</u>
 ADMINISTRATION COSTS		
Salaries	447.74	180.00
Carriage	934.56	1,066.63
Samples	820.84	417.65
Motor Costs	2,136.45	2,587.08
Telephone	1,309.93	1,455.75
Professional Fees	30.00	659.68
Postage and Stationary	2,023.43	1,665.93
Travel Expenses	772.00	1,508.34
Repairs and Renewals	1,094.86	3,341.60
Subsistence	81.13	238.73
Entertaining	760.65	1,697.53
Printing and packaging	694.38	1,256.32
Bank charges	264.60	239.13
Sundry expenses	51.06	0.00
Accountancy fees	1,140.00	1,056.00
Use of home as office	500.00	500.00
Depreciation	3,294.68	4,266.12
Finance Charges	435.12	478.86
Insurance	118.80	99.88
	<u>16,910.23</u>	<u>22,715.23</u>
 Profit on ordinary activities	13,866.75	19,022.17
 Interest Payable	0.00	0.00
 Profit on ordinary before taxation	<u><u>13,866.75</u></u>	<u><u>19,022.17</u></u>