

ALLIED PUBLICITY SERVICES (MANCHESTER)
LIMITED

FINANCIAL STATEMENTS

31 JANUARY 2000

Registered number: 681528

Booth Ainsworth
Chartered Accountants
Cheadle, Cheshire



ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

FINANCIAL STATEMENTS

for the year ended 31 January 2000

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

COMPANY INFORMATION

31 January 2000

COMPANY NUMBER	681528
CHAIRMAN	M Snelson
OTHER DIRECTORS	G M Snelson N J Snelson R H Snelson
SECRETARY	G M Snelson
REGISTERED OFFICE	Chetham House Bird Hall Lane Cheadle Heath Cheshire SK3 0ZP
AUDITORS	Booth Ainsworth Chartered Accountants Ashfield House Ashfield Road Cheadle Cheshire SK8 1BE

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

DIRECTORS' REPORT

31 January 2000

The directors present their report and the audited financial statements for the year ended 31 January 2000.

Principal activity

The principal activity of the company are printing, contracting, consultancy and postal publicity.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £4,938,889.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 January 2000		1 February 1999	
	Ordinary shares		Ordinary shares	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
M Snelson	780	150	780	150
G M Snelson	120	600	120	600
N J Snelson	600	-	600	-
R H Snelson	600	-	600	-

continued

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

DIRECTORS' REPORT
(continued)

31 January 2000


Deferred taxation

During the year the accounting policy for the provision of deferred taxation was changed from half provision to full provision.

Auditors

Booth Ainsworth have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


G M Snelson
Secretary

Chetham House
Bird Hall Lane
Cheadle Heath
Cheshire SK3 0ZP

Date: 3 October 2000

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

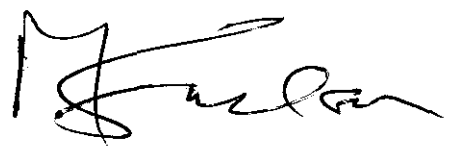
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

On behalf of the board



M Snelson
Chairman

Date: 3 October 2000

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Allied Publicity Services (Manchester) Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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.

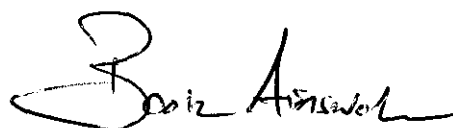
Basis of opinion

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 error or other irregularity. 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 January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Booth Ainsworth
Registered Auditors
Chartered Accountants
Cheadle, Cheshire

Date: 4 October 2000

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 January 2000

	Note	2000 £	1999 £
Turnover	2	10,137,880	8,064,725
Cost of sales		(6,835,053)	(5,832,510)
Gross profit		3,302,827	2,232,215
Net operating expenses			
Administrative expenses		(2,104,053)	(1,744,959)
Profit on sale of fixed assets		241,449	30,625
Operating profit	3	1,440,223	517,881
Investment income	5	55,810	33,051
Interest payable	6	(173,933)	(222,775)
Profit on ordinary activities before taxation		1,322,100	328,157
Taxation	7	(512,378)	(66,464)
Profit on ordinary activities after taxation		809,722	261,693
retained for the year	18		

Movements in reserves are shown in note 18.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 2000 or 1999 other than the profit for the year.

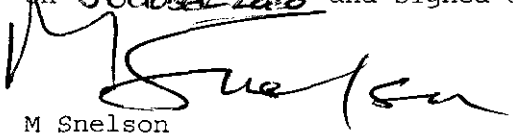
ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

BALANCE SHEET

at 31 January 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	8	7,217,645	6,305,891
Current assets			
Stocks	10	306,654	235,968
Debtors	11	2,021,482	1,719,903
Cash at bank and in hand		2,951,153	1,294,298
		<u>5,279,289</u>	<u>3,250,169</u>
Creditors: amounts falling due within one year	12	(4,569,802)	(2,618,480)
Net current assets		<u>709,487</u>	<u>631,689</u>
Total assets less current liabilities		<u>7,927,132</u>	<u>6,937,580</u>
Creditors: amounts falling due after more than one year	13	(2,395,000)	(2,530,000)
Provision for liabilities and charges	14	(593,243)	(278,413)
		<u>4,938,889</u>	<u>4,129,167</u>
Capital and reserves			
Called up share capital	17	3,000	3,000
Profit and loss account	18	4,935,889	4,126,167
Total shareholders' funds	16	<u>4,938,889</u>	<u>4,129,167</u>

The financial statements on pages 5 to 16 were approved by the board of directors on 30 April 2000 and signed on its behalf by:


M Snelson
Chairman

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

CASH FLOW STATEMENT

for the year ended 31 January 2000

	Note	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	20	3,440,084		1,018,733	
Returns on investments and servicing of finance					
Interest received		55,810		33,051	
Interest paid		(173,933)		(222,775)	
			(118,123)		(189,724)
Taxation					
Corporation tax paid		(52,387)		(55,093)	
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(2,237,637)		(1,475,485)	
Sale of tangible fixed assets		759,918		32,963	
			(1,477,719)		(1,442,522)
			1,791,855		(668,606)
Financing					
Debt due beyond a year:					
Other loan (repayments)/advances		(135,000)		800,000	
			(135,000)		800,000
Increase in cash		1,656,855		131,394	

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2% pa on cost
Motor vehicles	25% pa written down value
Plant and machinery, fixtures and fittings	Between 20% pa on cost and 20% pa written down value

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

3 Operating profit

	2000 £	1999 £
Operating profit is stated after crediting:		
Profit on sale of assets	241,449	30,625
and after charging:		
Staff costs (note 4)	3,776,933	3,190,144
Auditors' remuneration	17,043	18,189
Depreciation of tangible fixed assets (note 8):		
Owned assets	807,415	785,706

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

4 Directors and employees

	2000	1999
	£	£
Staff costs including directors' emoluments		
Wages and salaries	3,412,162	2,893,453
Social security costs	327,555	270,904
Pension costs	37,216	25,787
	<u>3,776,933</u>	<u>3,190,144</u>
Average monthly number employed including executive directors:	Number	Number
Staff	164	140
Office and management	4	4
	<u>168</u>	<u>144</u>
Directors	£	£
Emoluments	<u>364,566</u>	<u>265,001</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	<u>2</u>	<u>4</u>
Highest paid director	£	£
Emoluments and amounts receivable under long term incentive schemes	179,737	119,042
Company contributions to a money purchase pension scheme	<u>934</u>	<u>-</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,216 (1999 £25,787) including contributions in respect of employees.

No contributions were payable to the fund at 31 January 2000.

5 Investment income

	2000	1999
	£	£
Interest receivable	<u>55,810</u>	<u>33,051</u>

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

6 Interest payable

	2000 £	1999 £
Interest on loan from pension fund	173,933	222,775
	<u>173,933</u>	<u>222,775</u>

7 Taxation

	2000 £	1999 £
UK Corporation tax:		
Current tax on income for the period at 27.5% (1999 21%)	197,548	52,387
Deferred tax:		
Deferred tax for the period	314,830	14,077
	<u>512,378</u>	<u>66,464</u>

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 February 1999	330,804	5,803,875	248,584	3,162,046	9,545,309
Additions	53,094	1,935,512	15,456	233,575	2,237,637
Disposals	(26,907)	(75,195)	(10,333)	(598,764)	(711,199)
31 January 2000	<u>356,991</u>	<u>7,664,192</u>	<u>253,707</u>	<u>2,796,857</u>	<u>11,071,747</u>
Depreciation					
1 February 1999	188,429	2,748,172	133,250	169,566	3,239,417
Charge for the year	41,460	690,937	32,937	42,081	807,415
Disposals	(15,628)	(56,947)	(7,731)	(112,424)	(192,730)
31 January 2000	<u>214,261</u>	<u>3,382,162</u>	<u>158,456</u>	<u>99,223</u>	<u>3,854,102</u>
Net book amount					
31 January 2000	<u>142,730</u>	<u>4,282,030</u>	<u>95,251</u>	<u>2,697,634</u>	<u>7,217,645</u>
1 February 1999	<u>142,374</u>	<u>3,055,702</u>	<u>115,334</u>	<u>2,992,481</u>	<u>6,305,891</u>

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

9 Land and buildings

	2000 £	1999 £
Freehold	2,697,634	2,992,481

10 Stocks

	2000 £	1999 £
Work in progress	124,615	124,361
Raw materials	182,039	167,462
Payments on account	-	(55,855)
	<u>306,654</u>	<u>235,968</u>

11 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	1,685,309	1,627,929
Other debtors	280,342	50,708
Prepayments and accrued income	55,831	41,266
	<u>2,021,482</u>	<u>1,719,903</u>

12 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	2,878,726	1,026,963
Corporation tax	197,548	52,387
Other taxation and social security	84,371	79,495
Directors' loan accounts	1,100,795	1,080,461
Accruals and deferred income	308,362	379,174
	<u>4,569,802</u>	<u>2,618,480</u>

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

13 Creditors: amounts falling due
after more than one year

	2000 £	1999 £
Other liabilities		
Pension fund loan	2,395,000	2,530,000
	<u>2,395,000</u>	<u>2,530,000</u>
Maturity of debt		
In one year or less, or on demand	-	-
- see note 12		
In more than two years but not more than five years	2,395,000	2,530,000
	<u>2,395,000</u>	<u>2,530,000</u>

14 Provision for liabilities and charges

	Deferred tax £
1 February 1999	278,413
Profit and loss account	<u>314,830</u>
31 January 2000	<u>593,243</u>

15 Deferred taxation

	2000		1999	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	-	593,243	278,413	278,413
	<u>-</u>	<u>593,243</u>	<u>278,413</u>	<u>278,413</u>

Deferred taxation is based on a corporation tax rate of 30% (1999 31%).

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

16 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year representing a Net addition to shareholders' funds	809,722	261,693
Opening shareholders' funds	<u>4,129,167</u>	<u>3,867,474</u>
Closing shareholders' funds	<u><u>4,938,889</u></u>	<u><u>4,129,167</u></u>

17 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

18 Profit and loss account

	2000 £
1 February 1999	4,126,167
Retained profit for the year	<u>809,722</u>
31 January 2000	<u><u>4,935,889</u></u>

19 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 January 2001

	2000 Plant & Other £	1999 Plant & Other £
Expiring Within two to five years	<u>134,972</u>	<u>10,972</u>
	<u><u>134,972</u></u>	<u><u>10,972</u></u>

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

20 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2000 £	1999 £
Operating profit	1,440,223	517,881
Depreciation charges	807,415	785,706
Profit on sale of fixed assets	(241,449)	(30,625)
(Increase)/decrease in stocks	(70,686)	1,748
(Increase)/decrease in debtors	(301,579)	65,408
Increase/(decrease) in creditors	1,806,162	(321,385)
Net cash inflow from operating activities	<u>3,440,084</u>	<u>1,018,733</u>

21 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,294,298	1,656,855	2,951,153
Debt due after 1 year	(2,530,000)	135,000	(2,395,000)
Total	<u>(1,235,702)</u>	<u>1,791,855</u>	<u>556,153</u>

Reconciliation of net cash flow to movement in net debt

	2000 £	1999 £
Increase in cash in the year	1,656,855	131,395
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	135,000	(800,000)
Change in net debt resulting from cash flows	1,791,855	(668,605)
Net debt at 1 February 1999	(1,235,702)	(567,097)
Net debt at 31 January 2000	<u>556,153</u>	<u>(1,235,702)</u>

ALLIED PUBLICITY SERVICES (MANCHESTER) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 2000

22 Related parties

Control

The company is ultimately controlled by the directors whose interests are shown in the directors' report.

Transactions

Details of directors' loan accounts and pension fund loans are disclosed under notes 12 and 13 to the financial statements.