

**ASSOCIATED INDEPENDENT MERCHANT
STOCKISTS LIMITED**

ANNUAL REPORT

YEAR ENDED 31 MARCH 1998

Registered Number 01676633

COMPANIES HOUSE 05/12/98



ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
ANNUAL REPORT
YEAR ENDED 31 MARCH 1998

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ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 March 1998 .

RESULTS AND DIVIDENDS

The profit for the financial year after tax amounted to £477.

The directors do not recommend the payment of a dividend for the year and recommend the balance of retained profit totalling £477 be transferred to reserves.

REVIEW OF THE BUSINESS

The principal activity of the Company is to act as a Purchasing Group on behalf of it's Member companies.

The Board of Directors, together with the Buying Committee and Marketing Committee, have continued to try and improve buying arrangements with the group's major paper suppliers throughout the year. The Member's collective turnover for the calendar year 1997 was in excess of £150m enabling the company's general standing and credibility within the UK Paper Trade to improve as a whole, very necessary in order to achieve the best buying arrangements available.

The Directors will continue to ensure that the Company maximises it's collective buying arrangements and marketing initiatives at every possible opportunity as the potential number of suppliers is clearly in decline due to polarisation. This action will hopefully enable the Members to compete effectively within the Paper Merchanting sector which also continues to polarise into the hands of fewer foreign-owned merchants, where truly independent merchants are clearly now the exception rather than the rule

DIRECTORS

The directors at 31 March 1998 were as follows:

T R Bowler
H G N Davies
M J Wheat
M W L Randall
M R Ovenden

None of the directors has any interest in the share capital of the company.

FIXED ASSETS

Changes in fixed assets are shown in Note 6.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
DIRECTORS' REPORT

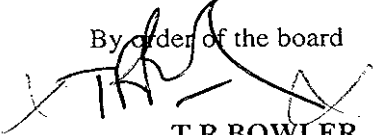
STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

By order of the board


T R BOWLER
Secretary

18 June 1998

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS 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 then 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 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

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. 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 affairs of the company as at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

Nottingham
24 June 1998

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 1998

	Notes	<u>1998</u> £	<u>1997</u> £
REBATES RECEIVED	2	2,000	4,928
REBATES PAID TO MEMBERS		<u>(2,000)</u>	<u>(4,928)</u>
GROSS PROFIT		-	-
ADMINISTRATIVE EXPENSES LESS CONTRIBUTIONS FROM MEMBERS		<u>529</u>	<u>7,243</u>
OPERATING PROFIT		529	7,243
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	3	<u>252</u>	<u>176</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	781	7,419
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	<u>(304)</u>	<u>(2,875)</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u><u>477</u></u>	<u><u>4,544</u></u>

All amounts relate to continuing operations.

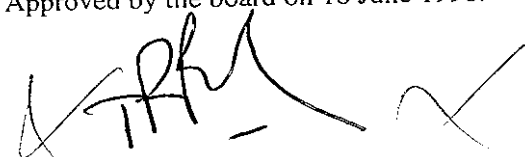
The company has no recognised gains or losses other than the result for the year.

There is no difference between the profit as reported above and the historical cost profit for the year.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
BALANCE SHEET
31 MARCH 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible assets	6	-	-
CURRENT ASSETS			
Debtors	7	202	796
Cash at bank and in hand		<u>18,024</u>	<u>12,830</u>
		18,226	13,626
CREDITORS			
Amounts falling due within one year	8	<u>19,523</u>	<u>15,400</u>
NET CURRENT LIABILITIES		<u>(1,297)</u>	<u>(1,774)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,297)</u>	<u>(1,774)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,200	1,200
Profit and loss account	10	<u>(2,497)</u>	<u>(2,974)</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>(1,297)</u>	<u>(1,774)</u>

Approved by the board on 18 June 1998.


T R BOWLER


DIRECTOR

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Accounting convention

The financial statements set out on pages 5 to 9 are prepared under the historical cost convention.

(b) Depreciation

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following annual rates:

Office equipment	10%
Computer	20%

(c) Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax.

2 TURNOVER

All turnover arose from trading in the UK. Many rebates are paid directly to members.

3 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represented interest receivable on bank deposits.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:

		<u>1998</u>	<u>1997</u>
		£	£
Depreciation	(Note 6)	-	435
Auditor's remuneration - audit fee		<u>650</u>	<u>650</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1998</u>	<u>1997</u>
	£	£
The tax charge for the year represented		
Corporation Tax on profit for the year at 21% (1997 : 24%)	304	2,750
Adjustment in respect of previous year	<u>-</u>	<u>125</u>
	<u>304</u>	<u>2,875</u>

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

6 FIXED ASSETS - TANGIBLE

The movement of these accounts during the year was as follows:

	<u>Office equipment</u> £	<u>Computer</u> £	<u>Total</u> £
Cost			
At 1 April 1997 and 31 March 1998	<u>4,765</u>	<u>4,673</u>	<u>9,438</u>
Accumulated depreciation			
At 1 April 1997 and 31 March 1998	<u>4,765</u>	<u>4,673</u>	<u>9,438</u>
Net book amount			
At 1 April 1997 and 31 March 1998	<u>-</u>	<u>-</u>	<u>-</u>

7 DEBTORS

Debtors comprised:

	<u>1998</u> £	<u>1997</u> £
Other debtors	<u>202</u>	<u>796</u>

8 CREDITORS

Amounts falling due within one year

Creditors comprised:

	<u>1998</u> £	<u>1997</u> £
Trade creditors	17,000	12,000
Other taxation and social security	304	2,750
Accruals and deferred income	<u>2,219</u>	<u>650</u>
	<u>19,523</u>	<u>15,400</u>

9 CALLED UP SHARE CAPITAL

Called up share capital comprised allotted, called up and fully paid ordinary shares of £1 each. The authorised share capital of the company throughout the year was £2,000 divided into 2,000 ordinary shares of £1 each.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

10 RESERVES

The movement of reserves during the year was as follows:

	Profit and loss account £
At 1 April 1997	(2,974)
Retained profit for the year	<u>477</u>
At 31 March 1998	<u><u>(2,497)</u></u>

11 EQUITY SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	<u>1998</u> £	<u>1997</u> £
Profit for the financial year	477	4,544
Balance at 1 April 1997	(1,774)	(6,418)
Increase in share capital during the year	<u>-</u>	<u>100</u>
Balance at 31 March 1998	<u><u>(1,297)</u></u>	<u><u>(1,774)</u></u>