

DIAL STAT LIMITED

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REGISTERED NO. 1815294

ABBREVIATED FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

30 APRIL 1996



JOHN L. HILL PARTNERSHIP

ACCOUNTANTS AND
REGISTERED AUDITORS
FERNDOWN, DORSET.

DIAL STAT LIMITEDANNUAL REPORTFOR THE YEAR ENDED 30 APRIL 1996

DIRECTORS

P.R. Hastrop - Chairman
I.P. Foster
Mrs J.M. Hastrop
A.J. Brunt

SECRETARY

Mrs J.M. Hastrop

REGISTERED OFFICE

Sovereign Business Park,
48 Willis Way,
Poole BH15 3TB

AUDITORS

John L. Hill Partnership
Fairstowe Chambers,
Library Road, Ferndown,
Dorset. BH22 9JW

BANKERS

Lloyds Bank PLC,
153 Commercial Road, Parkstone
Poole, Dorset.

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DIAL STAT LIMITEDDIRECTORS' REPORTFOR THE YEAR ENDED 30 APRIL 1996

The Directors have pleasure in submitting their Report and the Accounts.

1. RESULTS AND DIVIDENDS

The retained profit for the period after taxation was £6,665.
The directors recommend that no dividend be paid.

2. ACTIVITIES

The company's principal activities during the period were those of commercial stationers and suppliers of office furniture. The activities were extended to include design of office interiors and completion of related contracts.

3. REVIEW OF BUSINESS

The directors consider the level of activity and the period end financial position to be satisfactory.

4. DIRECTORS

The directors during the period and their beneficial interests in the shares of the company were as follows:

	Ordinary shares	
	1996	1995
P.R. Hastrop	8910	8910
I.P. Foster	2475	2475
Mrs J.M. Hastrop	990	990
A.J. Brunt	—	—

5. FIXED ASSETS

Details of the movements of the fixed assets are shown in the attached Balance Sheet and Schedules.

6. STATUS

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

DIAL STAT LIMITEDDIRECTORS' REPORTFOR THE YEAR ENDED 30 APRIL 1996

7. 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;

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.

8. AUDITORS

In accordance with Section 384 Companies Act 1985 a resolution proposing the reappointment of John L. Hill Partnership as Auditors to the Company will be put to the Annual General Meeting.

By order of the board

.....
P.R. Hastrop

Director

Date: 27 November 1996

DIAL STAT LIMITEDAUDITORS' REPORT TO THE DIRECTORSPURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts together with the full financial statements for the period ended 30 April 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 6 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act in respect of the period ended 30 April 1996, and the abbreviated accounts have been properly prepared in accordance with that Schedule.

On 27 November 1996 we reported, as auditors, to the members on the company's full financial statements prepared under Section 226 of the Companies Act 1985 for the period ended 30 April 1996, and our audit opinion was as follows:-

"We have audited the financial statements on pages 5 to 8 together with their accompanying notes which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DIAL STAT LIMITEDAUDITORS' REPORT TO THE DIRECTORSPURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985Opinion:

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.
In our opinion these accounts give a true and fair view of the company at 30 April 1996 and of its profit, and Cash Flow Statement for the period then ended and have been properly prepared in accordance with the Companies Act 1985."

John L Hill Partnership

John L. Hill Partnership
Accountants and
Registered Auditors
Fairstowe Chambers,
Library Road, Ferndown,
Dorset. BH22 9JW

27 November 1996

DIAL STAT LIMITEDACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Land	NIL
Freehold Buildings	2%
Motor Vehicles	25%
Fittings & Equipment	12% - 25%.

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

STOCKS

Stocks are stated at the lower of cost and net realisable value using the first in/first out method.

DIAL STAT LIMITEDABBREVIATED PROFIT & LOSS ACCOUNTFOR THE YEAR ENDED 30 APRIL 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	£	£
GROSS PROFIT		1,211,858	1,019,659
Selling and distribution costs		126,183	122,817
Administrative expenses		980,083	759,070
		<u>1,106,266</u>	<u>881,887</u>
OPERATING PROFIT	(1)	105,592	137,772
Interest and similar charges	(4)	93,051	75,402
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,541	62,370
Tax on ordinary activities	(5)	5,876	15,781
RETAINED PROFIT FOR THE PERIOD		<u>6,665</u>	<u>46,589</u>

Movements on reserves are set out in note (13).

There are no recognised gains and losses in the period other than the profit for the period.

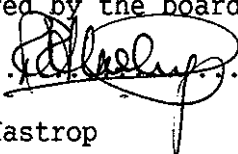
The turnover and operating profit in the period relate to continuing operations.

DIAL STAT LIMITEDBALANCE SHEET AS AT 30 APRIL 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	£	£
FIXED ASSETS			
Tangible Assets	(6)	933,476	866,692
CURRENT ASSETS			
Stocks	(7)	152,254	125,707
Debtors	(8)	751,421	540,744
Cash at Bank and in Hand		1,538	1,901
		<u>905,213</u>	<u>668,352</u>
CREDITORS – Amounts falling due within one year	(9)	<u>1,050,716</u>	<u>725,980</u>
NET CURRENT LIABILITIES		<u>145,503</u>	<u>57,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>787,973</u>	<u>809,064</u>
CREDITORS – Amounts falling due after more than one year (9)		<u>671,856</u>	<u>699,612</u>
NET ASSETS		<u><u>116,117</u></u>	<u><u>109,452</u></u>
CAPITAL AND RESERVES			
Called up share capital	(11)	12,375	12,375
Share premium account	(25)	7,525	7,525
Profit and loss account	(13)	96,217	89,552
SHAREHOLDERS' FUNDS		<u><u>116,117</u></u>	<u><u>109,452</u></u>

Advantage is taken of the exemptions conferred by Part 111 of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a medium sized company specified in ss 246 and 247.

Approved by the board

..........

P.R. Hastrop
Director

Date: 27 November 1996

DIAL STAT LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
	£	£
Net cash inflow from operating activities	125,684	220,634
Returns on investments and servicing of finance		
Interest paid	93,051	75,402
Net cash outflow from returns on investments and servicing of finance	93,051	75,402
	(32,633)	(145,232)
Taxation		
Corporation tax paid	15,116	781
	(17,517)	(144,451)
Investing activities		
Payments to acquire tangible fixed assets	149,147	33,242
Receipts from sales of tangible fixed assets	6,540	10,549
Net cash outflow from investing activities	142,607	22,693
Net cash outflow before financing	125,090	(121,758)
Financing		
Net source of loan finance	27,664	(27,205)
Net cash inflow from financing	27,664	(27,205)
Decrease in cash and cash equivalents	97,426	(94,553)

DIAL STAT LIMITEDNOTES TO CASH FLOW STATEMENT

	<u>1996</u>	<u>1995</u>	
1. Reconciliation of operating profit to net cash inflow from operating activities:			
Operating profit	105,592	137,772	
Depreciation charges	79,901	68,509	
Loss (Profit) on disposal of fixed assets	(4,078)	(3,121)	
Increase in Stock	(26,547)	(18,006)	
Increase in Debtors	(210,677)	(46,437)	
Increase in Creditors	181,493	81,917	
Net cash inflow from operating activities	<u>125,684</u>	<u>220,634</u>	
2. Analysis of changes in cash & cash equivalents			
Opening balance	(6,309)	(100,865)	
Net cash outflow	97,426	(94,556)	
Closing balance	<u>(103,735)</u>	<u>(6,309)</u>	
3. Analysis of the balances of cash & cash equivalents as shown in the balance sheet			
	<u>1995</u>	<u>Movement</u>	<u>1996</u>
Cash at bank and in hand	1,901	(363)	1,538
Bank overdrafts	8,210	(97,063)	105,273
	<u>(6,309)</u>	<u>(97,426)</u>	<u>(103,735)</u>
4. Analysis of changes in financing during the period			
	<u>1995</u>	<u>Movement</u>	<u>1996</u>
Hire purchase	71,542	39,331	110,873
Bank loans	523,926	(11,667)	512,259
	<u>595,468</u>	<u>27,664</u>	<u>623,132</u>

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
	£	£
1. OPERATING PROFIT		
The operating profit is stated after charging:		
Auditors' Remuneration	9,250	6,750
Depreciation written off tangible fixed assets	79,901	68,509
Profit on sale of fixed assets	(4,078)	(3,121)
Staff Costs	712,822	541,081
	<u><u> </u></u>	<u><u> </u></u>

2. STAFF COSTS

Directors' Remuneration	97,044	88,989
Wages & Salaries	514,491	406,630
Social Security Costs	45,845	40,872
Other Pension Costs	55,442	4,590
	<u>712,822</u>	<u>541,081</u>
	<u><u> </u></u>	<u><u> </u></u>

Directors' emoluments:		
Salaries	57,772	56,036
Fees	3,500	—
Directors' Paid Benefits in Kind	35,772	32,953
Directors' Non-cash Benefits	13,180	12,753
Pension Contributions	50,000	—
Employer's NI	6,232	4,839
	<u>166,456</u>	<u>106,581</u>
	<u><u> </u></u>	<u><u> </u></u>

Remuneration of Directors:

The remuneration of the chairman was £54,361 (1995 £48,914)

An analysis of remuneration excluding pension contributions of directors other than the chairman, is shown below:

	<u>Number</u>	<u>Number</u>
£15,001 to £20,000	—	1
£20,001 to £25,000	1	—
£30,001 to £35,000	1	1
	<u><u> </u></u>	<u><u> </u></u>

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
3. STAFF NUMBERS		
	<u>Number</u>	<u>Number</u>
Average number employed in the period:		
Directors	4	4
Accounts & Administration	10	10
Sales & Sales Administration	22	21
Warehouse & Distribution	10	9
	<u>46</u>	<u>44</u>
4. INTEREST AND SIMILAR CHARGES		
Interest payable on bank borrowings	49,854	51,533
Other Loan Interest	35,556	18,120
Hire Purchase Interest	7,641	5,749
	<u>93,051</u>	<u>75,402</u>
5. TAX ON ORDINARY ACTIVITIES		
Corporation tax on the profit for the period at 25% (1995 - 25%)	5,760	15,000
	<u>5,760</u>	<u>15,000</u>
Adjustments in respect of previous period	116	781
	<u>5,876</u>	<u>15,781</u>

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

6. TANGIBLE ASSETS

<u>Cost or Valuation</u>	<u>1995</u>	<u>Additions</u>	<u>Disposals</u>	<u>1996</u>
	£	£	£	£
Freehold Land	306,786	—	—	306,786
Freehold Buildings	460,000	—	—	460,000
Motor Vehicles	62,305	—	36,184	26,121
Fittings & Equipment	215,633	34,316	—	249,949
	<u>1,044,724</u>	<u>34,316</u>	<u>36,184</u>	<u>1,042,856</u>

<u>Depreciation</u>	<u>1995</u>	<u>Charge for period</u>	<u>Eliminated on disposal</u>	<u>1996</u>
Freehold Buildings	47,403	9,200	—	56,603
Motor Vehicles	57,497	2,346	33,722	26,121
Fittings & Equipment	164,418	25,039	—	189,457
	<u>269,318</u>	<u>36,585</u>	<u>33,722</u>	<u>272,181</u>

<u>Net Book Amounts</u>	<u>1995</u>	<u>1996</u>
Freehold Land	306,786	306,786
Freehold Buildings	412,597	403,397
Motor Vehicles	4,808	—
Fittings & Equipment	51,215	60,492
	<u>775,406</u>	<u>770,675</u>

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996TANGIBLE ASSETS – HIRE PURCHASE

<u>Cost or Valuation</u>	<u>1995</u>	<u>Additions</u>	<u>Disposals</u>	<u>1996</u>
	£	£	£	£
Motor Vehicles	127,074	114,831	–	241,905
		Charge	Eliminated	
		for	on	
<u>Depreciation</u>	<u>1995</u>	<u>period</u>	<u>disposal</u>	<u>1996</u>
Motor Vehicles	35,788	43,316	–	79,104
<u>Net Book Amounts</u>	<u>1995</u>			<u>1996</u>
Motor Vehicles	91,286			162,801
Total Tangible Assets	866,692			933,476

Freehold Property

The freehold property was valued at 27 October 1992 by Harrison Robertshaw, Chartered Surveyors and Estate Agents, of Parkstone, Poole, Dorset at a value of £500,000. No adjustment to the carrying cost of the property has been made in the accounts as the directors have no intention of disposing of the property in the foreseeable future.

	<u>1996</u>	<u>1995</u>
	£	£
7. STOCKS		
Stock	152,254	125,707
	152,254	125,707
8. DEBTORS		
Trade Debtors	705,624	518,733
Prepayments and Accrued Income	45,797	22,011
	751,421	540,744

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
	£	£
9. CREDITORS		
Amounts Falling Due Within One Year:		
Bank Overdraft	105,273	8,210
Bank loan	15,832	11,667
Trade creditors	543,492	459,399
Other creditors	37,615	29,877
Director's Current Account	13,793	4,667
Dial Stat Pension Scheme Loan	21,276	24,996
Hire purchase liabilities	58,884	35,160
Corporation Tax	5,760	15,000
Social Security and Other Taxes	66,861	53,158
Accruals	181,930	83,846
	<u>1,050,716</u>	<u>725,980</u>
Amounts Falling Due After More Than One Year:		
Directors' Loan Accounts	66,716	81,709
Hire Purchase	51,989	36,382
Bank Loans	496,427	512,259
Dial Stat Pension Scheme Loan	56,724	69,262
	<u>671,856</u>	<u>699,612</u>

The hire purchase liabilities are secured.

The Dial Stat Pension Scheme Loan is secured by a 2nd charge over the freehold property.

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
	£	£
10. BANK LOANS AND OVERDRAFTS		
The aggregate amount of bank loans and overdrafts was as follows:		
Falling due within one year:		
Bank Overdraft	105,273	8,210
Bank Loan – Current Portion	15,832	11,667
	<u>121,105</u>	<u>19,877</u>
Falling due after more than one year:		
Bank Loan – repayable within five years	106,660	92,500
Bank Loan – repayable after five years	389,767	419,759
	<u>496,427</u>	<u>512,259</u>
Aggregate amounts	<u>617,532</u>	<u>532,136</u>
The bank borrowing is secured by an unlimited debenture over all the company assets dated 10 February 1989 and by a legal mortgage over the freehold premises at Willis Way, Poole, Dorset, dated 1 March 1989.		
Interest is currently being charged at 2.5% over base rate.		
11. CALLED UP SHARE CAPITAL		
Authorised Share Capital		
Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid		
Ordinary Shares of £1 each	<u>12,375</u>	<u>12,375</u>
12. SHARE PREMIUM ACCOUNT		
Balance brought forward	<u>7,525</u>	<u>7,525</u>
13. PROFIT AND LOSS ACCOUNT		
Balance Brought Forward	89,552	42,963
Retained Profit for the Period	6,665	46,589
Balance Carried Forward	<u>96,217</u>	<u>89,552</u>

DIAL STAT LIMITEDNOTES ON ACCOUNTSFOR THE YEAR ENDED 30 APRIL 1996

	<u>1996</u>	<u>1995</u>
	£	£
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the year	6,665	46,589
Opening shareholders' funds	109,452	62,863
Closing shareholders' funds	<u>116,117</u>	<u>109,452</u>

15. TRANSACTIONS WITH DIRECTORS AND SHAREHOLDERS

During the year, Consultancy fees of £9,826 (1995 £6,575) were charged to the company by A.J. Brunt, a director.

Payments totalling £960 + VAT were made to P.R. Hastrop t/a Seldown Leasing for rental of equipment.

Furniture at a value of £13,500 + VAT was sold to the company by P.R. Hastrop t/a Seldown Leasing during the year.

Loan interest charges totalling £25,950 were made by P.R. & Mrs J.M. Hastrop during the year in respect of their loan account to the company, (1995 £9,368). This included charges of arrears of interest.

16. PENSION SCHEME COMMITMENTS

The company has a staff Contracted Out Money Purchase Pension Scheme. There were no outstanding commitments at 30 April 1996 in respect of the scheme.

The company also contributes to a self administered scheme in respect of the directors which is also a Money Purchase Scheme. There were no outstanding commitments at 30 April 1996 in respect of the scheme.