

**Stat Plus Limited**  
**Report and Financial Statements**  
**31st December 1993**

Registered in England No. 2595313



## **DIRECTORS' REPORT**

The directors submit their report and audited financial statements for the year ended 31st December 1993.

## **RESULTS AND DIVIDENDS**

The trading profit for the year, after taxation, amounted to £2,414,866 (1992 - £2,199,361).

The directors do not recommend the payment of a final dividend. The retained profit for the year has been taken to reserves.

## **REVIEW OF THE BUSINESS**

The company's principal activities during the year were those of retailers of office stationery, law stationery, law forms and printing.

## **FIXED ASSETS**

The changes in the fixed assets during the year are summarised in the notes to the accounts.

## **FUTURE DEVELOPMENTS**

The company will continue to develop and expand its principal activities.

## **DIRECTORS AND THEIR INTERESTS**

The directors during the year and at 31st December 1993 were as follows:

D C Bird (Chairman)  
R N Arnold  
D A W Naish (Resigned 27th August 1993)  
M A Denning  
B Sutton  
D Nemestothy  
C F Denning  
S C Bird

No director held any interest in the issued shares of the company during the year.

## STAT PLUS LIMITED

2

### DIRECTORS' REPORT (continued)

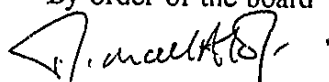
The following directors, excluding those who are also directors of the holding company, held the following interests in the share capital of the holding company, Stat Plus Group PLC:

	Options	
	31st December 1993	31st December 1992
M A Denning	48,500	48,500
B Sutton	35,000	35,000
D Nemestothy	25,000	25,000
C F Denning	25,000	25,000
S C Bird	35,000	35,000

### AUDITORS

Coopers & Lybrand have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board



M.A. Loftus  
Secretary  
6th April 1994

### Directors' Responsibilities in respect of the preparation of financial statements

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 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.

**Report of the Auditors  
To the members of Stat Plus Limited**

We have audited the financial statements on pages 4 to 13.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

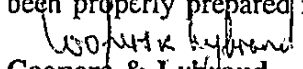
**Basis of opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1993 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Coopers & Lybrand**  
Chartered Accountants and Registered Auditors  
London  
6th April 1994

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1993**

	Note	1993 £	1992 £
Turnover	2	11,659,746	11,416,561
Change in stocks of finished goods		12,120	(117,826)
		<hr/> 11,671,866	<hr/> 11,298,735
External Charges		5,847,434	5,616,170
		<hr/> 5,824,432	<hr/> 5,682,565
Staff costs	4	1,900,833	2,031,506
Depreciation		227,142	251,916
Other operating charges		928,981	970,814
		<hr/> 3,056,956	<hr/> 3,254,236
Operating profit	3	2,767,476	2,428,329
Interest receivable	5	834,166	1,347,670
Interest payable	6	(598,407)	(1,007,666)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3,003,235	2,768,333
Tax charge on profit on ordinary activities	7	588,369	568,972
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	14	2,414,866	2,199,361
		<hr/>	<hr/>

There were no acquisitions during the year and no operations were discontinued. The company has no recognised gains or losses other than those included in the profit above and therefore no separate statement of gains and losses has been presented.

STAT PLUS LIMITED

5

BALANCE SHEET - 31st DECEMBER 1993

	Note	1993 £	1992 £
<b>FIXED ASSETS</b>			
Intangible fixed asset	8	649,430	730,609
Tangible fixed assets	9	466,446	455,586
Investments	10	1	1
		<hr/>	<hr/>
		1,115,877	1,186,196
<b>CURRENT ASSETS</b>			
Stocks		224,283	212,163
Debtors	11	2,018,397	2,260,472
Cash at bank		14,176,909	13,901,328
		<hr/>	<hr/>
		16,419,589	16,373,963
<b>CREDITORS - amounts falling due within one year</b>			
	12	12,301,334	14,740,893
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		4,118,255	1,633,070
		<hr/>	<hr/>
<b>NET ASSETS</b>		5,234,132	2,819,266
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,500	1,500
Profit and loss account	14	5,232,632	2,817,766
		<hr/>	<hr/>
		5,234,132	2,819,266
		<hr/>	<hr/>

The financial statements on pages 4 to 13 were approved by the board of Directors on 6th April 1994.

Signed on behalf of the Board of Directors



D.C. Bird  
Chairman



R.N. Arnold  
Director

## 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principle accounting policies adopted, and which have been applied consistently, are described below.

### (a) Accounting convention

The accounts are prepared under the historical cost convention.

### (b) Cash flow

The company is a wholly-owned subsidiary of Stat Plus Group plc. No cash flow statement for the company is included in the accounts as the cash flows of the company are included in the consolidated group cash flow statement of Stat Plus Group plc.

### (c) Depreciation

Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	over 4 years
Equipment, fixtures and fittings	over 5 years
Computer equipment	over 4 years
Leased assets	over the term of lease

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life, which is estimated to be 10 years.

### (d) Stocks

Stocks, which wholly comprise finished goods, are stated at the lower of cost and net realisable value as follows:

Costs incurred in bringing each product to its present location and condition, on a first-in, first-out basis.

Net realisable value is based on estimated selling price less all further costs expected to be incurred in marketing, selling and distribution.

### (e) Deferred taxation

Deferred taxation is provided for using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

## (f) Pension costs

The cost of providing pension benefits is charged to the profit and loss account over the period benefiting from the employee's service. The effects of material variations from regular cost are spread over the expected average remaining service lives of members.

## (g) Finance and Operating leases

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

## 2. Turnover

Turnover attributable to the company's principal activity of stationery retailing, represents the invoiced amount of goods sold and services provided during the year, stated net of value added tax, to customers in the United Kingdom.

## 3. Operating profit

	1993 £	1992 £
(a) This is stated after charging or crediting:		
Hire of assets under operating leases	67,842	80,560
Depreciation and other amounts written off tangible fixed assets:		
Own assets	227,142	231,070
Assets under finance leases and hire purchase contracts	-	20,846
Amortisation of goodwill	81,179	81,179
Finance lease - interest cost	-	5,145
Profit on disposal of tangible fixed assets	40,773	38,518
Auditors' remuneration: Audit	23,000	22,000
Other services	12,430	22,000
	-----	-----



3. Operating profit (continued)	1993	1992
	£	£
(b) Directors' remuneration		
Other emoluments (including pension contribution)	469,913	397,826
Ex-gratia payment	7,000	-
	-----	-----

The emoluments of the chairman and highest paid director, excluding pension contributions, were £112,824 (1992 - £106,300).

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1993	1992
	Number	Number
£nil - £ 5,000	-	2
£20,001 - £25,000	1	-
£30,001 - £35,000	2	1
£35,001 - £40,000	2	1
£45,001 - £50,000	1	2
£50,001 - £55,000	1	1
£105,001 - £110,000	-	1
£110,001 - £115,000	1	-

#### 4. Staff Costs

	1993	1992
	£	£
Wages and salaries	1,581,460	1,683,806
Social security costs	145,218	159,931
Other pension costs	174,155	187,769
	-----	-----
	1,900,833	2,031,506
	-----	-----

The average weekly number of employees, including directors, during the year was made up as follows:

	1993	1992
	Number	Number
Office and management	53	56
Selling	43	52
	----	----
	96	108
	----	----

## 5. Interest Receivable

	1993 £	1992 £
Bank deposit	834,166	1,347,670

## 6. Interest payable

	1993 £	1992 £
Parent company	598,407	1,007,666

## 7. Tax charge on profit on ordinary activities

Based on the profit for the year	1993 £	1992 £
Corporation tax at 33% (1992 - 33%)	547,127	493,825
Deferred taxation	-	63,030
Taxation (over)/underprovided in previous years:		
Corporation tax	41,242	(19,398)
Deferred taxation	-	31,515
	588,369	568,972

In 1993 the taxation charge was reduced by £474,790 (1992 - £365,901) by reason of ACT surrendered by the ultimate parent company for which no payment was made.

## 8. Intangible fixed asset

Cost:	£
At 1st January 1993/ 31st December 1993	811,788
Amortisation:	
At 1st January 1993	81,179
Amortisation for year	81,179
At 31st December 1993	162,358
Net book value at:	
31st December 1993	649,430
1st January 1993	730,609

The intangible asset is goodwill arising on the transfer of the trade, assets and liabilities of a fellow subsidiary undertaking subsequent to its acquisition in 1991.

## 9. Tangible fixed assets

	Computer Equipment £	Leasehold Improvements £	Equipment fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1st January 1993	242,679	57,019	190,158	806,503	1,296,359
Additions	103,913	-	27,503	155,304	286,720
Disposals	(124,950)	-	-	(185,996)	(310,946)
At 31st December 1993	221,642	57,019	217,661	775,811	1,272,133
Depreciation					
At 1st January 1993	200,473	28,587	177,101	434,612	840,773
Disposals	(124,500)	-	-	(137,728)	(262,228)
Charge for year	37,958	6,097	8,930	174,157	227,142
At 31st December 1993	113,931	34,684	186,031	471,041	805,687
Net book value at: 31st December 1993	107,711	22,335	31,630	304,770	466,446
1st January 1993	42,206	28,432	13,057	371,891	455,586

## 10. Fixed asset investments

Investments comprise of 100% of the ordinary share capital of Leicester Law Stationers Limited which no longer trades. The subsidiary undertaking is registered in England and Wales.

## 11. Debtors

	1993 £	1992 £
Trade debtors	1,603,712	1,519,843
Prepayments and accrued income	90,595	60,396
ACT recoverable	299,613	652,568
Sundry debtor	24,477	27,665
	2,018,397	2,260,472

Within ACT recoverable, £299,613 (£318,200) falls due after more than one year.

12. Creditors - amounts falling due within one year

	1993 £	1992 £
Uncleared banking items	-	83,190
Trade creditors	999,887	865,048
Owing to parent undertaking	7,878,670	9,968,315
Amounts owed to fellow subsidiary undertakings	2,354,699	2,361,245
Current corporation tax	569,597	992,058
Other taxes and social security costs	255,582	235,763
Accruals	242,899	235,274
	<u>12,301,334</u>	<u>14,740,893</u>

13. Called up share capital

	1993 No.	1992 No.	1993 £	1992 £
Authorised:				
Ordinary shares of £1 each	1,500	1,500	1,500	1,500
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Allotted, issued and fully paid:				
Ordinary shares of £1 each	1,500	1,500	1,500	1,500
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

14. Reserves

	1993 £	1992 £
Profit and loss account:-		
At 1st January 1993	2,817,766	618,405
Retained profit for year	2,414,866	2,199,361
	<u>-----</u>	<u>-----</u>
At 31st December 1993	<u>5,232,632</u>	<u>2,817,766</u>

15. Reconciliation of movements in shareholders' funds  
for the year ended 31st December 1993

	1993 £	1992 £
Profit on ordinary activities after taxation	2,414,866	2,199,361
Opening shareholders' funds	2,819,266	619,905
Closing shareholders' funds	5,234,132	2,819,266

16. Pension Commitments

The company participates in a group pension scheme operated by Stat Plus Group PLC.

The group operates a defined benefit scheme for its present directors and employees designed to provide retirement benefits based upon final salaries. The assets of the scheme are held in a separate trustee administered fund.

The pension cost of the scheme is determined with the advice of a qualified actuary on the basis of triennial valuations. The latest valuation was carried out as at 1st January 1993 using the Projected Unit method modified by a 5 year control period, with the following main assumptions:

Rate of interest	9% per annum
Salary increases	7% per annum
Increase in pensions in payment	5% per annum
Dividend growth	4.3% per annum

The valuation showed that the market value of the scheme's assets was £2,908,000 and the actuarial value of the assets was sufficient to cover 100% of the benefits that had accrued to members, based on projected salaries.

17. Capital commitments

Capital commitments of the company, for which no provision has been made in these financial statements, are as follows:-

	1993 £	1992 £
Contracted but not provided for	£94,044	£135,638

**18. Operating lease commitments**

At 31st December 1993 the company was committed to making the following payments during the next year in respect of operating leases:

	1993 Land and buildings £	1992 Land and buildings £
Leases which expire:		
Within 1 year	2,987	-
Within 2 to 5 years	28,214	28,214
After 5 years	31,800	31,800
	<hr/> 63,001 <hr/>	<hr/> 60,014 <hr/>

**19. Ultimate parent company**

The ultimate parent company is Stat Plus Group PLC, a company registered in England and Wales. Copies of the parents consolidated financial statements may be obtained from the Company Secretary at Stat Plus House, Greenlea Park, Prince George's Road, London SW19 2PU.