

ARTHUR
ANDERSEN

L.L.S. Holdings Limited

Abbreviated accounts 31 December 1998

Registered number: 2781951

RE-SCAN



Directors' report

For the year ended 31 December 1998

The directors' present their report on the affairs of the group headed by LLS Holdings Limited together with the consolidated profit and loss account of the group and the abbreviated accounts of the company.

Principal activity

The principal activities of the group are those of design and marketing consultants.

Business review of the group headed by LLS Holdings Limited

This year we have again achieved a significant increase in turnover, up 21.3%. This is a result of continued organic growth of our core activities in The Sandom Partnership combined with early success and business wins for our new structural packaging company, Impackt Limited. Despite the investment in terms of management time and financial commitment made in Impackt Limited we have been able to deliver increased full year pre tax profits, up 47%.

Prospects for 1999 look healthy and client activity is buoyant. In the forthcoming year we anticipate increased revenue and contribution, not only from Impackt but also from Distillery Limited which is a new Group Company established in 1999, specialising in strategic marketing services.

I am delighted that we are now able to operate as a group, this is enabling us to maximise two key areas of opportunity:

- Firstly, the skills and ambitions of our senior personnel are being recognised and developed with the result that the responsibility of managing future growth is now shared with the original owner founders.
- Secondly, we are able to offer our combined clients a wider and more integrated range of services.

I would like to thank all the long serving and new members of The Group for their continued creativity, enthusiasm and commitment. These are, of course, the secrets of success in people businesses.

Results and dividends

The results for the group are set out on page 7. The directors do not recommend the payment of a dividend.

The abbreviated accounts of the company are set out on pages 3 to 6.

Old Brewery
Russell Street
Windsor
Berkshire
SL4 1HQ

By order of the Board,



J.R. Sandom
Director

27.10.99.

ARTHUR ANDERSEN

Auditors' Report

Reading

To the Directors of L.L.S. Holdings Limited pursuant to Section 247B of the Companies Act 1985:

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of L.L.S. Holdings Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared from those financial statements. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Companies act 1985 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with those provisions.



Arthur Andersen
Chartered Accountants and Registered Auditors

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

27.10.99

Balance sheet

31 December 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	2	132,943	102,241
Investment in subsidiary	3	179	100
		<u>133,122</u>	<u>102,341</u>
Current assets			
Debtors		620,501	547,947
Cash at bank and in hand		-	41,892
		<u>620,501</u>	<u>589,839</u>
Creditors: Amounts falling due within one year		<u>(198,477)</u>	<u>(270,088)</u>
Net current assets		<u>422,024</u>	<u>319,751</u>
Net assets		<u>555,146</u>	<u>422,092</u>
Capital and reserves			
Called-up share capital	4	10,000	10,000
Profit and loss account		<u>545,146</u>	<u>412,092</u>
Equity shareholders' funds		<u>555,146</u>	<u>422,092</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies (Section 246(8) of the Act).

Signed on behalf of the Board on 27 October 1999



J.R. Sandom
Director

Notes to accounts

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

b) Tangible fixed assets

Fixed assets are shown at original historical cost, less depreciation provided to date.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a reducing balance basis over its expected useful life at 25% per annum.

e) Investments

Fixed asset investments are shown at costs less amounts written off. Provisions are made for impairment.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

g) Pension costs

The company contributes to personal pension schemes for its directors and employees. The contributions made are charged to profit and loss account in the period payment is due. All contributions had been paid at the balance sheet date.

h) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Notes to accounts (continued)

1 Accounting policies (continued)

i) Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

2 Tangible fixed assets

	Plant and Equipment £	Motor Cruiser £	Motor Vehicles £	Total £
Cost				
At beginning of year	7,291	22,000	126,817	156,108
Additions	3,618	-	63,000	66,618
Disposals	-	-	(12,250)	(12,250)
At end of year	10,909	22,000	177,567	210,476
Depreciation				
At beginning of year	3,088	12,719	38,060	53,867
Additions	1,955	2,320	27,671	31,946
Disposals	-	-	(8,280)	(8,280)
At end of year	5,043	15,039	57,451	77,533
Net book value				
At end of year	5,866	6,961	120,116	132,943
At beginning of year	4,203	9,281	88,757	102,241

3 Fixed asset investments

The company

The following are included in the net book value of fixed asset investments:

	1998 £	1997 £
Subsidiary undertakings	179	100

Notes to accounts (continued)

At both 31 December 1997 and 31 December 1998, the company owned 100% of the ordinary share capital of The Sandom Partnership Limited which is incorporated in the UK and whose principal activity is that of a design and marketing consultancy.

During the year the company subscribed for 79 ordinary shares of £1 being 79% of the ordinary share capital of Impactt Limited, which is incorporated in England and Wales and whose principal activity is that of structural design and consultancy.

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

4 Called up share capital

	1998 £	1997 £
<i>Authorised</i>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Consolidated profit and loss account

For the year ended 31 December 1998

	1998 £	1997 £
Turnover	2,959,168	2,440,270
Cost of sales	(1,086,233)	(900,503)
Gross profit	1,872,935	1,539,767
Administration expenses	(1,323,383)	(1,214,456)
Other operating income	-	16,000
Operating profit	549,552	341,311
Investment income	38,060	58,369
Interest payable and similar charges	(376)	(771)
Profit on ordinary activities before taxation	587,236	398,909
Tax on profit on ordinary activities	(189,894)	(111,240)
Profit on ordinary activities after taxation	397,342	287,669
Minority interests	829	-
Profit for the financial year	398,171	287,669
Dividends paid	-	(175,000)
Retained profit for the year	398,171	112,669