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Interlinea Design Limited

Annual Report & Accounts

for the year ended 31 May 1996



Interlines Design Limited - Annual Report & Accounts
for the year ended 31 May 1996

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Directors' Report

The directors present herewith their annual report, together with the financial statements of the company for the year ended 31 May 1996.

Results and Dividends

The profit after taxation for the period was £1,492.00 and the directors do not recommend payment of a dividend for the current year.

Review of the Business

The company's principal activities during the year were the provision of corporate communication consultancy and graphic design services.

Directors and their Interests

The directors of the company during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	31 May 1996	31 May 1995
Roger Frederick Brown - Managing Director	1	1
Katarzyna Piotrowska-Brown - Director	1	1

By order of the Board



Roger Frederick Brown - Managing Director
10 April 1997

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Profit & Loss Account

for the year ended 31 May 1996

		01.08.95 to 31.05.96	01.08.94 to 31.05.95
		£	£
	note		
Turnover	2	28 818	17 853
Cost of sales		(12 038)	(5 735)
Gross profit		16 780	12 118
Operating expenses		(14 493)	(15 077)
Operating profit / (loss)	3	2 287	(2 959)
Interest Payable	5	(795)	(805)
Profit / (loss) on ordinary activities before taxation		1 492	(3 764)
Taxation	6	-	188
Profit / (loss) for the year		1 492	(3 576)
Dividends		-	-
Retained profit / (loss)		1 492	(3 576)

The company's results arise entirely from its continuing operations.
The results include the total of all recognised gains and losses.

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Balance Sheet

at 31 May 1996

		31.05.96	31.05.95
		£	£
	note		
Fixed assets		4 562	5 158
Tangible assets	7	4 562	5 158
Current assets		5 572	4 171
Debtors	8	1 702	3 292
Cash at bank		3 870	879
Creditors - amounts due within one year	9	(1 653)	(2 340)
Net current assets		3 919	1 831
Creditors - amounts due after more than one year	10	(10 000)	(10 000)
Net liabilities		(1 519)	(3 011)
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		(1 521)	(3 013)
Total capital employed		(1 519)	(3 011)

Exemption from Audit

The Company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ending 31 May 1996.

No notice has been deposited under Section 249(B) of the Companies Act 1985 in relation to its financial statements for the year.

Directors' Responsibilities

The directors acknowledge their responsibilities for:

1. Ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
2. Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

Approved by the Board on 10 April 1997

Roger Frederick Brown

Katarzyna Piotrowska-Brown
Directors




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Notes to the Accounts

at 31 May 1996

1 Accounting Policies

• **Basis of accounting**

The financial statements have been prepared on the basis of historical cost and in accordance with applicable accounting standards.

• **Turnover**

Turnover represents the value of goods and services supplied.

• **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for estimated losses on disposal. Depreciation is provided to write off the cost of the assets using the reducing balance method over their expected useful lives. The rates used are: Electronic office equipment 25%; and Furniture and fittings 25%.

• **Deferred taxation**

Provision is made by the liability method for all material timing differences which are expected to be reversed in the foreseeable future.

• **Cash flow statements**

The company is exempt from the requirements of FRS 1 to publish a *Cash flow statement* on the grounds that the company qualifies as a small company under the provisions of the Companies Act 1985.

2 Turnover

The turnover and pre-tax profit are attributable to the companies principal activities.

3 Operating profit

This is stated after charging:

	£	£
Staff costs	5 280	3 962
Auditors remuneration - current year	-	-
- underprovision relating to previous year	-	447

4 Employee information

• Staff costs	£	£
Salaries	5 280	3 962
• Directors' remuneration		
Fees and salaries	5 280	3 962
• Average weekly number of employees during the period		
Design consultants	2	1.25

5 Interest payable

	£	£
On loans repayable not later than 30 September 1998.	795	805

6 Taxation

	£	£
Corporation tax - current year	-	-
- overprovision relating to previous year	-	188

• **Close company**

The company is a close company within the terms of section 282 of the Taxes Act 1970.

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at 31 May 1996

7 Tangible assets

	Electronic office equipment	Furniture & Fittings	Total
Cost	£	£	£
at 31 May 1995	9 056	115	9 171
Disposals	924	-	924
	<u>9 980</u>	<u>115</u>	<u>10 095</u>
Depreciation			
at 31 May 1995	(3 962)	(51)	(4 013)
Charge for the year	(1 504)	(16)	(1 520)
	<u>(5 466)</u>	<u>(67)</u>	<u>(5 533)</u>
Net book value			
at 31 May 1995	5 094	64	5 158
at 31 May 1996	<u>4 514</u>	<u>48</u>	<u>4 562</u>

8 Debtors

	£	£
Trade debtors due within one year	432	1 798
Non trade debtors	1 270	1 494
	<u>1 702</u>	<u>3 292</u>

9 Creditors

amounts falling due within one year	£	£
Directors current accounts	678	299
Trade creditors	155	174
Sundry creditors	200	350
Current portion of secured loan	411	1 206
VAT	209	311
Total	<u>1 653</u>	<u>2 340</u>

10 Creditors

amounts falling due after one year	£	£
Secured Loan	10 000	10 000

The loan is secured by a first charge over electronic office equipment costing £9 056 and with a net book value at 31 May 1996 of £3 821. The loan bears interest at 7.5% simple interest payable annually in arrears and the capital sum is repayable not later than 30 September 1998.

11 Called up share capital

Authorised	£	£
100 shares of £1 each	100	100
Allotted and fully paid		
2 shares of £1 each	2	2

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Cost of sales

for the year ended 31 May 1996

	year ended 31.05.96	year ended 31.05.95
	£	£
Colour laser output	102.50	56.00
Consumables - toner	102.94	-
Couriers	158.11	243.53
Digital storage	119.06	59.53
Freelance design	-	443.00
Low resolution scans	135.00	585.00
Photocopies and materials	184.22	357.11
Photography	67.75	195.52
Printing	7 002.00	1 522.90
Reproduction	3 904.29	2 045.25
Translations	60.00	150.00
Travel	201.65	77.63
Total	<u>12 037.52</u>	<u>5 735.47</u>

Operating expenses

for the year ended 31 May 1996

Annual duty	36.00	32.00
Audit & accountancy fees	350.00	796.53
Bank charges	94.40	163.11
Cleaning	70.00	-
Depreciation - electronic office equipment	1 504.00	1 698.00
Depreciation - furniture and fittings	16.00	22.00
Directors' remuneration	5 280.00	3 961.68
Insurance and security	1 057.00	838.30
NI - employer's contribution	-	253.16
Portfolio and presentations	28.00	74.09
Postage	125.47	91.06
Systems maintenance	90.00	250.00
Software, upgrades and fonts	224.00	1 729.07
Stationery & subscriptions	486.98	155.41
Telephone and fax	716.26	812.92
Rental - studio and office	4 260.00	4 200.00
Repairs and maintenance - office equipment	155.00	-
Total	<u>14 493.11</u>	<u>15 077.33</u>