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**Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 July 2008  
for  
Beattie Communications Group Limited**

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for the Year Ended 31 July 2008**

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**Beattie Communications Group Limited**

**Company Information  
for the Year Ended 31 July 2008**

**DIRECTORS:**

G Beattie  
Ms L O'Donnell  
Ms V Walker

**REGISTERED OFFICE:**

118 North Main Street  
Carronshore  
Falkirk  
Stirlingshire  
FK2 8HU

**REGISTERED NUMBER:**

SC 248915

**AUDITORS:**

Campbell Dallas LLP  
Chartered Accountants &  
Registered Auditors  
Sherwood House  
7 Glasgow Road  
Paisley  
Renfrewshire  
PA1 3QS

**Report of the Directors  
for the Year Ended 31 July 2008**

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2008.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of provision of public relation services.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

We drove turnover up to £5,684,784, a healthy increase of 9% despite the looming credit crunch and a fall in one of our largest sectors - property and construction.

We returned an operating profit of £322,553, and although down from last year's record of £430,295, it represents a healthy performance in a more price-conscious market.

With the spectre of recession on the horizon, the focus of management was on cost reduction, strengthening our PR team and driving sales in sectors other than property and financial services.

On the business development front we are pleased to report significant progress in travel, retail and food.

Our teams in these three sectors have experienced a major upturn in business with clients deciding that during a recession, PR offers a better return on their marketing investment than traditional advertising.

All our offices performed strongly, with Glasgow, Leeds, Manchester and London exceeding their sales targets.

We do expect challenging times in 2009 but we are pleased to report that the group is in tip top condition to handle the recession. In fact, we are confident we will not only weather the storm but emerge stronger.

**Principal Risks and Uncertainties**

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent businesses and the general downturn in the economy.

**Future Outlook**

Looking to the future, we do anticipate consolidation in the sector as a result of the recession. This will provide opportunities for Beattie Communications Group to further strengthen its core team and extend its offering to clients.

**The Board**

The retirement of Ernie Chambers took place on 14 November 2008. The board would like to record our utmost gratitude to Ernie for his untiring commitment to driving the group forward and we wish him every success and happiness in the years to come.

Ernie has been replaced on the board by Victoria Walker who chairs our English management team.

**Use of Financial Instruments**

Our financial risk management objectives are to ensure sufficient working capital for the group. This is achieved through careful management of our cash resources, and by obtaining overdraft and loan finance where necessary. Other than this, the use of financial instruments is not material for the assessment of the assets, liabilities, financial position and profit of the group.

**Report of the Directors  
for the Year Ended 31 July 2008**

**Employees Training and Development**

We have consistently sought to recruit and retain the best employees in our market place. Particular attention is given to the training and career development of employees with a view to encouraging them to play an active role in the development of the group. The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind.

**DIVIDENDS**

An interim dividend of 1.249 pence per ordinary share was paid on 30 September 2007.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2007 to the date of this report.

G Beattie  
Ms L O'Donnell

Other changes in directors holding office are as follows:

Ms V Walker was appointed as a director after 31 July 2008 but prior to the date of this report.

E G W Chambers ceased to be a director after 31 July 2008 but prior to the date of this report.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year donations of £12,978 (2007: £19,587) were made towards charitable causes.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors  
for the Year Ended 31 July 2008**

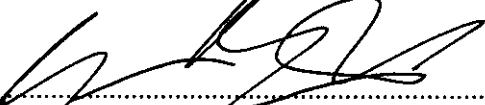
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
G Beattie - Director

Date: 14 November 2008

## **Report of the Independent Auditors to the Members of Beattie Communications Group Limited**

We have audited the financial statements of Beattie Communications Group Limited for the year ended 31 July 2008 on pages seven to twenty two. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Report of the Independent Auditors to the Members of  
Beattie Communications Group Limited**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31 July 2008 and of the profit of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Campbell Dallas LLP  
Chartered Accountants &  
Registered Auditors  
Sherwood House  
7 Glasgow Road  
Paisley  
Renfrewshire  
PA1 3QS

Date: 20/2/09 .....



**Beattie Communications Group Limited**

**Consolidated Profit and Loss Account  
for the Year Ended 31 July 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>		5,684,784	5,206,056
Cost of sales		3,621,282	3,184,016
<b>GROSS PROFIT</b>		2,063,502	2,022,040
Administrative expenses		1,884,840	1,683,424
		178,662	338,616
Other operating income		143,891	91,679
<b>OPERATING PROFIT</b>	3	322,553	430,295
Interest payable and similar charges	4	115,578	102,811
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		206,975	327,484
Tax on profit on ordinary activities	5	61,160	80,201
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		145,815	247,283

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

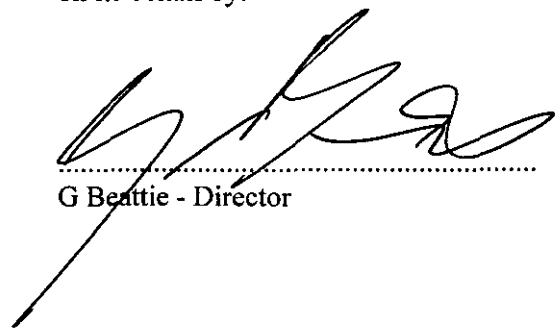
The group has no recognised gains or losses other than the profits for the current year or previous year.

**Beattie Communications Group Limited**

**Consolidated Balance Sheet**  
**31 July 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,803,673	1,859,801
Investments	9	-	-
		<u>1,803,673</u>	<u>1,859,801</u>
<b>CURRENT ASSETS</b>			
Debtors	10	1,229,783	990,252
Cash at bank and in hand		3,260	9,019
		<u>1,233,043</u>	<u>999,271</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>1,343,691</u>	<u>1,081,856</u>
<b>NET CURRENT LIABILITIES</b>		<u>(110,648)</u>	<u>(82,585)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,693,025</u>	<u>1,777,216</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(1,224,849)	(1,356,364)
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(31,523)</u>	<u>(30,014)</u>
<b>NET ASSETS</b>		<u><u>436,653</u></u>	<u><u>390,838</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	80,018	80,018
Profit and loss account	17	<u>356,635</u>	<u>310,820</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>436,653</u></u>	<u><u>390,838</u></u>

The financial statements were approved by the Board of Directors on 14 November 2008 and were signed on its behalf by:

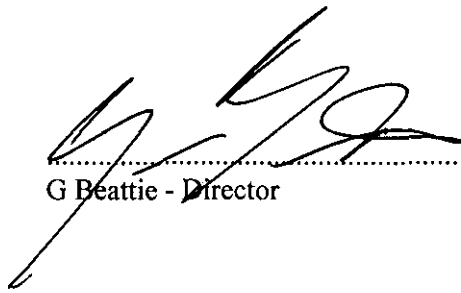


.....  
G Beattie - Director

Company Balance Sheet  
31 July 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,573,918	1,589,978
Investments	9	80,008	80,008
		<u>1,653,926</u>	<u>1,669,986</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>155,485</u>	<u>156,357</u>
<b>NET CURRENT LIABILITIES</b>		<u>(155,485)</u>	<u>(156,357)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,498,441	1,513,629
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	<u>1,315,757</u>	<u>1,298,066</u>
<b>NET ASSETS</b>		<u><u>182,684</u></u>	<u><u>215,563</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	80,018	80,018
Profit and loss account	17	<u>102,666</u>	<u>135,545</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>182,684</u></u>	<u><u>215,563</u></u>

The financial statements were approved by the Board of Directors on 14 November 2008 and were signed on its behalf by:

  
G Beattie - Director

**Consolidated Cash Flow Statement  
for the Year Ended 31 July 2008**

	Notes	2008 £	2007 £
<b>Net cash inflow from operating activities</b>	1	264,927	506,635
<b>Returns on investments and servicing of finance</b>	2	(115,578)	(102,811)
<b>Taxation</b>		(120,158)	(25,382)
<b>Capital expenditure</b>	2	(15,306)	(32,223)
<b>Equity dividends paid</b>		(100,000)	(225,000)
		(86,115)	121,219
<b>Financing</b>	2	(134,003)	296,318
<b>(Decrease)/Increase in cash in the period</b>		<u>(220,118)</u>	<u>417,537</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
(Decrease)/Increase in cash in the period		(220,118)	417,537
Cash outflow/(inflow) from decrease/(increase) in debt		<u>131,515</u>	<u>(297,597)</u>
Change in net debt resulting from cash flows		<u>(88,603)</u>	<u>119,940</u>
<b>Movement in net debt in the period</b>		<u>(88,603)</u>	<u>119,940</u>
<b>Net debt at 1 August</b>		<u>(1,631,848)</u>	<u>(1,751,788)</u>
<b>Net debt at 31 July</b>		<u><u>(1,720,451)</u></u>	<u><u>(1,631,848)</u></u>

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 July 2008**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit	322,553	430,295
Depreciation charges	71,434	80,559
Increase in debtors	(239,531)	(88,152)
Increase in creditors	110,471	83,933
<b>Net cash inflow from operating activities</b>	<u>264,927</u>	<u>506,635</u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(115,578)	(102,811)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(115,578)</u>	<u>(102,811)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(17,863)	(32,223)
Sale of tangible fixed assets	2,557	-
<b>Net cash outflow for capital expenditure</b>	<u>(15,306)</u>	<u>(32,223)</u>
<b>Financing</b>		
New loans in year	-	350,000
Loan repayments in year	(131,515)	(52,403)
Amount introduced by directors	-	1,253
Amount withdrawn by directors	(2,488)	(2,532)
<b>Net cash (outflow)/inflow from financing</b>	<u>(134,003)</u>	<u>296,318</u>

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 July 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.07 £	Cash flow £	At 31.7.08 £
Net cash:			
Cash at bank and in hand	9,019	(5,759)	3,260
Bank overdrafts	(230,946)	(214,359)	(445,305)
	<u>(221,927)</u>	<u>(220,118)</u>	<u>(442,045)</u>
Debt:			
Debts falling due within one year	(53,557)	-	(53,557)
Debts falling due after one year	(1,356,364)	131,515	(1,224,849)
	<u>(1,409,921)</u>	<u>131,515</u>	<u>(1,278,406)</u>
Total	<u>(1,631,848)</u>	<u>(88,603)</u>	<u>(1,720,451)</u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 July 2008**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Group Accounts**

The consolidated financial statements incorporate the financial statements of Beattie Communications Group Limited and its subsidiaries at 31 July 2008.

**Turnover**

Turnover represents revenue earned under a wide variety of contracts to provide professional services. It is measured by reference to the stage of completion of the contract at the estimated fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Fixtures and fittings	- 15% - 25% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Employee Benefit Trust**

Assets and liabilities held in the Employee Benefit Trust are recognised as assets and liabilities of the company until they vest unconditionally in the beneficiaries.

**2. STAFF COSTS**

	2008 £	2007 £
Wages and salaries	2,494,878	2,690,167
Social security costs	256,744	298,586
Other pension costs	70,319	80,794
	<u>2,821,941</u>	<u>3,069,547</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Average number of employees	<u>83</u>	<u>79</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008**

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2008	2007
	£	£
Other operating leases	219,403	197,578
Depreciation - owned assets	71,434	80,559
Auditors' remuneration	9,780	9,801
	<u>267,059</u>	<u>293,093</u>
Directors' emoluments	8,400	8,034
Directors' pension contributions to money purchase schemes		

Information regarding the highest paid director is as follows:

	2008	2007
	£	£
Emoluments etc	165,241	154,165
Pension contributions to money purchase schemes	8,400	8,034

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Bank interest	46,267	33,227
Bank loan interest	69,311	69,302
Interest on overdue tax	-	282
	<u>115,578</u>	<u>102,811</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	59,271	84,300
Corporation tax prior year	380	(3,738)
	<u>59,651</u>	<u>80,562</u>
Total current tax		
Deferred tax	1,509	(361)
	<u>61,160</u>	<u>80,201</u>
Tax on profit on ordinary activities		



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008

5. TAXATION - continued

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>206,975</u>	<u>327,484</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 19%)	62,093	62,222
Effects of:		
Disallowable expenditure	10,399	3,093
Other timing differences	(265)	1,912
Prior year charge	-	(3,738)
Marginal relief	(12,576)	16,576
Change of rate	-	497
Current tax charge	<u>59,651</u>	<u>80,562</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £67,121 (2007 - £78,756).

7. DIVIDENDS

	2008 £	2007 £
Ordinary shares of £.01 each		
Final	-	105,000
Interim	100,000	102,600
B Ordinary shares of £.01 each		
Interim	-	17,400
	<u>100,000</u>	<u>225,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 August 2007	1,606,038	34,696	512,224	10,775	2,163,733
Additions	-	-	17,863	-	17,863
Disposals	-	-	-	(10,775)	(10,775)
At 31 July 2008	1,606,038	34,696	530,087	-	2,170,821
<b>DEPRECIATION</b>					
At 1 August 2007	16,060	11,364	269,142	7,366	303,932
Charge for year	16,060	2,333	52,189	852	71,434
Eliminated on disposal	-	-	-	(8,218)	(8,218)
At 31 July 2008	32,120	13,697	321,331	-	367,148
<b>NET BOOK VALUE</b>					
At 31 July 2008	1,573,918	20,999	208,756	-	1,803,673
At 31 July 2007	1,589,978	23,332	243,082	3,409	1,859,801

Company

	Freehold property £
<b>COST</b>	
At 1 August 2007 and 31 July 2008	1,606,038
<b>DEPRECIATION</b>	
At 1 August 2007	16,060
Charge for year	16,060
At 31 July 2008	32,120
<b>NET BOOK VALUE</b>	
At 31 July 2008	1,573,918
At 31 July 2007	1,589,978

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008**

**9. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 August 2007 and 31 July 2008	<u>80,008</u>
<b>NET BOOK VALUE</b>	
At 31 July 2008	<u>80,008</u>
At 31 July 2007	<u>80,008</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

**Beattie Communications Limited**

Nature of business: Provision of public relations

	% holding	2008 £	2007 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		253,973	175,279
Profit for the year		<u>78,694</u>	<u>168,527</u>

**Beattie New Media Limited**

Nature of business: Dormant

	% holding	2008 £	2007 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		<u>2</u>	<u>2</u>

**Beattie (Glasgow) Limited**

Nature of business: Dormant

	% holding	2008 £	2007 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		<u>80,000</u>	<u>80,000</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008**

**9. FIXED ASSET INVESTMENTS - continued**

**Beattie Media Limited**

Nature of business: Dormant

	% holding	2008 £	2007 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		<u>2</u>	<u>2</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2008 £	2007 £
Trade debtors	1,083,837	826,365
Other debtors	9,330	15,218
Prepayments and accrued income	136,616	148,669
	<u>1,229,783</u>	<u>990,252</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Bank loans and overdrafts (see note 13)	498,862	284,503	53,557	53,557
Trade creditors	193,216	184,823	-	-
Tax	59,331	119,838	21,928	22,800
Social security and other taxes	78,317	73,128	-	-
VAT	121,908	84,605	-	-
Other creditors	12,789	16,332	-	-
Owed to subsidiary	-	-	80,000	80,000
Directors' loan accounts	182	2,670	-	-
Accruals and deferred income	379,086	315,957	-	-
	<u>1,343,691</u>	<u>1,081,856</u>	<u>155,485</u>	<u>156,357</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans (see note 13)	944,849	1,006,364	944,849	1,006,364
Other loans (see note 13)	280,000	350,000	-	-
Amounts owed to group undertakings	-	-	370,908	291,702
	<u>1,224,849</u>	<u>1,356,364</u>	<u>1,315,757</u>	<u>1,298,066</u>

13. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	445,305	230,946	-	-
Bank loans	53,557	53,557	53,557	53,557
	<u>498,862</u>	<u>284,503</u>	<u>53,557</u>	<u>53,557</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	53,557	53,557	53,557	53,557
	<u>53,557</u>	<u>53,557</u>	<u>53,557</u>	<u>53,557</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	160,671	160,671	160,671	160,671
Other loans - 2-5 years	280,000	350,000	-	-
	<u>440,671</u>	<u>510,671</u>	<u>160,671</u>	<u>160,671</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	730,621	792,136	730,621	792,136
	<u>730,621</u>	<u>792,136</u>	<u>730,621</u>	<u>792,136</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008

14. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdrafts	445,305	230,946	-	-
Bank loans	998,406	1,059,921	998,406	1,059,921
	<u>1,443,711</u>	<u>1,290,867</u>	<u>998,406</u>	<u>1,059,921</u>

The bank overdraft is secured by a bond and floating charge over the assets of the group.  
The bank loan is secured by a standard security over property and a bond and floating charge over the assets of the group.

15. PROVISIONS FOR LIABILITIES

	Group	
	2008	2007
	£	£
Deferred tax	<u>31,523</u>	<u>30,014</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 August 2007		30,014
Charge for year		<u>1,509</u>
Balance at 31 July 2008		<u>31,523</u>

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008	2007
			£	£
17,999,000	Ordinary	£.01	179,990	179,990
1,000	B Ordinary	£.01	10	10
2,000,000	A ordinary shares	£.01	20,000	20,000
			<u>200,000</u>	<u>200,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008	2007
			£	£
8,000,800	Ordinary	£.01	80,008	80,008
1,000	B Ordinary	£.01	10	10
			<u>80,018</u>	<u>80,018</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008**

**16. CALLED UP SHARE CAPITAL - continued**

The B ordinary shares have no voting rights. In the event of a sale, or winding up the holders participate pari- passu with the ordinary shareholders.

**17. RESERVES**

**Group**

	Profit and loss account £
At 1 August 2007	310,820
Profit for the year	145,815
Dividends	(100,000)
At 31 July 2008	<u>356,635</u>

**Company**

	Profit and loss account £
At 1 August 2007	135,545
Profit for the year	67,121
Dividends	(100,000)
At 31 July 2008	<u>102,666</u>

**18. TRANSACTIONS WITH DIRECTORS**

During the year the Group paid for the following in relation to transactions connected with Gordon Beattie. All transactions were deemed to be at fair value:

The Group leased property from Gordon Beattie during the period at a total cost of £117,504 (2007: £117,504).

The Group leased property from the Trustees of Gordon Beattie's personal pension scheme during the period at a total cost of £25,000 (2007: £25,000).

At 31 July 2008 a balance of £182 (2007: £2,670) was due to Gordon Beattie.

The group incurred consultancy fees during the year of £435,000 from Eskis Holdings Limited, a company under the control of Gordon Beattie.

The group has a loan agreement with Beattie Communications Limited SSAS. The amount of the loan outstanding being £280,000 (2007: £350,000). This is due for repayment on 22 July 2012. The loan is secured in the form of property at 4 Great James St, London.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 July 2008**

**19. POST BALANCE SHEET EVENTS**

On 1 August 2008 the company acquired the trade, assets and liabilities of its subsidiary company, Beattie Communications Limited.

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2008	2007
	£	£
Profit for the financial year	145,815	247,283
Dividends	(100,000)	(225,000)
<b>Net addition to shareholders' funds</b>	<b>45,815</b>	<b>22,283</b>
Opening shareholders' funds	390,838	368,555
<b>Closing shareholders' funds</b>	<b>436,653</b>	<b>390,838</b>

**Company**

	2008	2007
	£	£
Profit for the financial year	67,121	78,756
Dividends	(100,000)	(225,000)
<b>Net reduction of shareholders' funds</b>	<b>(32,879)</b>	<b>(146,244)</b>
Opening shareholders' funds	215,563	361,807
<b>Closing shareholders' funds</b>	<b>182,684</b>	<b>215,563</b>

**21. EMPLOYEE BENEFIT TRUST**

An employee Benefit Trust (EBT) is established with Independent trustees appointed acting for the employees of the Group as beneficiaries of the trust. The trustees have absolute discretion in the approval of each and every award within the EBT.

The assets and liabilities of the EBT are included in the Group balance sheet until they vest unconditionally in the beneficiaries. In this respect at 31 July 2008, the EBT debtor was cleared (2007: £11,828).

**22. EMI SCHEME**

The company has set up an EMI scheme for certain employees and has granted share options. There are no valid share options in issue at present.

**23. CONTROL**

The group is under the control of G Beattie a director of the company.