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Two Bad Mice Publishers Limited

Financial Statements

As At 30 September 2000



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28/08/02

haysmacintyre
Chartered Accountants
Registered Auditors
London

Company Number: 1615321

Two Bad Mice Publishers Limited

DIRECTORS

J M S Williams
M U Williams

SECRETARY

M U Williams

ACCOUNTANTS

haysmacintyre
Southampton House
317 High Holborn
London
WC1V 7NL

BANKERS

HSBC
The Hellcon
1 South Place
London
EC2M 2UP

REGISTERED OFFICE

Southampton House
317 High Holborn
London
WC1V 7NL

Two Bad Mice Publishers Limited

Financial Statements

For The Year Ended 30 September 2000

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Two Bad Mice Publishers Limited

Directors' Report

For The Year Ended 30 September 2000

The directors present their report and the company's financial statements for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review was manufacturing, publishing and the sale of display equipment and materials for museums, galleries and shops. The company relocated its activities to Wales and is now in the process of developing an arts centre at its new Welsh site. The centre comprises an outdoor theatre, ballet studio and arts and conference facilities.

There were no significant changes in the operation of the company's business during the year under review. In the opinion of the directors the company was in a satisfactory position at the year end.

RESULTS AND DIVIDENDS

An interim dividend of £25,000 was paid during the year. The directors propose a final dividend of £72,000 (1999: £Nil).

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The directors who served during the year and their beneficial interests in the company's ordinary shares of £1 each were as follows:

	At The End Of The Year	At The Start Of The Year
J M S Williams	10,000	10,000
M U Williams	10,000	10,000
	£ 20,000	£ 20,000

Two Bad Mice Publishers Limited

Directors' Report

For The Year Ended 30 September 2000

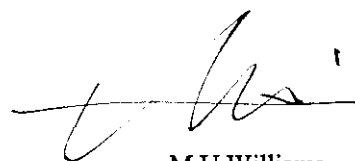
STATEMENT OF DIRECTORS RESPONSIBILITIES

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.

By Order of the Board



M U Williams
Company Secretary

23 August 2002

Two Bad Mice Publishers Limited

Profit And Loss Account

For The Year Ended 30 September 2000

	Note	2000 £	1999 £
Turnover	2	750,903	653,200
Cost of sales		(373,487)	(343,860)
GROSS PROFIT		377,416	309,340
Administrative expenses		(74,286)	(278,350)
OPERATING PROFIT	3	303,130	30,990
Interest payable and similar charges	5	(17,353)	(10,619)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		285,777	20,371
Tax on profit on ordinary activities	6	(34,000)	(8,548)
PROFIT FOR THE FINANCIAL YEAR		251,777	11,823
DIVIDENDS		(97,000)	(25,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	£ 154,777	£ (13,177)

RECOGNISED GAINS OR LOSSES

The company has no recognised gains or losses other than the results for the above two financial years.

The notes on page 5 to 10 form an integral part of these financial statements.

Two Bad Mice Publishers Limited

Balance Sheet

As At 30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	138,416	104,518
CURRENT ASSETS			
Stocks	8	96,729	77,225
Debtors	9	289,260	310,402
		<u>385,989</u>	<u>387,627</u>
CREDITORS: Amounts falling due within one year	10	(238,503)	(354,249)
NET CURRENT ASSETS		<u>147,486</u>	<u>33,378</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>285,902</u>	<u>137,896</u>
CREDITORS: Amounts falling due after more than the one year	11	-	(6,771)
NET ASSETS		<u>£ 285,902</u>	<u>£ 131,125</u>
CAPITAL AND RESERVES			
Share capital	13	20,000	20,000
Profit and loss account	14	265,902	111,125
Equity shareholders' funds	15	<u>£285,902</u>	<u>£131,125</u>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these accounts audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- 1 The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- 2 The accounts give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

..... J M S Williams (Director)

The financial statements were approved by the board of directors on 23 August 2002.

The notes on pages 5 to 10 form an integral part of these financial statements.

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards using the following accounting policies:

- a) **Turnover**
The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.
- b) **Depreciation**
Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures fittings and equipment	- 20% reducing balance
Leasehold improvements	- over period of lease
Leasehold premises	- over period of lease
- c) **Stock**
Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
- d) **Operating lease agreements**
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.
- e) **Cashflow statement**
The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 from including a cashflow statement in the financial statements on the grounds that the company is small.
- f) **Leased assets**
Assets held under finance leases are included under tangible fixed assets at their capital value and depreciated over their useful economic lives. Leasing payments consist of capital and interest elements and the interest is charged to the profit and loss account. The annual rentals in respect of operating leases are charged to the profit and loss account.

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

2. TURNOVER

The turnover and profit before tax is attributable to the one principal activity of the company.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2000	1999
	£	£
Directors' emoluments	26,089	26,204
Depreciation	8,995	32,587
Auditors' remuneration	-	4,500
Hire of plant and machinery	373	1,147
Other operating leases	14,400	14,400
	<u> </u>	<u> </u>

4. STAFF NUMBERS AND COSTS

The average number of staff including directors employed by the company during the year amounted to 3 (1999 - 3).

The aggregate costs of staff were:

	2000	1999
	£	£
Wages and salaries	40,802	44,833
Social Security costs	2,987	4,475
Other pension costs	3,283	3,249
	<u> </u>	<u> </u>
	£ 47,072	£ 52,557
	<u> </u>	<u> </u>

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

5. INTEREST PAYABLE AND SIMILAR CHARGES	2000	1999		
	£	£		
Bank overdraft and loans wholly repayable within five years	17,353	10,619		
	<u>£ 17,353</u>	<u>£ 10,619</u>		
6. TAXATION ON ORDINARY ACTIVITIES	2000	1999		
	£	£		
Current year corporation tax at 20%	34,000	8,037		
Under provision in previous years	-	511		
	<u>£34,000</u>	<u>£ 8,548</u>		
7. TANGIBLE FIXED ASSETS				
	Leasehold Premises	Leasehold Improvements	Fixtures Fittings and Equipment	Total
COST	£	£	£	£
At 1 October 1999	58,851	103,481	90,700	253,032
Additions	-	95,963	7,464	103,427
Disposals	(58,851)	(103,481)	-	(162,332)
	<u>-</u>	<u>95,963</u>	<u>98,164</u>	<u>£194,127</u>
At 30 September 2000				
DEPRECIATION				
At 1 October 1999	177	101,621	46,716	148,514
Depreciation charge	-	-	8,995	8,995
Disposals	(177)	(101,621)	-	(101,798)
	<u>-</u>	<u>-</u>	<u>55,711</u>	<u>£55,711</u>
At 30 September 2000				
NET BOOK VALUE				
At 30 September 2000	-	95,963	42,453	£138,416
	<u>£ 58,674</u>	<u>£ 1,860</u>	<u>£ 43,984</u>	<u>£104,518</u>
At 30 September 1999				

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

8. STOCKS	2000	1999
	£	£
Finished goods	£ 96,729	£ 77,225
9. DEBTORS	2000	1999
	£	£
Trade debtors	209,450	143,160
Other debtors	7,644	4,422
Prepayments and accrued income	180	383
Director's loan account	71,986	162,437
	£ 289,260	£ 310,402
10. CREDITORS: Amounts falling due within one year	2000	1999
	£	£
Bank overdrafts	44,952	230,875
Trade creditors	75,875	86,485
Corporation Tax	39,836	8,037
Accruals and deferred income	5,840	28,852
Proposed Dividend	72,000	-
	£238,503	£354,249
11. CREDITORS: Amounts due after more than one year	2000	1999
	£	£
Bank loans	-	6,771
	£ -	£ 6,771

Bank overdrafts are secured by a fixed and floating charge over the assets of the company.

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

12. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000		1999	
	Land and Buildings £	Other £	Land and buildings £	Other £
Agreements expiring				
Within one year	-	-	-	-
Within 2 to 5 years	14,400	-	14,400	-
	<u>£14,400</u>	<u>-</u>	<u>£14,400</u>	<u>-</u>

13. SHARE CAPITAL

AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID:

	2000 £	1999 £
20,000 Ordinary Shares of £1 each	<u>£ 20,000</u>	<u>£ 20,000</u>

14. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Accumulated reserves brought forward	111,125	124,302
Retained profit/(loss) for the financial year	<u>154,777</u>	<u>(13,177)</u>
Accumulated reserves carried forward	<u>£265,902</u>	<u>£111,125</u>

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2000

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	251,777	11,823
Dividend payable	(97,000)	(25,000)
Net addition/(reduction) to funds	154,777	(13,177)
Opening shareholders' funds	131,125	144,302
Closing shareholders' funds	£285,902	£131,125

16. ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling party to be Mr. & Mrs. J M S Williams.

17. RELATED PARTY TRANSACTIONS

During the year, royalties of £22,139 (1999: £23,301) were paid to J M S Williams, a director and shareholder.

Included in administration expenses is rent paid to the J M S Williams and M U Williams partnership of £6,000 for premises based at Lampeter House, Lampeter Velfrey. And £8,400 in respect of outstanding rent due on the company's previous premises.

An amount of £71,986 (1999: £162,437) was owed by J M S Williams to the company at 30 September 2000.