Two Bad Mice Publishers Limited

Financial Statements

As At 30 September 2001



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 2001

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Two Bad Mice Publishers Limited

Directors' Report

For The Year Ended 30 September 2001

The directors present their report and the company's financial statements for the year ended 30 September 2001.

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 has also undertaken further work on its arts centre comprising ballet studio, outdoor theatre and arts and conference facilities, at its new premises.

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 (2000: £25,000) was paid during the year. The directors propose a final dividend of £67,500 (2000: £72,000).

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 2001

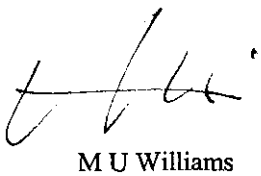
STATEMENT OF DIRECTORS RESPONSIBILITIES

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 ant 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 2001

	Note	2001 £	2000 £
Turnover	2	**840,484**	750,903
Cost of sales		**(394,069)**	(373,487)
GROSS PROFIT		**446,415**	377,416
Administrative expenses		**(226,696)**	(74,286)
OPERATING PROFIT	3	**219,719**	303,130
Interest payable and similar charges	5	**(6,937)**	(17,353)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**212,782**	285,777
Tax on profit on ordinary activities	6	**(41,500)**	(29,475)
PROFIT FOR THE FINANCIAL YEAR		**171,282**	256,302
DIVIDENDS		**(92,500)**	(97,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	**£ 78,782**	£ 159,302

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 2001

	Note	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS					
Tangible assets	7		**261,262**		138,416
CURRENT ASSETS					
Stocks	8	**126,863**		96,729	
Debtors	9	**259,661**		289,260	
Cash		**9,826**		-	
		396,350		385,989	
CREDITORS: Amounts falling due within one year	10	**(255,478)**		(238,503)	
NET CURRENT ASSETS			**140,872**		147,486
TOTAL ASSETS LESS CURRENT LIABILITIES			**402,134**		285,902
CREDITORS: Amounts falling due after more than the one year	11		**(37,450)**		-
NET ASSETS			**£ 364,684**		£ 285,902
CAPITAL AND RESERVES					
Share capital	13		**20,000**		20,000
Profit and loss account	14		**344,684**		265,902
Equity shareholders' funds	15		**£ 364,684**		£ 285,902

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 2001 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 2001

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

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 2001

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:

	2001	2000
	£	£
Directors' emoluments	**29,294**	26,089
Depreciation	**41,697**	8,995
Auditors' remuneration	**-**	-
Hire of plant and machinery	**650**	373
Other operating leases	**14,400**	14,400

4. STAFF NUMBERS AND COSTS

The average number of staff including directors employed by the company during the year amounted to (2000 - 3).

The aggregate costs of staff were:

	2001	2000
	£	£
Wages and salaries	**42,810**	40,802
Social Security costs	**5,172**	2,987
Other pension costs	**3,034**	3,283
	£ 51,016	£ 47,072

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2001

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank overdraft and loans wholly repayable within five years	**6,937**	17,353
	£ 6,937	£ 17,353

6. TAXATION ON ORDINARY ACTIVITIES

	2001 £	2000 £
Current year corporation tax at 20%	**41,500**	34,000
Under provision in previous years	**-**	-
	£ 41,500	£34,000

7. TANGIBLE FIXED ASSETS

COST	Freehold Premises £	Leasehold Improvements £	Fixtures, Fittings and Equipment £	Total £
At 1 October 2000	-	95,963	98,164	194,127
Additions	90,000	45,711	2,169	137,880
Disposals	-	-	-	-
At 30 September 2001	**90,000**	**141,674**	**100,333**	**332,007**
DEPRECIATION				
At 1 October 2000	-	-	55,711	55,711
Depreciation charge	-	7,083	7,951	15,034
Disposals	-	-	-	-
At 30 September 2001	**-**	**7,083**	**63,662**	**70,745**
NET BOOK VALUE				
At 30 September 2001	**£ 90,000**	**£ 134,591**	**£ 36,671**	**£ 261,262**
At 30 September 2000	£ -	£ 95,963	£ 42,453	£ 138,416

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2001

8. STOCKS

	2001 £	2000 £
Finished goods	**£ 126,863**	£ 96,729

9. DEBTORS

	2001 £	2000 £
Trade debtors	**185,358**	209,450
Other debtors	**150**	7,644
Prepayments and accrued income	**7,031**	180
Director's loan account	**67,122**	71,986
	£ 259,661	£ 289,260

10. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loan	**24,761**	-
Bank overdrafts	**-**	44,952
Trade creditors	**71,434**	75,875
Corporation Tax	**75,500**	39,836
Accruals and deferred income	**7,362**	5,840
Social Security and other taxes	**8,921**	-
Proposed dividend	**67,500**	72,000
	£ 255,478	£ 238,503

11. CREDITORS: Amounts due after more than one year

	2001 £	2000 £
Bank loans	**37,450**	-
	£ 37,450	£ -

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 2001

12. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and Buildings	**Other**	Land and buildings	Other
Agreements expiring	**£**	**£**	£	£
Within one year	-	-	-	-
Within 2 to 5 years	**14,400**	-	14,400	-
	£ 14,400	£ -	£ 14,400	£ -

13. SHARE CAPITAL

AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID:

	2001	2000
	£	£
20,000 Ordinary Shares of £1 each	**£ 20,000**	£ 20,000

14. PROFIT AND LOSS ACCOUNT

	2001	2000
	£	£
Accumulated reserves brought forward	**265,902**	111,125
Retained profit for the financial year	**78,782**	154,777
Accumulated reserves carried forward	**£ 344,684**	£ 265,902

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2001

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	**171,282**	251,777
Dividend payable	**(92,500)**	(97,000)
Net addition to funds	**78,782**	154,777
Opening shareholders' funds	**285,902**	131,125
Closing shareholders' funds	**£ 364,684**	£ 285,902

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 £17,917 (2000: £22,139) 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 (2000: £6,000) for premises based at Lampeter House, Lampeter Velfrey, and £2,000 (2000: £4,400) in respect of the company's outstanding rent on the company's previous premises.

An amount of £46,155 (2000: £15,692 overdrawn) is owed to J M S Williams to the company at 30 September 2001. This was the highest balance outstanding.