

Two Bad Mice Publishers Limited

Financial Statements

For the year ended 30 September 2002



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
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London
EC2M 2UP

REGISTERED OFFICE

Southampton House
317 High Holborn
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WC1V 7NL

Two Bad Mice Publishers Limited

Financial Statements

For The Year Ended 30 September 2002

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Two Bad Mice Publishers Limited

Directors' Report

For The Year Ended 30 September 2002

The directors present their report and the company's financial statements for the year ended 30 September 2002.

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 £30,000 (2001: £25,000) was paid during the year. The directors propose a final dividend of £61,000 (2001: £67,500).

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 2002

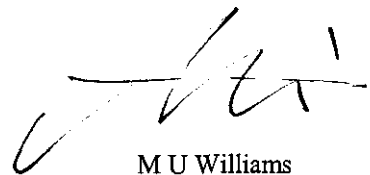
STATEMENT OF DIRECTORS RESPONSIBILITIES

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

[]

Two Bad Mice Publishers Limited

Profit And Loss Account

For The Year Ended 30 September 2002

	Note	2002 £	2001 £
Turnover	1	816,379	840,484
Cost of sales		(392,393)	(394,069)
GROSS PROFIT		423,986	446,415
Administrative expenses		(271,186)	(226,696)
OPERATING PROFIT	3	152,800	219,719
Interest payable and similar charges	5	(2,381)	(6,937)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		150,419	212,782
Tax on profit on ordinary activities	6	(12,892)	(41,500)
PROFIT FOR THE FINANCIAL YEAR		137,527	171,282
DIVIDENDS		(91,000)	(92,500)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	£46,527	£78,782

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

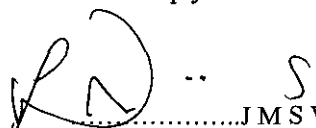
As At 30 September 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	7	304,447	261,262
CURRENT ASSETS			
Stocks	8	118,744	126,863
Debtors	9	161,851	259,661
Cash		10,647	9,826
		291,242	396,350
CREDITORS: Amounts falling due within one year	10	(184,478)	(255,478)
NET CURRENT ASSETS		106,764	140,872
TOTAL ASSETS LESS CURRENT LIABILITIES			
		411,211	402,134
CREDITORS: Amounts falling due after more than the one year	11	-	(37,450)
NET ASSETS		£411,211	£364,684
CAPITAL AND RESERVES			
Share capital	13	20,000	20,000
Profit and loss account	14	391,211	344,684
Equity shareholders' funds	15	£411,211	£364,684

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 2002 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 [].

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 2002

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.
- g) **Deferred taxation**

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

The adoption of Financial Reporting Standard (FRS) 19 "Deferred Tax" has resulted in a change in the deferred taxation accounting policy. Prior to 1 October 2001 the company provided for deferred tax using the liability method under Statement of Standard Accounting Practice (SSAP) 15. The change in accounting policy has not necessitated a prior year adjustment since the change is immaterial.

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2002

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:

	2002 £	2001 £
Directors' emoluments	33,148	29,294
Depreciation	19,854	41,697
Hire of plant and machinery	493	650
Other operating leases	6,000	8,000
	<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 (2000 - 3).

The aggregate costs of staff were:

	2002 £	2001 £
Wages and salaries	45,808	42,810
Social Security costs	3,797	5,172
Other pension costs	3,706	3,034
	<u> </u>	<u> </u>
	£53,311	£51,016
	<u> </u>	<u> </u>

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2002

5.	INTEREST PAYABLE AND SIMILAR CHARGES	2002 £	2001 £		
	Bank overdraft and loans wholly repayable within five years	£2,381	£6,937		
6.	TAXATION ON ORDINARY ACTIVITIES	2002 £	2001 £		
	Current year corporation tax at 20%	32,250	41,500		
	Under provision in previous years	(19,358)	-		
		£12,892	£41,500		
	Tax Charge Reconciliation				
	Profits on ordinary activities before tax	150,419	212,782		
	Profits on ordinary activities multiplied by the small companies rate of UK corporation tax of 20% (2001: 20%)	30,084	42,556		
	Effects of:				
	Expenses not deductible for tax purposes	2,987			
	Capital allowances for the year less/(more) than depreciation	8	(147)		
	Other differences	(829)	(909)		
	Over provision in prior year	(19,358)	-		
	Current tax charge	£12,892	£41,500		
7.	TANGIBLE FIXED ASSETS				
		Freehold Premises £	Leasehold Improvements £	Fixtures, Fittings and Equipment £	Total £
	COST				
	At 1 October 2001	90,000	141,674	100,333	332,007
	Additions	-	47,811	15,228	63,039
	At 30 September 2002	90,000	189,485	115,561	395,046
	DEPRECIATION				
	At 1 October 2001	-	7,083	63,662	70,745
	Depreciation charge	-	9,474	10,380	19,854
	At 30 September 2002	-	16,557	74,042	90,599
	NET BOOK VALUE				
	At 30 September 2002	£90,000	£172,928	£41,519	£304,447
	At 30 September 2001	£90,000	£134,591	£36,671	£261,262

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2002

8. STOCKS	2002	2001
	£	£
Finished goods	£118,744	£126,863
9. DEBTORS	2002	2001
	£	£
Trade debtors	99,640	185,358
Other debtors	150	150
Prepayments and accrued income	1,252	7,031
Director's loan account	60,809	67,122
	£161,851	£259,661
10. CREDITORS: Amounts falling due within one year	2002	2001
	£	£
Bank loan	-	24,761
Trade creditors	79,907	71,434
Corporation Tax	32,250	75,500
Accruals and deferred income	4,500	7,362
Social Security and other taxes	6,821	8,921
Proposed dividend	61,000	67,500
	£184,478	£255,478
11. CREDITORS: Amounts due after more than one year	2002	2001
	£	£
Bank loans	£ -	£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 2002

12. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002		2001	
Agreements expiring	Land and Buildings £	Other £	Land and buildings £	Other £
Within one year	-	-	-	-
Within 2 to 5 years	6,000	-	6,000	-
	<u>£6,000</u>	<u>£ -</u>	<u>£6,000</u>	<u>£ -</u>

13. SHARE CAPITAL

AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID:

	2002 £	2001 £
20,000 Ordinary Shares of £1 each	£20,000	£20,000
	<u>£20,000</u>	<u>£20,000</u>

14. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Accumulated reserves brought forward	344,684	265,902
Retained profit for the financial year	46,527	78,782
	<u>£391,211</u>	<u>£344,684</u>
Accumulated reserves carried forward	£391,211	£344,684

Two Bad Mice Publishers Limited

Notes To The Financial Statements

For The Year Ended 30 September 2002

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	137,527	171,282
Dividend payable	(91,000)	(92,500)
Net addition to funds	46,527	78,782
Opening shareholders' funds	364,684	285,902
Closing shareholders' funds	£411,211	£364,684

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 £17,523 (2001: £17,917) 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 (2001: £6,000) for premises based at Lampeter House, Lampeter Velfrey, and nil (2001: £2,000) in respect of the company's outstanding rent on the company's previous premises.

An amount of £60,809 (2001: £67,122) was owed by J M S Williams to the company at 30 September 2002. This was the highest balance outstanding.