

The Original Poster Company Limited

Abbreviated Accounts

Year Ended

30 June 1997



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COMPANIES HOUSE 05/02/98



BDO Stoy Hayward
Chartered Accountants

THE ORIGINAL POSTER COMPANY LIMITED

Annual report and financial statements for the year ended 30 June 1997

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Directors

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Directors

S E Warren-Gash (Managing Director)
P R Thomas
D S Mills (Chairman)
P Jacobs
K A F MacGregor

Secretary and registered office

P Jacobs, Elephant House, Victoria Villas, Richmond, TW9 2JX.

Company number

2580821

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA

THE ORIGINAL POSTER COMPANY LIMITED

Report of the auditors

Auditors' report to The Original Poster Company Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 6 together with the financial statements of the company for the year ended 30 June 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 6 are properly prepared in accordance with those provisions.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

16 December 1997

THE ORIGINAL POSTER COMPANY LIMITED

Balance sheet at 30 June 1997

	Note	1997		1996	
		£	£	£	£
Fixed assets					
Investments	2		192,703		40,538
Tangible assets	3		462,923		310,704
			<u>655,626</u>		<u>351,242</u>
Current assets					
Stocks		373,323		284,811	
Debtors		659,413		749,725	
Cash at bank and in hand		<u>413</u>		<u>1,298</u>	
		1,033,149		1,035,834	
Creditors: amounts falling due within one year		<u>652,117</u>		<u>760,211</u>	
Net current assets			381,032		275,623
Total assets less current liabilities			1,036,658		626,865
Creditors: amounts falling due after more than one year	4		298,240		124,026
Net assets			<u>738,418</u>		<u>502,839</u>
Capital and reserves					
Called up share capital	5		15,000		15,000
Share premium account			185,670		185,670
Revaluation reserve			143,997		-
Profit and loss account			393,751		302,169
Shareholders' funds - equity			<u>738,418</u>		<u>502,839</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small sized companies.

The financial statements were approved by the Board on 16 December 1997

S E Warren-Gash
Director

The notes on pages 3 to 6 form part of these financial statements.

THE ORIGINAL POSTER COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 June 1997

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of sales of goods and services in the year net of value added tax.

Tangible fixed assets and depreciation

Depreciation is charged on fixed assets at rates calculated to write off the cost over the expected useful life of each asset. Rates used are as follows:

Motor vehicles	-	25% per annum reducing balance basis
Office equipment	-	25% per annum reducing balance basis
Leasehold	-	over term of lease

It is the company's practice to maintain freehold buildings in a continual state of sound repair. Accordingly, the directors consider the lives of these assets and their residual values, based on prices prevailing at the time of their acquisition or subsequent revaluation, are such that their depreciation would not be material. Provision will be made should any permanent diminution in value of these properties occur.

Translation of foreign currencies

Foreign currency assets and liabilities are translated into sterling at exchange rates in effect at the balance sheet date. Transactions in foreign currencies are translated at the exchange rates in effect on the date of the transaction. Exchange gains and losses are taken to the profit and loss account.

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is accounted for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset or provision is established to the extent that it is likely that an asset or liability will crystallise in the foreseeable future.

Leased assets

Assets held under finance leases are capitalised at their fair value calculated by using the interest rate implicit in the lease. Finance charges are allocated to accounting periods over the lease term. Operating lease payments are charged in the year in which they fall due.

THE ORIGINAL POSTER COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 June 1997 (*Continued*)

2 Investments

	Subsidiaries £	Associates £	Total £
Cost at 1 July 1996	31,599	8,939	40,538
Additions	-	152,165	152,165
Elephant House Inc	(31,597)	31,597	-
Cost at 30 June 1997	2	192,701	192,703

Investments in subsidiaries comprises 100% of the issued share capital in The Elephant Group Limited and The Elephant Card Company Limited both dormant companies registered in England. At 30 June 1997 each of these subsidiary companies had aggregate capital and reserves of £2.

The investment in associates is comprised of two items:

30% of the issued equity share capital of OPC France SA., a company incorporated in France and engaged in a distribution network for cards within France. The audited financial of OPC France SA at 31 December 1996 show aggregate capital and reserves of £30,597 and profit for the year then ended of £104,130. Under the equity method of valuation the company's investment in OPC France SA equals £9,170.

40% of the common stock of Elephant House Inc, a company incorporated in the United States and engaged in establishing a distribution network for cards within the United States. During the year the company purchased additional shares in Elephant House Inc for £152,165. At the same time Elephant House Inc issued other shares resulting in the reduction of the company shareholding to 40%. The audited financial statements of Elephant House Inc at 31 December 1996 show negative aggregate capital and reserves of £96,758 and losses for the year then ended of £227,133. Under the equity method of valuation the company's investment in Elephant House Inc equals (£38,703). In the opinion of the directors the diminution in value is not permanent.

THE ORIGINAL POSTER COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 June 1997 (*Continued*)

3 Tangible assets

	Total £
<i>Cost or valuation</i>	
At 1 July 1996	379,562
Additions	48,472
Disposals	(21,847)
Revaluation	143,997
At 30 June 1997	550,184
<i>Depreciation</i>	
At 1 July 1996	68,858
Provided for the year	31,595
Disposals	(13,192)
At 30 June 1997	87,261
<i>Net book value</i>	
At 30 June 1997	462,923
At 30 June 1996	310,704

THE ORIGINAL POSTER COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 June 1997 (*Continued*)

4 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Mortgage (secured)	253,317	-
Bank loan (secured)	-	78,200
Obligations under finance leases	44,923	45,826
	<u>298,240</u>	<u>124,026</u>

The mortgage is secured by a first charge over the freehold property and is repayable by instalments over 15 years as set out below.

The amount payable after 5 years is £210,353.

5 Share capital

	Authorised		Allotted, called up and fully paid	
	1997 £	1996 £	1997 £	1996 £
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>15,000</u>	<u>15,000</u>