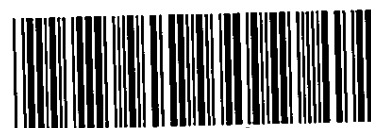


**REGISTERED NUMBER 02580821 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007  
FOR  
THE ORIGINAL POSTER COMPANY LIMITED**

**WEDNESDAY**



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**26/03/2008**

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**COMPANIES HOUSE**

**THE ORIGINAL POSTER COMPANY LIMITED**

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for the Year Ended 30 June 2007**

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**THE ORIGINAL POSTER COMPANY LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 30 June 2007**

**DIRECTORS:**

K A F MacGregor  
D S Mills  
S J M Mills  
M J Parks  
M Thompson  
S E Warren-Gash  
J J Webster

**SECRETARY:**

D Langridge

**REGISTERED OFFICE.**

Elephant House  
28 Lyon Road  
Walton-on-Thames  
Surrey  
KT12 3PU

**REGISTERED NUMBER**

02580821 (England and Wales) ,

**AUDITORS:**

Hamlyns,  
Chartered Accountants & Registered Auditors  
Sundial House  
High Street  
Horsell  
Woking  
Surrey  
GU21 4SU

# THE ORIGINAL POSTER COMPANY LIMITED

## REPORT OF THE DIRECTORS for the Year Ended 30 June 2007

The directors present their report with the financial statements of the company for the year ended 30 June 2007

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of publishers and distributors of greetings cards and ancillary products. The company mainly operates a franchise network for the distribution of its products, with direct supplies to certain overseas countries.

### REVIEW OF BUSINESS

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

The directors consider the results for the year to be satisfactory and look forward to a profitable forthcoming year.

### DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2006 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

S Felmington - resigned 14 8 06  
P Jacobs - resigned 31 12 06

The beneficial interests of the directors holding office at 30 June 2007 in the shares of the company, according to the register of directors' interests, were as follows:

|                                    | 30 6 07 | 1 7 06<br>or date of<br>appointment<br>if later |
|------------------------------------|---------|-------------------------------------------------|
| <b>Ordinary shares of 10p each</b> |         |                                                 |
| K A F MacGregor                    | -       | -                                               |
| D S Mills                          | 22,750  | 22,750                                          |
| S J M Mills                        | 2,500   | 2,500                                           |
| M J Parks                          | 1,000   | 1,000                                           |
| M Thompson - appointed 1 1 07      | -       | -                                               |
| S E Warren-Gash                    | 22,375  | 22,375                                          |
| J J Webster                        | 2,000   | 2,000                                           |

These directors did not hold any non-beneficial interests in the shares of the company.

In addition, at the year end ordinary shares at 10p each were held as follows:

|                                                              |        |        |
|--------------------------------------------------------------|--------|--------|
| Shares held by family trusts in which D S Mills is a trustee | 4,750  | 4,750  |
| Shares held by spouse or dependents of D S Mills             | 17,250 | 17,250 |
| Shares held by Mrs C Warren-Gash                             | 22,375 | 22,375 |
| Shares held in trust for K Macgregor                         | 37,500 | 37,500 |
| Shares held by Mrs G Webster                                 | 1,000  | 1,000  |

Shares held by S J M Mills are held jointly with Mrs L Mills.

**THE ORIGINAL POSTER COMPANY LIMITED**

**REPORT OF THE DIRECTORS  
for the Year Ended 30 June 2007**

**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 of the profit or loss of the company 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 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.

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

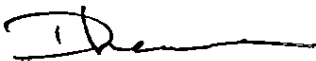
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

**AUDITORS**

The auditors, Hamlyn's, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



D Langridge - Secretary

Date 13/03/2008

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE ORIGINAL POSTER COMPANY LIMITED**

We have audited the financial statements of The Original Poster Company Limited for the year ended 30 June 2007 on pages six to twenty. 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, except that the scope of our work was limited as explained below.

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 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. The prior period financial statements were audited by another auditor. The prior year audit report was unqualified and signed on 25 April 2007.

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 SHAREHOLDERS OF  
THE ORIGINAL POSTER COMPANY 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 the company's affairs as at 30 June 2007 and of its profit 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



Hamlyn,  
Chartered Accountants & Registered Auditors  
Sundial House  
High Street  
Horsell  
Woking  
Surrey  
GU21 4SU

Date *13 March 2008*

**THE ORIGINAL POSTER COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 30 June 2007**

|                                                          | Notes | 2007<br>£ | £         | 2006<br>£ | £         |
|----------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>TURNOVER</b>                                          | 2     |           | 3,494,535 |           | 3,572,020 |
| Cost of sales                                            |       |           | 1,488,233 |           | 1,593,448 |
| <b>GROSS PROFIT</b>                                      |       |           | 2,006,302 |           | 1,978,572 |
| Distribution costs                                       |       | 264,461   |           | 290,675   |           |
| Administrative expenses                                  |       | 1,491,853 |           | 1,525,402 |           |
|                                                          |       |           | 1,756,314 |           | 1,816,077 |
| <b>OPERATING PROFIT</b>                                  | 4     |           | 249,988   |           | 162,495   |
| Interest receivable and similar income                   |       |           | 23,889    |           | 13,832    |
|                                                          |       |           | 273,877   |           | 176,327   |
| Interest payable and similar charges                     | 5     |           | 56,595    |           | 55,530    |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       |           | 217,282   |           | 120,797   |
| Tax on profit on ordinary activities                     | 6     |           | 46,631    |           | 28,668    |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       |           | 170,651   |           | 92,129    |

**CONTINUING OPERATIONS**

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

The notes form part of these financial statements

**THE ORIGINAL POSTER COMPANY LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the Year Ended 30 June 2007**

|                                          | 2007<br>£      | 2006<br>£      |
|------------------------------------------|----------------|----------------|
| <b>PROFIT FOR THE FINANCIAL YEAR</b>     | 170,651        | 92,129         |
| Surplus on revaluation                   | -              | 257,970        |
| Purchase of own share                    | (18,000)       | -              |
| <b>TOTAL RECOGNISED GAINS AND LOSSES</b> |                |                |
| <b>RELATING TO THE YEAR</b>              | <u>152,651</u> | <u>350,099</u> |

The notes form part of these financial statements

**THE ORIGINAL POSTER COMPANY LIMITED**

**BALANCE SHEET**  
**30 June 2007**

|                                              | Notes | 2007                    | 2006                    |
|----------------------------------------------|-------|-------------------------|-------------------------|
|                                              |       | £                       | £                       |
| <b>FIXED ASSETS</b>                          |       |                         |                         |
| Tangible assets                              | 8     | 1,150,135               | 1,182,361               |
| Investments                                  | 9     | <u>600</u>              | <u>600</u>              |
|                                              |       | 1,150,735               | 1,182,961               |
| <b>CURRENT ASSETS</b>                        |       |                         |                         |
| Stocks                                       | 10    | 561,700                 | 644,816                 |
| Debtors                                      | 11    | 929,266                 | 888,082                 |
| Cash at bank                                 |       | <u>422,863</u>          | <u>323,724</u>          |
|                                              |       | 1,913,829               | 1,856,622               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due within one year          | 12    | <u>736,606</u>          | <u>708,591</u>          |
| <b>NET CURRENT ASSETS</b>                    |       | <u>1,177,223</u>        | <u>1,148,031</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 2,327,958               | 2,330,992               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due after more than one year | 13    | <u>805,019</u>          | <u>826,454</u>          |
| <b>NET ASSETS</b>                            |       | <u><u>1,522,939</u></u> | <u><u>1,504,538</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                         |                         |
| Called up share capital                      | 17    | 13,350                  | 13,650                  |
| Share premium                                | 18    | 225,720                 | 225,720                 |
| Revaluation reserve                          | 18    | 257,970                 | 257,970                 |
| Capital redemption reserve                   | 18    | 2,100                   | 1,800                   |
| Profit and loss account                      | 18    | <u>1,023,799</u>        | <u>1,005,398</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                   | 19    | <u><u>1,522,939</u></u> | <u><u>1,504,538</u></u> |

The financial statements were approved by the Board of Directors on  
by

13/03/2008

and were signed on its behalf

S E Warren-Gash - Director

The notes form part of these financial statements

**THE ORIGINAL POSTER COMPANY LIMITED**

**CASH FLOW STATEMENT  
for the Year Ended 30 June 2007**

|                                                                            | Notes | 2007<br>£     | £                       | 2006<br>£        | £                       |
|----------------------------------------------------------------------------|-------|---------------|-------------------------|------------------|-------------------------|
| <b>Net cash inflow from operating activities</b>                           | 1     |               | 433,982                 |                  | 434,963                 |
| <b>Returns on investments and servicing of finance</b>                     | 2     |               | (32,706)                |                  | (41,698)                |
| <b>Taxation</b>                                                            |       |               | (28,668)                |                  | (27,955)                |
| <b>Capital expenditure</b>                                                 | 2     |               | (20,153)                |                  | (22,232)                |
| <b>Equity dividends paid</b>                                               |       |               | (134,250)               |                  | (109,200)               |
|                                                                            |       |               | 218,205                 |                  | 233,878                 |
| <b>Financing</b>                                                           | 2     |               | (43,488)                |                  | 218,948                 |
| <b>Increase in cash in the period</b>                                      |       |               | <u>174,717</u>          |                  | <u>452,826</u>          |
| <hr/>                                                                      |       |               |                         |                  |                         |
| <b>Reconciliation of net cash flow to movement in net debt</b>             | 3     |               |                         |                  |                         |
| Increase in cash in the period                                             |       | 174,717       |                         | 452,826          |                         |
| Cash outflow/(inflow) from decrease/(increase) in debt and lease financing |       | <u>25,488</u> |                         | <u>(218,948)</u> |                         |
| Change in net debt resulting from cash flows                               |       |               | <u>200,205</u>          |                  | <u>233,878</u>          |
| <b>Movement in net debt in the period</b>                                  |       |               | 200,205                 |                  | 233,878                 |
| <b>Net debt at 1 July</b>                                                  |       |               | <u>(599,936)</u>        |                  | <u>(833,814)</u>        |
| <b>Net debt at 30 June</b>                                                 |       |               | <u><u>(399,731)</u></u> |                  | <u><u>(599,936)</u></u> |

The notes form part of these financial statements

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
for the Year Ended 30 June 2007

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

|                                                  | 2007           | 2006           |
|--------------------------------------------------|----------------|----------------|
|                                                  | £              | £              |
| Operating profit                                 | 249,988        | 162,495        |
| Depreciation charges                             | 52,379         | 57,144         |
| Loss on disposal of fixed assets                 | -              | 7,220          |
| Decrease in stocks                               | 83,116         | 193,785        |
| Increase in debtors                              | (41,184)       | (88,180)       |
| Increase in creditors                            | 89,683         | 102,499        |
|                                                  | <u>433,982</u> | <u>434,963</u> |
| <b>Net cash inflow from operating activities</b> | <u>433,982</u> | <u>434,963</u> |

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

|                                                                             | 2007            | 2006            |
|-----------------------------------------------------------------------------|-----------------|-----------------|
|                                                                             | £               | £               |
| <b>Returns on investments and servicing of finance</b>                      |                 |                 |
| Interest received                                                           | 23,889          | 13,832          |
| Interest paid                                                               | (56,421)        | (54,670)        |
| Interest element of finance lease payments                                  | (174)           | (860)           |
|                                                                             | <u>(32,706)</u> | <u>(41,698)</u> |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <u>(32,706)</u> | <u>(41,698)</u> |
| <b>Capital expenditure</b>                                                  |                 |                 |
| Purchase of tangible fixed assets                                           | (20,153)        | (33,732)        |
| Sale of tangible fixed assets                                               | -               | 11,500          |
|                                                                             | <u>(20,153)</u> | <u>(22,232)</u> |
| <b>Net cash outflow for capital expenditure</b>                             | <u>(20,153)</u> | <u>(22,232)</u> |
| <b>Financing</b>                                                            |                 |                 |
| New loans in year                                                           | -               | 230,566         |
| Loan repayments in year                                                     | (18,208)        | -               |
| Capital repayments in year                                                  | (7,280)         | (11,618)        |
| Purchase of own shares                                                      | (18,000)        | -               |
|                                                                             | <u>(43,488)</u> | <u>218,948</u>  |
| <b>Net cash (outflow)/inflow from financing</b>                             | <u>(43,488)</u> | <u>218,948</u>  |

The notes form part of these financial statements

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
for the Year Ended 30 June 2007**

**3 ANALYSIS OF CHANGES IN NET DEBT**

|                                      | At 1 7 06<br>£   | Cash flow<br>£ | At<br>30 6 07<br>£ |
|--------------------------------------|------------------|----------------|--------------------|
| Net cash                             |                  |                |                    |
| Cash at bank                         | 323,724          | 99,139         | 422,863            |
| Bank overdraft                       | (78,046)         | 75,578         | (2,468)            |
|                                      | <u>245,678</u>   | <u>174,717</u> | <u>420,395</u>     |
| Debt                                 |                  |                |                    |
| Finance leases                       | (7,280)          | 7,280          | -                  |
| Debts falling due<br>within one year | (11,880)         | (3,227)        | (15,107)           |
| Debts falling due<br>after one year  | (826,454)        | 21,435         | (805,019)          |
|                                      | <u>(845,614)</u> | <u>25,488</u>  | <u>(820,126)</u>   |
| Total                                | <u>(599,936)</u> | <u>200,205</u> | <u>(399,731)</u>   |

The notes form part of these financial statements

# THE ORIGINAL POSTER COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 June 2007

### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

#### Turnover

Turnover represents net invoiced sales of goods, 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 or, if held under a finance lease, over the lease term, whichever is the shorter

|                   |                                |
|-------------------|--------------------------------|
| Freehold property | - 2% on cost                   |
| Short leasehold   | - over remaining term of lease |
| Motor vehicles    | - 25% on reducing balance      |
| Office equipment  | - 25% on reducing balance      |

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### Deferred tax

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

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### 2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

In the opinion of the directors, there is only one class of turnover and it is their belief that it would be prejudicial to the business to disclose the geographical location.

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**3 STAFF COSTS**

|                       | 2007             | 2006             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,003,422        | 1,048,568        |
| Social security costs | 111,826          | 119,463          |
| Other pension costs   | 24,411           | 27,875           |
|                       | <u>1,139,659</u> | <u>1,195,906</u> |

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

| 2007      | 2006      |
|-----------|-----------|
| 28        | 30        |
| <u>28</u> | <u>30</u> |

**4 OPERATING PROFIT**

The operating profit is stated after charging

|                                                            | 2007           | 2006           |
|------------------------------------------------------------|----------------|----------------|
|                                                            | £              | £              |
| Depreciation - owned assets                                | 52,379         | 51,237         |
| Depreciation - assets on finance leases                    | -              | 5,906          |
| Loss on disposal of fixed assets                           | -              | 7,220          |
| Auditors' remuneration                                     | 14,222         | 16,458         |
|                                                            | <u>86,601</u>  | <u>80,821</u>  |
| Directors' emoluments                                      | 484,249        | 553,750        |
| Directors' pension contributions to money purchase schemes | 20,308         | 23,425         |
|                                                            | <u>504,557</u> | <u>577,175</u> |

The number of directors to whom retirement benefits were accruing was as follows

|  | 2        | 3        |
|--|----------|----------|
|  | <u>2</u> | <u>3</u> |

Information regarding the highest paid director is as follows

|                                                 | 2007           | 2006           |
|-------------------------------------------------|----------------|----------------|
|                                                 | £              | £              |
| Emoluments etc                                  | 122,550        | 121,100        |
| Pension contributions to money purchase schemes | 12,325         | 12,325         |
|                                                 | <u>134,875</u> | <u>133,425</u> |

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

|                    | 2007          | 2006          |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Bank interest      | 223           | 5,450         |
| Bank loan interest | -             | 5,438         |
| Mortgage           | 56,198        | 43,782        |
| Leasing            | 174           | 860           |
|                    | <u>56,595</u> | <u>55,530</u> |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**6 TAXATION**

**Analysis of the tax charge**

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

|                                      | 2007<br>£     | 2006<br>£     |
|--------------------------------------|---------------|---------------|
| Current tax                          |               |               |
| UK corporation tax                   | 46,631        | 28,668        |
|                                      | <u>46,631</u> | <u>28,668</u> |
| Tax on profit on ordinary activities | <u>46,631</u> | <u>28,668</u> |

UK corporation tax has been charged at 19.25% (2006 - 19%)

**Factors affecting the tax charge**

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

|                                                                                                                          | 2007<br>£     | 2006<br>£     |
|--------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Profit on ordinary activities before tax                                                                                 | 217,282       | 120,797       |
| Profit on ordinary activities<br>multiplied by the standard rate of corporation tax<br>in the UK of 19.249% (2006 - 19%) | 41,825        | 22,951        |
| Effects of                                                                                                               |               |               |
| Expenses not deductible for tax purposes                                                                                 | 1,292         | 1,432         |
| Depreciation in excess of capital allowances                                                                             | 3,581         | 4,475         |
| Other short term timing differences                                                                                      | (67)          | (190)         |
|                                                                                                                          | <u>46,631</u> | <u>28,668</u> |
| Current tax charge                                                                                                       | <u>46,631</u> | <u>28,668</u> |

**7 DIVIDENDS**

|         | 2007<br>£      | 2006<br>£      |
|---------|----------------|----------------|
| Interim | 134,250        | 109,200        |
|         | <u>134,250</u> | <u>109,200</u> |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**8 TANGIBLE FIXED ASSETS**

|                          | Freehold<br>property<br>£ | Short<br>leasehold<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Totals<br>£ |
|--------------------------|---------------------------|-------------------------|------------------------|--------------------------|-------------|
| <b>COST OR VALUATION</b> |                           |                         |                        |                          |             |
| At 1 July 2006           | 1,050,000                 | 12,915                  | 39,697                 | 301,694                  | 1,404,306   |
| Additions                | -                         | -                       | -                      | 20,153                   | 20,153      |
| Disposals                | -                         | (12,915)                | -                      | -                        | (12,915)    |
| At 30 June 2007          | 1,050,000                 | -                       | 39,697                 | 321,847                  | 1,411,544   |
| <b>DEPRECIATION</b>      |                           |                         |                        |                          |             |
| At 1 July 2006           | -                         | 12,915                  | 20,152                 | 188,878                  | 221,945     |
| Charge for year          | 16,000                    | -                       | 4,886                  | 31,493                   | 52,379      |
| Eliminated on disposal   | -                         | (12,915)                | -                      | -                        | (12,915)    |
| At 30 June 2007          | 16,000                    | -                       | 25,038                 | 220,371                  | 261,409     |
| <b>NET BOOK VALUE</b>    |                           |                         |                        |                          |             |
| At 30 June 2007          | 1,034,000                 | -                       | 14,659                 | 101,476                  | 1,150,135   |
| At 30 June 2006          | 1,050,000                 | -                       | 19,545                 | 112,816                  | 1,182,361   |

Included in cost or valuation of land and buildings is freehold land of £250,000 (2006 - £250,000) which is not depreciated

Cost or valuation at 30 June 2007 is represented by

|                   | Freehold<br>property<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Totals<br>£ |
|-------------------|---------------------------|------------------------|--------------------------|-------------|
| Valuation in 2006 | 188,557                   | -                      | -                        | 188,557     |
| Cost              | 861,443                   | 39,697                 | 321,847                  | 1,222,987   |
|                   | 1,050,000                 | 39,697                 | 321,847                  | 1,411,544   |

If freehold property had not been revalued they would have been included at the following historical cost

|                                              | 2007<br>£ | 2006<br>£ |
|----------------------------------------------|-----------|-----------|
| Cost                                         | 861,443   | 861,443   |
| Aggregate depreciation                       | 89,470    | 68,470    |
| Value of land in freehold land and buildings | 771,973   | 792,973   |

Freehold property was valued on an existing use basis on 30 June 2006 by Copping Joyce Chartered Surveyors

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**8 TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows

|                          | Motor<br>vehicles<br>£ |
|--------------------------|------------------------|
| <b>COST OR VALUATION</b> |                        |
| At 1 July 2006           | 34,360                 |
| Transfer to ownership    | <u>(34,360)</u>        |
| At 30 June 2007          | <u>-</u>               |
| <b>DEPRECIATION</b>      |                        |
| At 1 July 2006           | 16,644                 |
| Transfer to ownership    | <u>(16,644)</u>        |
| At 30 June 2007          | <u>-</u>               |
| <b>NET BOOK VALUE</b>    |                        |
| At 30 June 2007          | <u><u>-</u></u>        |
| At 30 June 2006          | <u><u>17,716</u></u>   |

**9 FIXED ASSET INVESTMENTS**

|                                    | Shares in<br>group<br>undertakings<br>£ | Unlisted<br>investments<br>£ | Totals<br>£       |
|------------------------------------|-----------------------------------------|------------------------------|-------------------|
| <b>COST</b>                        |                                         |                              |                   |
| At 1 July 2006<br>and 30 June 2007 | <u>4</u>                                | <u>596</u>                   | <u>600</u>        |
| <b>NET BOOK VALUE</b>              |                                         |                              |                   |
| At 30 June 2007                    | <u><u>4</u></u>                         | <u><u>596</u></u>            | <u><u>600</u></u> |
| At 30 June 2006                    | <u><u>4</u></u>                         | <u><u>596</u></u>            | <u><u>600</u></u> |

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

**The Elephant Group Limited**

Country of incorporation England & Wales

Nature of business Dormant company

|                                | %<br>holding |                 |                 |
|--------------------------------|--------------|-----------------|-----------------|
| Class of shares                | 100 00       |                 |                 |
| Ordinary                       |              | 2007<br>£       | 2006<br>£       |
| Aggregate capital and reserves |              | <u><u>2</u></u> | <u><u>2</u></u> |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**9 FIXED ASSET INVESTMENTS - continued**

**The Original Pen Company Limited**

Country of incorporation England & Wales

Nature of business Dormant company

| Class of shares                | %<br>holding<br>100 00 | 2007<br>£ | 2006<br>£ |
|--------------------------------|------------------------|-----------|-----------|
| Ordinary                       |                        |           |           |
| Aggregate capital and reserves | 2                      | <u>2</u>  | <u>2</u>  |

**10 STOCKS**

|        | 2007<br>£      | 2006<br>£      |
|--------|----------------|----------------|
| Stocks | <u>561,700</u> | <u>644,816</u> |

**11 DEBTORS**

|                                              | 2007<br>£      | 2006<br>£      |
|----------------------------------------------|----------------|----------------|
| Amounts falling due within one year          |                |                |
| Trade debtors                                | 739,335        | 708,309        |
| Other debtors                                | 11,093         | 10,200         |
| VAT                                          | 5,813          | 24,084         |
| Prepayments and accrued income               | <u>155,550</u> | <u>113,374</u> |
|                                              | <u>911,791</u> | <u>855,967</u> |
| Amounts falling due after more than one year |                |                |
| Trade debtors                                | <u>17,475</u>  | <u>32,115</u>  |
| Aggregate amounts                            | <u>929,266</u> | <u>888,082</u> |

**12 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | 2007<br>£      | 2006<br>£      |
|-----------------------------------------|----------------|----------------|
| Bank loans and overdrafts (see note 14) | 17,575         | 89,926         |
| Finance leases (see note 15)            | -              | 7,280          |
| Trade creditors                         | 446,557        | 475,723        |
| Tax                                     | 46,631         | 28,668         |
| Social security and other taxes         | 43,941         | -              |
| Other creditors                         | 132,068        | 56,717         |
| Accruals and deferred income            | <u>49,834</u>  | <u>50,277</u>  |
|                                         | <u>736,606</u> | <u>708,591</u> |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

|               |                                                                |                |                |
|---------------|----------------------------------------------------------------|----------------|----------------|
| <b>13</b>     | <b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> |                |                |
|               |                                                                | 2007           | 2006           |
|               |                                                                | £              | £              |
|               | Bank loans (see note 14)                                       | <u>805,019</u> | <u>826,454</u> |
| <br><b>14</b> | <br><b>LOANS</b>                                               |                |                |
|               | An analysis of the maturity of loans is given below            |                |                |
|               |                                                                | 2007           | 2006           |
|               |                                                                | £              | £              |
|               | Amounts falling due within one year or on demand               |                |                |
|               | Bank overdrafts                                                | 2,468          | 78,046         |
|               | Mortgage                                                       | <u>15,107</u>  | <u>11,880</u>  |
|               |                                                                | <u>17,575</u>  | <u>89,926</u>  |
|               | <br>Amounts falling due between one and two years              |                |                |
|               | Mortgage                                                       | <u>18,335</u>  | <u>15,107</u>  |
|               | <br>Amounts falling due between two and five years             |                |                |
|               | Mortgage                                                       | <u>111,080</u> | <u>64,730</u>  |
|               | <br>Amounts falling due in more than five years                |                |                |
|               | Repayable by instalments                                       |                |                |
|               | Mortgage                                                       | <u>675,604</u> | <u>746,617</u> |
| <br><b>15</b> | <br><b>OBLIGATIONS UNDER LEASING AGREEMENTS</b>                |                |                |
|               |                                                                | 2007           | 2006           |
|               |                                                                | £              | £              |
|               | Net obligations repayable                                      |                |                |
|               | Within one year                                                | <u>-</u>       | <u>7,280</u>   |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**16 SECURED DEBTS**

The following secured debts are included within creditors

|                 | 2007           | 2006           |
|-----------------|----------------|----------------|
|                 | £              | £              |
| Bank overdrafts | 2,468          | 78,046         |
| Mortgage        | 820,126        | 838,334        |
|                 | <u>822,594</u> | <u>916,380</u> |

The mortgage is secured by a first charge over the freehold property. The bank overdraft is secured by a second charge over the property and a fixed and floating charge over the company's present and future assets. The overdraft is repayable on demand.

The mortgage has a 19 year repayment term on a fixed interest swap at a rate of 5.92%.

**17 CALLED UP SHARE CAPITAL**

| Authorised<br>Number | Class    | Nominal<br>value | 2007<br>£     | 2006<br>£     |
|----------------------|----------|------------------|---------------|---------------|
| 200,000              | Ordinary | 10p              | <u>20,000</u> | <u>20,000</u> |

| Allotted, issued and fully paid<br>Number | Class    | Nominal<br>value | 2007<br>£     | 2006<br>£     |
|-------------------------------------------|----------|------------------|---------------|---------------|
| 133,500<br>(2006 - 136,500)               | Ordinary | 10p              | <u>13,350</u> | <u>13,650</u> |

The company bought back 3000 shares (2% of total called up share capital) of 10p each from its two directors who resigned during the year at an aggregate consideration of £18,000.

**18 RESERVES**

|                        | Profit<br>and loss<br>account<br>£ | Share<br>premium<br>£ | Revaluation<br>reserve<br>£ | Capital<br>redemption<br>reserve<br>£ | Totals<br>£      |
|------------------------|------------------------------------|-----------------------|-----------------------------|---------------------------------------|------------------|
| At 1 July 2006         | 1,005,398                          | 225,720               | 257,970                     | 1,800                                 | 1,490,888        |
| Profit for the year    | 170,651                            |                       |                             |                                       | 170,651          |
| Dividends              | (134,250)                          |                       |                             |                                       | (134,250)        |
| Purchase of own shares | (18,000)                           | -                     | -                           | 300                                   | (17,700)         |
| At 30 June 2007        | <u>1,023,799</u>                   | <u>225,720</u>        | <u>257,970</u>              | <u>2,100</u>                          | <u>1,509,589</u> |

**THE ORIGINAL POSTER COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 30 June 2007**

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                                                 | 2007             | 2006             |
|-----------------------------------------------------------------|------------------|------------------|
|                                                                 | £                | £                |
| Profit for the financial year                                   | 170,651          | 92,129           |
| Dividends                                                       | (134,250)        | (109,200)        |
|                                                                 | <hr/>            | <hr/>            |
|                                                                 | 36,401           | (17,071)         |
| Other recognised gains and losses<br>relating to the year (net) | (18,000)         | 257,970          |
|                                                                 | <hr/>            | <hr/>            |
| <b>Net addition to shareholders' funds</b>                      | 18,401           | 240,899          |
| Opening shareholders' funds                                     | 1,504,538        | 1,263,639        |
|                                                                 | <hr/>            | <hr/>            |
| <b>Closing shareholders' funds</b>                              | <u>1,522,939</u> | <u>1,504,538</u> |