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Company No. 02660610

MARKETING AND PROMOTIONAL SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2001



Brewer Clark & Partners
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MARKETING AND PROMOTIONAL SERVICES LIMITED

COMPANY INFORMATION

Directors

R D Kiefer
G F Kiefer
I R Nunes

Secretary

Serviced Property and Asset
Management Limited

Company number

02660610

Auditors

Brewer Clark & Partners
Century House
19 High Street
Marlow
Buckinghamshire
SL7 1AU

MARKETING AND PROMOTIONAL SERVICES LIMITED

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MARKETING AND PROMOTIONAL SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their report and the audited financial statements for the company for the year ended 31st December 2001.

Principal activities

The company's principal activity during the year was the design and supply of toys and novelties for promotional purposes.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st December 2001	At 1st January 2001
R D Kiefer	Ordinary	250	250
G F Kiefer	Ordinary	200	200
I R Nunes	Ordinary	-	-

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 for that year. 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;

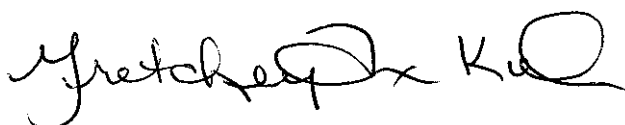
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and 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.

Small company exemptions

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

By order of the Board



Serviced Property and Asset Management Limited, Secretary

Date: 17 Oct 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARKETING AND PROMOTIONAL SERVICES LIMITED

We have audited the financial statements of Marketing and Promotional Services Limited for the year ended 31st December 2001 on pages 3 to 9. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

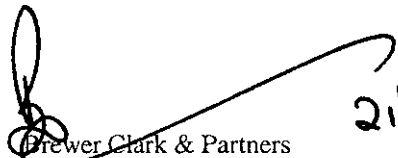
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

 21/10/02
Brewer Clark & Partners
Chartered Accountants and Registered Auditors
Century House
19 High Street
Marlow
Buckinghamshire
SL7 1AU

MARKETING AND PROMOTIONAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	3,317,519	3,955,403
Cost of sales		(2,628,720)	(3,438,060)
Gross profit		688,799	517,343
Administrative expenses		(676,986)	(513,582)
		11,813	3,761
Other operating income		7,059	2,500
Operating profit	3	18,872	6,261
Interest receivable		26,275	18,428
Interest payable and similar charges		(14,494)	(13,217)
Profit on ordinary activities before taxation		30,653	11,472
Tax on profit on ordinary activities	6	(8,588)	(4,559)
Profit for the financial year		22,065	6,913
Retained profit brought forward		592,944	586,031
Retained profit carried forward		615,009	592,944

MARKETING AND PROMOTIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	8		19,289		23,372
Current assets					
Stocks		5,213		37,752	
Debtors	9	491,993		907,447	
Cash at bank and in hand		440,306		504,663	
		937,512		1,449,862	
Creditors: amounts falling due within one year	10	(340,792)		(879,290)	
Net current assets			596,720		570,572
Total assets less current liabilities			616,009		593,944
Capital and reserves					
Share capital	11		1,000		1,000
Profit and loss account			615,009		592,944
Shareholders' funds	13		616,009		593,944

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These financial statements were approved by the board on 17 OCT 2002 and signed on its behalf by:

R D Kiefer
Director

MARKETING AND PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Leasehold properties	-	Straight line over lease
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

<i>The operating profit is stated after charging or crediting:</i>	2001	2000
	£	£
Depreciation of tangible fixed assets:		
-owned assets	8,080	7,791
Operating leases	21,072	25,008
Pension contributions	31,094	31,094
Auditors' remuneration	7,944	4,000

MARKETING AND PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

4 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £31,094 (2000: £31,094).

5 Directors' remuneration

	2001	2000
	£	£
Aggregate emoluments	148,024	132,701

No directors are accumulating pension benefits.

6 Taxation

	2001	2000
	£	£
Based on the profit for the year:		
UK corporation tax at 20% (2000: 21%)	8,488	768
Prior periods UK corporation tax	100	3,791
	8,588	4,559

7 Deferred taxation

Deferred taxation unprovided for in the financial statements is set out below. This represents a contingent liability at the balance sheet date and is calculated using a tax rate of 20 % (2000 20%).

	Amount unprovided	
	2001	2000
	£	£
Accelerated capital allowances	965	1,056

MARKETING AND PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

8 Tangible fixed assets

	Land & buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1st January 2001	8,077	65,604	73,681
Additions	-	3,997	3,997
At 31st December 2001	8,077	69,601	77,678
Depreciation			
At 1st January 2001	6,960	43,349	50,309
Charge for the year	279	7,801	8,080
At 31st December 2001	7,239	51,150	58,389
Net book value			
At 31st December 2001	838	18,451	19,289
<i>At 31st December 2000</i>	<i>1,117</i>	<i>22,255</i>	<i>23,372</i>

9 Debtors

	2001	2000
	£	£
Trade debtors	400,743	729,148
Amounts owed by related undertakings	83,219	96,374
Other debtors	5,064	78,905
Prepayments and accrued income	2,967	3,020
	491,993	907,447

10 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	-	38,106
Trade creditors	263,337	810,880
Other creditors	77,455	30,304
	340,792	879,290

The bank overdrafts are secured by a first party charge over the company's assets.

'Other creditors' include £26,004 (2000: £13,801) in respect of taxation and social security.

MARKETING AND PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

11	Share capital	2001 £	2000 £
	Authorised		
	1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
	Allotted		
	1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

12 Operating lease commitments

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire:	2001 £
Between two and five years	<u>6,008</u>

13	Reconciliation of movement in shareholders' funds	2001 £	2000 £
	Profit for the financial year	<u>22,065</u>	<u>6,913</u>
	Increase in the shareholders' funds	<u>22,065</u>	<u>6,913</u>
	Opening shareholders' funds	<u>593,944</u>	<u>587,031</u>
	Closing shareholders' funds	<u>616,009</u>	<u>593,944</u>

MARKETING AND PROMOTIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

14 Related parties

Serviced Property and Asset Management Limited (SPAM)

Serviced Property and Asset Management Limited (SPAM), a company in which R.D. and G.F. Kiefer also own shares and are directors, is a related party to Marketing and Promotional Services Limited (MAPS).

MAPS leases equipment and factory premises from SPAM, and provides SPAM with management services. The following is a summary of the transactions, which are undertaken on commercial terms, between these two companies during the year, and the balances in the balance sheet at the end of the year.

	2001 £	2000 £
Amounts invoiced from MAPS to SPAM		
Management services	7,000	12,000
Interest	5,871	7,000
Licence legal fees charged to SPAM	-	1,483
Amounts invoiced from SPAM to MAPS		
Rent	17,572	49,918
Licence fees	3,500	6,000
Amount due from SPAM	67,219	96,374

Marketing and Promotional Services Limited New Zealand (MAPS NZ)

Marketing and Promotional Services Limited New Zealand (MAPS NZ) is a company incorporated in New Zealand, in which, Mr R.D. Keifer has a 15% shareholding.

MAPS have invoiced £16,000 to MAPS NZ during the year of which £16,000 is outstanding at the year end. This is in regard to £3,000 of management fees, £7,000 of travel expenses and £6,000 in respect of creative fees.