

Metier Creative Associates Limited

**Director's report and financial
statements**

Registered number 2792571

31 March 2004



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Director's report

The director presents the annual report and the audited financial statements for the year ended 31 March 2004.

Principal activities

The company's principal activity is as a design agent.

Business review

Full details of the results for the year are shown in the attached financial statements.

Proposed dividend

A dividend of £Nil was paid in the year (2003: £Nil).

The loss for the year retained in the company is £13,000 (2003: profit £11,000).

Director and director's interests

The director holding office during the period was:

E Chrysanthou - appointed 31 March 2004

The director had the following interests in the ordinary shares of 5p each of the immediate parent company, International Greetings Plc.

	Ordinary shares	
	Interest at end of year £000	Interest at beginning of year £000
E Chrysanthou	331,676	163,008

Other than the above the director had no interest in the share capital of any group companies.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


M Colli
Secretary

Belgrave House
Hatfield Business Park
Frobisher Way
Hatfield
Hertfordshire
AL10 9TQ

31 January 2005

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE
United Kingdom

Independent auditors' report to the members of Metier Creative Associates Limited

We have audited the financial statements on pages 4 to 9.

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 auditor's 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 are responsible for preparing the directors' report, and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

Chartered Accountants
Registered Auditor

S. J. Sany 2005

Profit and loss account
for the year ended 31 March 2004

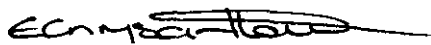
	<i>Note</i>	2004 £000	2003 £000
Turnover	2	312	292
Cost of sales		(331)	(270)
Gross (loss)/profit		(19)	22
Distribution expenses		-	(1)
Administrative expenses		(1)	(4)
Operating (loss)/profit	3-5	(20)	17
Interest receivable and similar income		1	-
(Loss)/profit on ordinary activities before taxation		(19)	17
Tax on (loss)/profit on ordinary activities	6	6	(6)
(Loss)/profit on ordinary activities after taxation			
being retained (loss)/profit for the financial year	10	(13)	11

The above results represent the company's total recognised gains and losses in both periods.

Balance sheet
at 31 March 2004

	<i>Note</i>	2004 £000	2003 £000
Current assets			
Debtors	7	17	66
Cash at bank		99	54
		<hr/>	<hr/>
		116	120
Creditors: amounts falling due within one year	8	(26)	(17)
		<hr/>	<hr/>
Net assets		90	103
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	90	103
		<hr/>	<hr/>
Shareholders' funds	11	90	103
		<hr/>	<hr/>

These financial statements were approved by the director on 31 January 2005.



E Chrysanthou
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of International Greetings PLC, and its cash flows are included within the consolidated cash flow statements of that company.

The company has taken advantage of the exemption under Financial Reporting Standard 8 from the requirement to disclose transactions with related parties which are part of the same group or investees of that group.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge or credit for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen, but not reversed at the balance sheet date.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

	2004 £000	2003 £000
UK and Europe	310	278
USA	2	14
	<hr/> 312	<hr/> 292

3 (Loss)/profit on ordinary activities before taxation

	2004 £000	2003 £000
<i>(Loss)/profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration: audit	1	1
tax fee	1	1
	<hr/> 2	<hr/> 2

Notes (continued)

4 Remuneration of the director

The director did not receive any emoluments in the year ended 31 March 2004 (2003: £Nil).

5 Staff numbers and costs

During the period, the company had no employees and incurred no wages and salaries costs, such services being provided by a fellow subsidiary company.

6 Taxation

(a) Tax on (loss)/profit on ordinary activities

	2004	2003
	£000	£000
Current tax		
UK corporation tax (credit)/charge on (losses)/profits of the year	(6)	3
Total current tax	(6)	3
Deferred tax		
Origination and reversal of timing differences	-	3
Adjustments in respect of previous year	-	-
Total deferred tax	-	3
Tax on (loss)/profit on ordinary activities	(6)	6

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (30%).

The differences are explained below:

	2004	2003
	£000	£000
(Loss)/profit on ordinary activities before tax	(19)	17
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax of 30%	(6)	5
Effects of:		
Provisions not deductible until paid	-	(2)
Current tax (credit)/charge for the year	(6)	3

Notes (continued)

7 Debtors

	2004 £000	2003 £000
Trade debtors	11	36
Amounts owed by group undertakings	-	21
Prepayments	-	9
Corporation tax	6	-
	<u>17</u>	<u>66</u>

8 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Trade creditors	-	-
Corporation tax	-	3
Other taxes and social security	10	9
Accruals and deferred income	16	5
	<u>26</u>	<u>17</u>

9 Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10 Reserves

	Profit and loss account £000
At beginning of year	103
Retained loss for the financial year	(13)
	<u>90</u>
At end of year	90

Notes (continued)

11 Reconciliation of movement in shareholders' funds

	2004 £000	2003 £000
(Loss)/profit for the financial year	(13)	11
Net (decrease)/increase in shareholders' funds	(13)	11
Opening shareholders' funds	103	92
Closing shareholders' funds	90	103

12 Commitments

The company had no capital commitments nor any commitments under non-cancellable operating leases at the end of this or the preceding financial year.

13 Contingent liabilities and guarantees

The company has given, together with its immediate parent and fellow UK subsidiary undertakings, an unlimited composite, joint and several guarantee in respect of the bank loans and overdrafts of itself and those companies. The amount outstanding at the year end was £13,094,000 (2003: £12,854,000), in excess of the amount dealt with in these financial statements.

14 Ultimate parent company and controlling party

International Greetings PLC, a company incorporated in England and Wales, is the ultimate parent undertaking and controlling party.

The largest and only group in which the results of the company are consolidated is that headed by International Greetings PLC, a company registered in England and Wales, whose financial statements are available to the public and may be obtained from Belgrave House, Hatfield Business Park, Frobisher Way, Hatfield, Hertfordshire, AL10 9TQ.