

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Company Registration No. 2307780

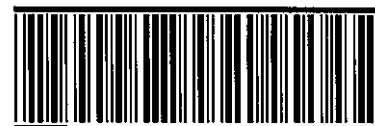
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**DAVID CLARKE ASSOCIATES LIMITED**

**Report and Financial Statements**

**30 September 1996**

Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN



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COMPANIES HOUSE 12/06/97

COMPANIES HOUSE 04/06/97

**REPORT AND FINANCIAL STATEMENTS 1996**

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**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr D E Clarke  
Mr R G Bull  
Mrs M Hicks

**SECRETARY**

Mrs N J Clarke

**REGISTERED OFFICE**

Centre Court  
1301 Stratford Road  
Hall Green  
Birmingham  
B28 9AP

**BANKERS**

Barclays Bank plc  
PO Box 85  
Shirley  
Solihull  
B90 3AT

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 1996.

### **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 as at the end of the financial year 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; and
- 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. 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.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of Public Relations Consultants.

### **RESULTS AND DIVIDENDS**

The net loss for the year after taxation amounted to £13,239 (1995 profit - £11,166). This amount has been deducted from reserves. The directors do not recommend the payment of a dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interest in the shares of the company at the end of the year were as follows:

	30 September 1996	30 September 1995
Mr D E Clarke	5,100	5,100
Mr R G Bull	-	-
Mrs M Hicks (a non-executive director)	-	-

**DIRECTORS' REPORT (continued)****AUDITORS**

On 1 February 1996 our auditors changed the name under which they practice to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the re-appointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

D E CLARKE

Director

In preparing the above report, the directors have taken advantage of the special exemptions provided by Part II of Schedule 8 to the Companies Act 1985 applicable to small companies.



## Chartered Accountants

Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham B3 2BN

Telephone: National 0121 200 2211  
International + 44 121 200 2211  
Fax (Gp. 3): 0121 695 5730

## AUDITORS' REPORT TO THE MEMBERS OF

### DAVID CLARKE ASSOCIATES LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of 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 at 30 September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Chartered Accountants and Registered Auditors

19 February 1997



**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	2	1,001,895	734,493
Cost of sales		(464,869)	(250,991)
<b>Gross profit</b>		537,026	483,502
Administrative expenses		(554,098)	(468,705)
<b>OPERATING PROFIT</b>	3	(17,072)	14,797
Interest receivable		3,274	3,758
Interest payable		(86)	(1,418)
Surplus on disposal of investment		-	2,129
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(13,884)	19,266
Tax on (loss)/profit on ordinary activities		645	(8,100)
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>	9	(13,239)	11,166

All disclosures derive from continuing operations.

There were no recognised gains or losses other than those shown above.

**BALANCE SHEET**  
**30 September 1996**

	Note	£	1996 £	£	1995 £
<b>FIXED ASSETS</b>					
Tangible assets	4		91,052		75,366
<b>CURRENT ASSETS</b>					
Work in progress		13,517		3,266	
Debtors	5	133,432		207,247	
Cash at bank and in hand		97,911		35,325	
		<u>244,860</u>		<u>245,838</u>	
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(166,132)</u>		<u>(138,185)</u>	
<b>NET CURRENT ASSETS</b>			<u>78,728</u>		<u>107,653</u>
<b>NET ASSETS</b>			<u>169,780</u>		<u>183,019</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		5,100		5,100
Profit and loss account	9		164,680		177,919
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	10		<u>169,780</u>		<u>183,019</u>

Advantage has been taken of the provisions in Section 246 of the Companies Act 1985 to prepare these financial statements using the exemptions available to small companies, on the grounds that in the directors' opinion the company is entitled to the benefits of those exemptions as a small company under the provisions of Section 246 and 247 of the Act.

These financial statements were approved by the Board of Directors on 19 FEBRUARY 1997

Signed on behalf of the Board of Directors



D E Clarke

Director

19 February 1997



**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 1996****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Depreciation**

Depreciation of fixed assets is calculated by the straight line method at rates designed to write down the original cost to estimated residual value at the following rates per annum:

Furniture, fixtures and equipment	10% - 33 1/3%
Computer equipment	25% - 33 1/3%
Motor vehicles	20%

**Work in progress**

Work in progress represents net cost of services and materials.

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred arising from timing differences between the treatment of certain items for accounting and taxation purposes. However, no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future. In assessing the likelihood of continuing deferment the directors have regard for past investment levels and the extent to which tax allowances will be available on expected future capital expenditure.

**Pension**

The company operates a defined contribution pension scheme for certain employees. Contributions are charged to profit and loss account as they are made.

**Hire purchase commitments**

Assets obtained under hire purchase are capitalised as tangible fixed assets at a value equivalent to their cost. They are depreciated at a rate in accordance with that stated for other owned assets. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the instalments is charged to the profit and loss account over the period of agreement on a straight line basis.

**2. TURNOVER**

Turnover represents amounts derived from continuing ordinary activities within the United Kingdom and is exclusive of discounts and Value Added Tax.


**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 1996**
**3. OPERATING PROFIT is stated after charging:**

	1996 £	1995 £
Depreciation		
- owned assets	36,690	30,926
- assets held under finance leases	-	2,400
Directors' remuneration	102,747	95,721
Auditors' remuneration for audit work	2,200	2,100
	<u>          </u>	<u>          </u>

**4. TANGIBLE FIXED ASSETS**

	Furniture, fixtures and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 October 1995	48,132	47,011	101,178	196,321
Additions	12,643	3,191	36,692	52,526
Disposals	(1,367)	(14,249)	(8,951)	(24,567)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 1996	59,408	35,953	128,919	224,280
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Accumulated depreciation</b>				
At 1 October 1995	26,522	29,462	64,971	120,955
Charge for the year	8,432	9,338	18,920	36,690
Disposals	(1,217)	(14,249)	(8,951)	(24,417)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 1996	33,737	24,551	74,940	133,228
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 30 September 1996	25,671	11,402	53,979	91,052
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 1995	21,610	17,549	36,207	75,366
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There were no capital commitments as at 30 September 1996 (1995 - £Nil).

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 1996**

**5. DEBTORS**

	1996 £	1995 £
Trade debtors	113,810	191,003
Corporation tax recoverable	558	-
Other debtors	5,000	5,000
Prepayments	14,064	11,244
	<u>133,432</u>	<u>207,247</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996 £	1995 £
Amount due under hire purchase agreements	-	750
Trade creditors	71,641	66,344
Corporation tax	-	8,100
Other taxes and social security costs	22,203	29,042
Accruals and deferred income	72,288	33,949
	<u>166,132</u>	<u>138,185</u>

**7. PROVISIONS FOR LIABILITIES AND CHARGES**

The potential deferred tax asset and the amounts thereof recognised in the financial statements are made up as follows:

	Provided		Potential	
	1996 £	1995 £	1996 £	1995 £
Capital allowances	-	-	1,491	1,313
Other timing differences	-	-	746	500
	<u>-</u>	<u>-</u>	<u>2,237</u>	<u>1,813</u>

**8. CALLED UP SHARE CAPITAL**

	1996 £	1995 £
<b>Authorised</b>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted</b>		
5,100 ordinary shares of £1 each, fully paid	<u>5,100</u>	<u>5,100</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 1996**

**9. PROFIT AND LOSS ACCOUNT**

	£
1 October 1995	177,919
Retained loss for the year	<u>(13,239)</u>
30 September 1996	<u><u>164,680</u></u>

**10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Loss for the financial year	<u>(13,239)</u>	<u>11,166</u>
Net reduction of shareholders' funds	(13,239)	11,166
Opening shareholders' funds	<u>183,019</u>	<u>171,853</u>
Closing shareholders' funds	<u><u>169,780</u></u>	<u><u>183,019</u></u>

**11. FINANCIAL COMMITMENTS**

The company has a commitment under a property lease of £30,850 per annum. The lease expires in more than 5 years time.



## **ADDITIONAL INFORMATION**

The additional information on page 12 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.


**DETAILED PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 1996**

	1996	1995
	£	£
<b>TURNOVER</b>	1,001,895	734,493
<b>COST OF SALES</b>		
Opening stock	2,098	1,720
Purchases	475,459	251,369
	<u>477,557</u>	<u>253,089</u>
Less: Closing stock	12,688	2,098
	<u>464,869</u>	<u>250,991</u>
<b>Gross profit</b>	537,026	483,502
<b>EXPENSES</b>		
Wages and national insurance	262,442	195,987
Directors' emoluments and pension contributions	89,214	80,500
Rent, rates and insurance	52,102	47,536
Heat and light	2,381	2,005
Repairs and maintenance	11,992	11,887
Motor and travel expenses	27,875	27,195
Printing, stationery and advertising	26,196	19,343
Postage	7,994	7,675
Proposals	2,742	3,850
Telephone	10,992	11,192
Auditors' remuneration	2,200	2,100
Professional charges	1,233	4,445
Bank charges	996	979
Training expenses	5,045	10,657
Sundry expenses	17,004	10,968
Depreciation of furniture, fixtures and equipment	8,432	7,996
Depreciation of computer equipment	9,338	6,805
Depreciation of motor vehicles	18,920	18,525
Profit on disposal of motor vehicles	(3,000)	-
Bad debts	-	(940)
	<u>554,098</u>	<u>468,705</u>
<b>OPERATING (LOSS)/PROFIT</b>	(17,072)	14,797
Interest receivable less payable	3,188	2,340
Surplus on disposal of investment	-	2,129
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(13,884)</u>	<u>19,266</u>