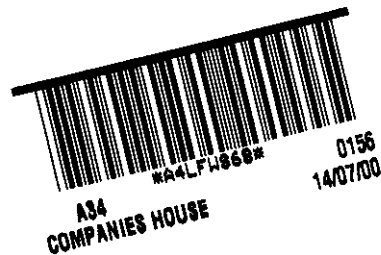


**WORLDWIDE IDEAS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**



**COMPANY INFORMATION**

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<b>Directors</b>	G D Murton G J Murton J W Murton F Addison
<b>Secretary</b>	J W Murton
<b>Company number</b>	3311513
<b>Registered office</b>	Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA
<b>Auditors</b>	Haslers Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA
<b>Business address</b>	Ideas House Station Estate Eastwood Close London E18 1RT

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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The directors present their report and financial statements for the year ended 30 September 1999.

**Principal activities**

The principal activity of the company was that of advertising and promotion specialists.

**Directors**

The following directors have held office since 1 October 1998:

G D Murton  
G J Murton  
J W Murton  
F Addison

**Directors' interests**

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	30 September 1999	1 October 1998
G D Murton	-	-
G J Murton	-	-
J W Murton	-	-
F Addison	100	100

The directors' interests in the holding company, Worldwide Ideas Group Holdings Limited, are disclosed in that company's financial statements.

**Charitable contributions**

During the year the company made charitable donations of £535 (1998 : £1007).

**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Haslers be reappointed as auditors of the company will be put to the Annual General Meeting.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**Directors' responsibilities**

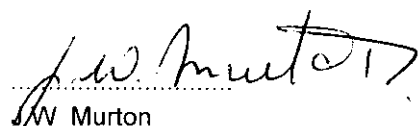
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

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



J.W. Murton

Director

5 July 2000

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF WORLDWIDE IDEAS LIMITED**

We have audited the financial statements on pages 4 to 11 which 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 6.

**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.

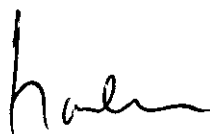
**Basis of opinion**

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 as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Haslers****Chartered Accountants  
Registered Auditor***5 July 2000***Johnston House  
8 Johnston Road  
Woodford Green  
Essex  
IG8 0XA**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

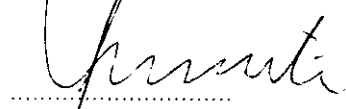
	Notes	1999 £	1998 £
Turnover	2	3,251,766	3,284,396
Cost of sales		(2,187,870)	(2,213,205)
<b>Gross profit</b>		<b>1,063,896</b>	<b>1,071,191</b>
Distribution costs		(111,323)	(78,800)
Administrative expenses		(809,774)	(874,322)
<b>Operating profit</b>	3	<b>142,799</b>	<b>118,069</b>
Other interest receivable and similar income		1	1,058
Interest payable and similar charges		(34,230)	(39,549)
<b>Profit on ordinary activities before taxation</b>		<b>108,570</b>	<b>79,578</b>
Tax on profit on ordinary activities	4	8,454	(31,700)
<b>Profit on ordinary activities after taxation</b>		<b>117,024</b>	<b>47,878</b>
Dividends		-	(40,000)
<b>Retained profit for the year</b>	12	<b>117,024</b>	<b>7,878</b>

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 1999**

	Notes	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	5		136,406		144,768
<b>Current assets</b>					
Stocks		185,949		172,697	
Debtors	6	823,188		715,888	
Cash at bank and in hand		3,949		66,285	
		<u>1,013,086</u>		<u>954,870</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,007,293)</u>		<u>(1,072,030)</u>	
<b>Net current assets/(liabilities)</b>			5,793		(117,160)
<b>Total assets less current liabilities</b>			<u>142,199</u>		<u>27,608</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(12,522)		(7,030)
<b>Provisions for liabilities and charges</b>	9		<u>(3,775)</u>		<u>(11,700)</u>
			<u>125,902</u>		<u>8,878</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Profit and loss account	12		124,902		7,878
<b>Shareholders' funds</b>			<u>125,902</u>		<u>8,878</u>

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

The financial statements were approved by the Board on 5 July 2000

  
 .....  
 G D Murton  
 Director



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**
**1 Accounting policies****1.1 Accounting convention**

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

**1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	10% Straight line
Fixtures, fittings & equipment	25% on cost and 20% reducing balance
Motor vehicles	25% Reducing balance

**1.4 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the transactions date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**2 Turnover**

In the year to 30 September 1999 0.62% (1998 - 1.87%) of the company's turnover was to markets outside the United Kingdom.

**3 Operating profit**

	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	30,528	39,795
Auditors' remuneration	10,287	6,201
Directors' emoluments	35,000	39,887
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1998 - 1).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

<b>4</b>	<b>Taxation</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 21% (1998 - 21%)	-	20,000
	Payment in respect of group relief	639	-
	Deferred taxation	-	11,700
		<hr/>	<hr/>
		639	31,700
	<b>Prior years</b>		
	U.K. corporation tax	(1,168)	-
	Deferred taxation	(7,925)	-
		<hr/>	<hr/>
		(8,454)	31,700
		<hr/>	<hr/>
<b>5</b>	<b>Tangible fixed assets</b>		
		<b>Land and buildings</b>	<b>Other tangible fixed assets</b>
		<b>£</b>	<b>£</b>
	<b>Cost</b>		
	At 1 October 1998	26,621	157,597
	Additions	-	57,080
	Disposals	-	(45,387)
		<hr/>	<hr/>
	At 30 September 1999	26,621	169,290
		<hr/>	<hr/>
	<b>Depreciation</b>		
	At 1 October 1998	4,564	34,884
	On disposals	-	(10,471)
	Charge for the year	2,662	27,866
		<hr/>	<hr/>
	At 30 September 1999	7,226	52,279
		<hr/>	<hr/>
	<b>Net book value</b>		
	At 30 September 1999	19,395	117,011
		<hr/>	<hr/>
	At 30 September 1998	22,055	122,713
		<hr/>	<hr/>

The net book value of other tangible fixed assets includes £38,549 (1998 - £19,439) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £7,246 (1998 - £3,547) for the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

<b>6 Debtors</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	716,421	689,373
Amounts owed by group undertakings and undertakings in which the company has a participating interest	57,150	-
Other debtors	49,617	26,515
	<u>823,188</u>	<u>715,888</u>
 <b>7 Creditors: amounts falling due within one year</b>	 <b>1999</b>	 <b>1998</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	85,106	-
Net obligations under hire purchase contracts	8,947	9,468
Trade creditors	279,056	315,515
Amounts owed to group undertakings and undertakings in which the company has a participating interest	87,852	227,689
Taxation and social security	81,792	85,674
Other creditors	464,540	433,684
	<u>1,007,293</u>	<u>1,072,030</u>

The bank loans are secured by a standard bank debenture and a cross guarantee between the company and its fellow subsidiaries, The Promotional Supply Company Limited and Sadarin Limited.

Included in other creditors is an amount of £397,513 (1998 - £341,603) due to debt factors, which is secured by a charge over the trade debtors.

<b>8 Creditors: amounts falling due after more than one year</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	<u>12,522</u>	<u>7,030</u>

The aggregate amount of creditors for which security has been given amounted to £509,338 (1998 - £358,101).

The hire purchase liability is secured on certain assets of the company as disclosed in note 5 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**9 Provisions for liabilities and charges**

	£
Balance at 1 October 1998	11,700
Profit and loss account	(7,925)
	<hr/>
Balance at 30 September 1999	3,775
	<hr/>

Deferred tax is provided at 21% (1998 - 21%) analysed over the following timing differences:

	1999	Fully provided 1998
	£	£
Accelerated capital allowances	3,775	11,700
	<hr/>	<hr/>

**10 Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,546 (1998 - £9,131). Contributions totalling £903 (1998 - £1,197) were payable to the fund at the year end and are included in creditors.

<b>11 Share capital</b>	<b>1999</b>	<b>1998</b>
	£	£
<b>Authorised</b>		
1,000 Ordinary of £ 1 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £ 1 each	1,000	1,000
	<hr/>	<hr/>

**12 Statement of movements on profit and loss account**

	Profit and loss account £
Balance at 1 October 1998	7,878
Retained profit for the year	117,024
	<hr/>
Balance at 30 September 1999	124,902
	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999****13 Financial commitments**

At 30 September 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999	1998
	£	£
Expiry date:		
Between two and five years	14,143	-

**14 Transactions with directors**

The company has paid total rent of £30,000 (1998 - £40,000) to two directors, G D Murton and J Murton.

**15 Control**

The ultimate parent company is Worldwide Ideas Group Holdings Limited, a company registered in Great Britain.

The ultimate controlling party of the company is a trust, the trustees of which are G J Murton and his sister Z Cantwell.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**
**16 Related party transactions**

The following related parties existed during the period:

Group Companies

Worldwide Ideas Group Holdings Limited	- Immediate and ultimate holding company
The Promotional Supply Company Limited	- Fellow subsidiary
Sadarin Limited	- Fellow subsidiary

Control by directors/shareholders

Econofreight Limited	- Interest held by Zoe Cantwell
Lexington Trust	- Pension Fund controlled by directors

The following related party transactions occurred during the year:

	Sales to £	Purchases from £	Management charge (paid)/ received £	Interest payable £
Worldwide Ideas Group Holdings Limited	-	-	-	-
The Promotional Supply Company Limited	18,554	-	-	-
Econofreight Limited	-	254,780	-	-
Lexington Trust	-	-	-	3,400
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company also paid for the liabilities of the holding company. These items were debited to the holding company's loan account.

The balances due from/(to) the related parties at the year end, all of which are interest free, were as follows:

	Purchase Ledger £	Loan Account £
Worldwide Ideas Group Holdings Limited	-	57,150
The Promotional Supply Company Limited	-	(87,851)
Econofreight Limited	(3,322)	-
Lexington Trust	-	(40,000)
Sadarin Limited	-	(1)
	<u>          </u>	<u>          </u>

During the year the company wrote off a creditor intercompany balance with Sadarin Limited of £105,271.

G D Murton and J W Murton have given personal guarantees to National Westminster Bank plc.