

DISPLAY MATRIX LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2000

Company Registration Number 2137559



HLB KIDSONS
Chartered Accountants & Registered Auditors
33 Wine Street
Bristol
BS1 2BQ

DISPLAY MATRIX LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R Guthrie H S J Guthrie
Company secretary	R Guthrie
Registered office	196 Broomhill Road Bristol BS4 5RA
Auditors	HLB Kidsons Chartered Accountants & Registered Auditors 33 Wine Street Bristol BS1 2BQ
Bankers	HSBC Plc 49 Corn Street Bristol BS99 7PP

DISPLAY MATRIX LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2000.

Principal activities

The principal activity of the company during the year was the manufacture and distribution of exhibition and display equipment.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	
	At 31 December 2000	1 January 2000
R Guthrie	148,306	148,306
H S J Guthrie	<u>98,871</u>	<u>98,871</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Auditors

A resolution to re-appoint HLB Kidsons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

DISPLAY MATRIX LIMITED

THE DIRECTORS' REPORT (*continued*)

YEAR ENDED 31 DECEMBER 2000

Small company provisions

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

Registered office:
196 Broomhill Road
Bristol
BS4 5RA

Signed by order of the directors



R Guthrie
Company Secretary

Approved by the directors on 30-04-2001

DISPLAY MATRIX LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2000

We have audited the financial statements on pages 5 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 pages 7 to 8.

Respective responsibilities of the directors and the auditors

As described on page 2, 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 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 31 December 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

33 Wine Street
Bristol
BS1 2BQ

30 April 2001

HLB Kidsons

HLB KIDSONS
Chartered Accountants
& Registered Auditors

DISPLAY MATRIX LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover	2	1,966,695	1,128,878
Cost of sales		<u>(841,010)</u>	<u>(498,568)</u>
Gross profit		1,125,685	630,310
Distribution costs		(389,400)	(319,473)
Administrative expenses		<u>(521,640)</u>	<u>(375,042)</u>
Operating profit/(loss)	3	214,645	(64,205)
Interest receivable		1,621	52
Interest payable		<u>(36,462)</u>	<u>(30,172)</u>
Profit/(loss) on ordinary activities before taxation		179,804	(94,325)
Tax on profit/(loss) on ordinary activities	4	<u>(63,135)</u>	-
Retained profit/(loss) for the financial year		<u>116,669</u>	<u>(94,325)</u>

DISPLAY MATRIX LIMITED

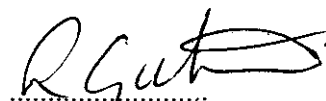
BALANCE SHEET

31 DECEMBER 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	5		68,053		78,901
Tangible assets	6		<u>491,195</u>		<u>565,409</u>
			559,248		644,310
Current assets					
Stocks		165,181		161,811	
Debtors	7	150,906		251,503	
Cash at bank and in hand		<u>170,316</u>		<u>5,526</u>	
		486,403		418,840	
Creditors: amounts falling due within one year	8	<u>(599,658)</u>		<u>(675,072)</u>	
Net current liabilities			(113,255)		(256,232)
Total assets less current liabilities			445,993		388,078
Creditors: amounts falling due after more than one year	9		<u>(144,849)</u>		<u>(231,603)</u>
			301,144		156,475
Provisions for liabilities and charges					
Deferred taxation	10		<u>(28,000)</u>		-
			<u>273,144</u>		<u>156,475</u>
Capital and reserves					
Called-up equity share capital	11		247,177		247,177
Profit and loss account	12		<u>25,967</u>		<u>(90,702)</u>
Shareholders' funds			<u>273,144</u>		<u>156,475</u>

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

These financial statements were approved by the directors on the 30-04-2001, and are signed on their behalf by:


R Guthrie

DISPLAY MATRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

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

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 10 years straight line
Patents	- 5 years straight line

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and buildings	- 4%
Plant & Machinery	- 25%
Fixtures & Fittings	- 25%
Motor Vehicles	- 25%

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

DISPLAY MATRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

1. Accounting policies (*continued*)

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Turnover

Overseas turnover amounted to 16.53% (1999 - 22.59%) of the total turnover for the year.

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2000	1999
	£	£
Directors' emoluments	91,511	71,875
Staff pension contributions	4,561	23,680
Amortisation	21,648	18,081
Depreciation	79,752	60,460
Loss on disposal of fixed assets	204	10,863
Auditors' fees	4,000	3,000
Net profit on foreign currency translation	(43)	(474)

4. Tax on profit or loss on ordinary activities

	2000	1999
	£	£
Corporation Tax based on the results for the year at 20% (1999 - 20%)	35,135	-
Increase in deferred tax provision (Note 10):		
Capital allowances	28,000	-
	<u>63,135</u>	<u>-</u>

DISPLAY MATRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

5. Intangible fixed assets

	Goodwill £	Other intangible assets £	Total £
Cost			
At 1 January 2000 and 31 December 2000	<u>70,952</u>	<u>18,805</u>	<u>89,757</u>
Amortisation			
At 1 January 2000	7,095	3,761	10,856
Charge for the year	<u>7,092</u>	<u>3,756</u>	<u>10,848</u>
At 31 December 2000	<u>14,187</u>	<u>7,517</u>	<u>21,704</u>
Net book value			
At 31 December 2000	<u>56,765</u>	<u>11,288</u>	<u>68,053</u>
At 31 December 1999	<u>63,857</u>	<u>15,044</u>	<u>78,901</u>

6. Tangible fixed assets

	Land and buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2000	270,000	176,908	107,275	78,110	632,293
Additions	-	5,750	11,793	11,000	28,543
Disposals	-	-	-	(14,660)	(14,660)
At 31 December 2000	<u>270,000</u>	<u>182,658</u>	<u>119,068</u>	<u>74,450</u>	<u>646,176</u>
Depreciation					
At 1 January 2000	7,225	29,484	17,092	13,084	66,885
Charge for the year	10,800	38,292	25,500	15,960	90,552
On disposals	-	-	-	(2,456)	(2,456)
At 31 December 2000	<u>18,025</u>	<u>67,776</u>	<u>42,592</u>	<u>26,588</u>	<u>154,981</u>
Net book value					
At 31 December 2000	<u>251,975</u>	<u>114,882</u>	<u>76,476</u>	<u>47,862</u>	<u>491,195</u>
At 31 December 1999	<u>262,775</u>	<u>147,424</u>	<u>90,183</u>	<u>65,026</u>	<u>565,408</u>

DISPLAY MATRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

6. Tangible fixed assets (*continued*)

Hire purchase and finance lease agreements

Included within the net book value of £491,195 is £89,329 (1999 - £116,270) relating to assets held under hire purchase agreements, and £Nil (1999 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £29,776 (1999 - £23,324), and £Nil (1999 - £Nil) in respect of assets held under finance lease agreements.

7. Debtors

	2000	1999
	£	£
Trade debtors	110,617	229,182
Other debtors	40,289	22,321
	<u>150,906</u>	<u>251,503</u>

8. Creditors: amounts falling due within one year

	2000	1999
£	£	£
Bank loans and overdrafts	20,766	138,492
Payments received on account	64,812	-
Trade creditors	291,827	371,935
Hire purchase agreements	43,960	83,135
Corporation Tax	35,135	-
PAYE and social security	25,684	35,372
VAT	40,736	1,427
Other creditors	<u>31,793</u>	<u>31,424</u>
	133,348	68,223
Accruals and deferred income	<u>44,945</u>	<u>13,287</u>
	<u>599,658</u>	<u>675,072</u>

9. Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Bank loans and overdrafts	84,057	95,651
Hire purchase agreements	3,592	47,552
Other creditors	<u>57,200</u>	<u>88,400</u>
	<u>144,849</u>	<u>231,603</u>

The bank loans and overdraft are secured by a mortgage over freehold and leasehold land owned by the company.

DISPLAY MATRIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

10. Deferred taxation

	2000 £	1999 £
The movement in the deferred taxation provision during the year was:		
Provision for year	28,000	-
Provision carried forward	<u>28,000</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	<u>28,000</u>	<u>-</u>

11. Share capital

Authorised share capital:

	2000 £	1999 £
300,000 Ordinary shares of £1.00 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	<u>247,177</u>	<u>247,177</u>

12. Profit and loss account

	2000 £	1999 £
Balance brought forward	(90,702)	3,623
Retained profit/(loss) for the financial year	<u>116,669</u>	<u>(94,325)</u>
Balance carried forward	<u>25,967</u>	<u>(90,702)</u>

13. Control

The ultimate controlling party is Mr R Guthrie the major shareholder and managing director of the company.