

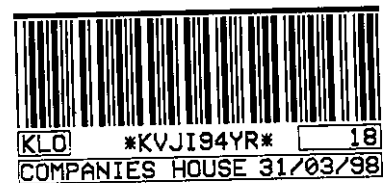
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Company Number

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STATUTORY COPY

THE GUILD OF MASTER CRAFTSMEN SERVICES  
ABBREVIATED ACCOUNTS AND AUDITORS' REPORT  
FOR THE YEAR ENDED 31 MAY 1997



THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED  
ABBREVIATED ACCOUNTS AND AUDITORS' REPORT  
FOR THE YEAR ENDED 31 MAY 1997

INDEX

	<u>Page</u>
Report of the auditors	1 - 2
Abbreviated balance sheet	3
Notes to the abbreviated accounts	4 - 6

**THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED**

**AUDITORS' REPORT TO THE GUILD OF MASTER CRAFTSMEN SERVICES**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of The Guild of Master Craftsmen Services Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1997.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 May 1997, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

**Other information**

On 26th March 1998 we reported as auditors of The Guild of Master Craftsmen Services Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1997 and our audit report was as follows:

'We have audited the financial statements on pages 5 to 6 which have been prepared under the historical cost convention and 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 the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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.

**THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED**

**REPORT OF THE AUDITORS TO THE DIRECTORS OF THE GUILD OF MASTER CRAFTSMEN SERVICES (Continued)**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

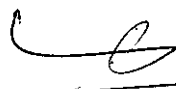
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting 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 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Leigh Carr  
Chartered Accountants  
Registered Auditor  
27-31 Blandford Street  
London W1H 3AD

26th March 1998

**ABBREVIATED BALANCE SHEET AS AT 31 MAY 1997**

Director

**THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MAY 1997**

**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are prepared under the historical cost convention.

**(b) Tangible fixed assets**

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:-

Freehold properties	2%	straight line
Equipment	15%	reducing balance
Fixtures & fittings	15%	reducing balance
Motor vehicles	25%	reducing balance
Computer equipment	25%	straight line

During the year, the company changed its depreciation policy with respect to Computer Equipment, which is now subject to a rate of 33.33% straight line, as opposed to the previous depreciation rate of 25% straight line. This change in policy has resulted in an increased depreciation charge of £13,000 and a reduction in net assets by the same amount.

**(c) Pension fund**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MAY 1997**

	1997 £	1996 £
<b>2. FIXED ASSETS</b>		
<b>Tangible fixed assets</b>		
Cost		
As at 1.6.96	739,347	699,634
Additions	158,541	100,891
Disposals	-	(61,178)
As at 31.5.97	<u>897,888</u>	<u>739,347</u>
Depreciation		
As at 1.6.96	284,280	252,425
Provided for year	101,127	64,492
Disposals	-	(32,637)
As at 31.5.97	<u>385,407</u>	<u>284,280</u>
Net book value	<u>512,481</u>	<u>455,067</u>
	1997 £	1996 £
<b>3. INVESTMENTS</b>		
<u>Trade investments</u>		
Cost		
At the beginning and end of the year	360,000	360,000
Additions	49,000	-
At the end of the year	<u>409,000</u>	<u>360,000</u>
Net book value		
Unlisted investments	<u>409,000</u>	<u>360,000</u>

**THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MAY 1997**

	1997 £	1996 £
<b>4. SHARE CAPITAL</b>		
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**5. RELATED PARTY TRANSACTIONS**

The rental charge for the year includes £94,394 paid to GMC Services Pension Fund, a scheme of which the Phillips family are trustees.

A E Phillips and Mrs J Phillips are directors of The Guild of Master Craftsman Publications which, during the year, provided publication services in the sum of £173,300. Of this amount, £31,050 was outstanding at the balance sheet date.

The company paid development seminar costs to JPF Associates Limited (of which J Foley is a director) in the amount of £5,062.

The pension contributions made during the year were paid to The Guild Retirement Trust and GMC Services Pension Fund, both schemes of which the Phillips family are trustees.

The directors consider that all of the above transactions were made at arms length.