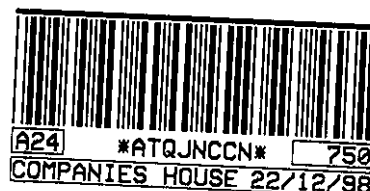


YENDELL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1998

Company Number: 2071840

Jacob Cavenagh & Skeet
Chartered Accountants
14 Reading Road South
Fleet
Hants GU13 9QL



YENDELL LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 1998

DIRECTORS: Mrs L Blake
Mrs C M Brown (resigned 5th April 1998)
Mr D S Brown (appointed 5th April 1998)

SECRETARY: Mrs L J A Blake

REGISTERED OFFICE: 81 Station Road
Addlestone
Surrey
KT15 2AR

REGISTERED NUMBER: 2071840 (England and Wales)

ACCOUNTANTS: Jacob Cavenagh & Skeet
Chartered Accountants
14 Reading Road South
Fleet
Hampshire GU13 9QL

YENDELL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1998

The directors present their report with the financial statements for the company for the year ended 31st March 1998.

Principal activity

The company's principal activity in the year under review was that of printing, publishing and communication services.

Directors

The directors during the year under review were:

Mrs L Blake

Mrs C M Brown (Resigned 5th April 1998)

Mr D S Brown (Appointed 5th April 1998)

The beneficial interests of the directors holding office on 31st March 1998 in the issued share capital of the company were as follows:

| | <i>31st March 1998</i> | <i>1st April 1997</i> |
|---------------------------|------------------------|-----------------------|
| Ordinary £1 shares | | |
| Mrs L Blake | 1 | 1 |
| Mrs C M Brown | 1 | 1 |
| Mr D S Brown | - | - |

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 surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 it 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.

YENDELL LIMITED

DIRECTORS' REPORT
(continued)

FOR THE YEAR ENDED 31 MARCH 1998

Auditors

Jacob Cavenagh & Skeet offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

In preparing this report, the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'L Blake', followed by a small dot.

Mrs L Blake

Dated: 16th September 1998

AUDITORS' REPORT

TO THE MEMBERS OF YENDELL LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standards for Smaller Entities, 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 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. Except that the scope of our audit was limited as explained below. 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. However the evidence available to us was limited because the company's balance sheet at 31st March 1996 was not subject to an audit and no audit opinion was formed on the opening balances for the year ended 31st March 1997. Any adjustment to the figures in that balance sheet would have a consequential significant effect on the profit for the year to 31st March 1997.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1998 and except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the opening balance sheet give a true and fair view of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to opening balances:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Jacob Cavenagh & Skeet
Jacob Cavenagh & Skeet
 Chartered Accountants
 and Registered Auditor

14 Reading Road South
 Fleet Hants GU13 9QL
 16th September 1998

YENDELL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1998**

| | <i>Note</i> | <i>£</i> | <i>1998</i> <i>£</i> | <i>£</i> | <i>1997</i> <i>£</i> |
|--|-------------|---------------|-------------------------|---------------|-------------------------|
| Turnover | 2 | | 360,087 | | 365,005 |
| Cost of sales | | | <u>228,840</u> | | <u>255,095</u> |
| Gross profit | | | 131,247 | | 109,910 |
| Distribution costs | | 2,215 | | 1,373 | |
| Administrative expenses | | <u>93,444</u> | | <u>82,213</u> | |
| | | | <u>95,659</u> | | <u>83,586</u> |
| Operating profit | 3 | | 35,588 | | 26,324 |
| Interest receivable and similar income | 4 | | <u>153</u> | | <u>211</u> |
| Profit on ordinary activities before taxation | | | 35,741 | | 26,535 |
| Tax on profit on ordinary activities | 5 | | <u>7,711</u> | | <u>8,070</u> |
| Profit for the financial year after taxation | | | 28,030 | | 18,465 |
| Dividends | 6 | | <u>(26,400)</u> | | <u>(20,000)</u> |
| Retained profit/(loss) for the year | | | 1,630 | | (1,535) |
| Retained profit brought forward | | | <u>49,592</u> | | <u>51,127</u> |
| Retained profit carried forward | | | <u>51,222</u> | | <u>49,592</u> |

Continuing Operations

None of the company's activities were acquired or discontinued during the current and previous years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profits for the current and previous years.

YENDELL LIMITED**BALANCE SHEET****AS AT 31ST MARCH 1998**

| | <i>Note</i> | <i>£</i> | <i>1998</i> <i>£</i> | <i>1997</i> <i>£</i> |
|---|-------------|---------------|-------------------------|-------------------------|
| Fixed assets | | | | |
| Tangible assets | 7 | | 12,907 | 13,944 |
| Current assets | | | | |
| Stocks | 8 | 12,988 | | 12,671 |
| Debtors | 9 | 55,910 | | 56,667 |
| Cash at bank and in hand | | <u>15,003</u> | | <u>17,296</u> |
| | | 83,901 | | 86,634 |
| Creditors: Amounts falling due within one year | 10 | <u>45,586</u> | | <u>50,984</u> |
| Net current assets | | | <u>38,315</u> | <u>35,650</u> |
| Total assets less current liabilities | | | <u>51,222</u> | <u>49,594</u> |
| Capital and reserves | | | | |
| Called up share capital | 11 | | 2 | 2 |
| Profit and loss account | | | <u>51,220</u> | <u>49,592</u> |
| Shareholders' funds | 12 | | <u>51,222</u> | <u>49,594</u> |

In preparing these financial statements, the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mrs L Blake

Dated: 16th September 1998

YENDELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998****1 ACCOUNTING POLICIES****Accounting convention**

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|-------------------------|
| Plant and machinery etc. | - 20% on cost |
| | 25% on reducing balance |

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3 OPERATING PROFIT

This is stated after charging:

| | <i>1998</i> | <i>1997</i> |
|-----------------------------|--------------|--------------|
| | <i>£</i> | <i>£</i> |
| Depreciation – owned assets | 4,302 | 4,648 |
| Auditors remuneration | <u>1,500</u> | <u>1,500</u> |
| Directors emoluments | <u>6,000</u> | <u>4,500</u> |

YENDELL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998
(continued)**

4 INTEREST RECEIVABLE AND SIMILAR INCOME

| | <i>1998</i> | <i>1997</i> |
|--------------------------|-------------|-------------|
| | £ | £ |
| Deposit account interest | <u>153</u> | <u>211</u> |

5 TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

| | <i>1998</i> | <i>1997</i> |
|---|--------------|--------------|
| | £ | £ |
| UK corporation tax at 21 % (1997: 24%) | <u>7,711</u> | <u>5,914</u> |
| | 7,711 | 5,914 |
| Taxation over/(under) provided in previous years: | | |
| Corporation tax | <u>-</u> | <u>2,156</u> |
| | <u>7,711</u> | <u>8,070</u> |

6 DIVIDENDS

| | <i>1998</i> | <i>1997</i> |
|---------|---------------|---------------|
| | £ | £ |
| Interim | <u>26,400</u> | <u>20,000</u> |

7 TANGIBLE FIXED ASSETS

| | £ |
|-----------------------|----------------|
| Cost | |
| At 1st April 1997 | 33,925 |
| Additions | 3,890 |
| Disposals | <u>(2,300)</u> |
| At 31st March 1998 | <u>35,515</u> |
| Depreciation | |
| At 1st April 1997 | 19,981 |
| Charge for the year | 4,302 |
| Released on disposals | <u>(1,675)</u> |
| At 31st March 1998 | <u>22,608</u> |
| Net book value | |
| At 31st March 1998 | <u>12,907</u> |
| At 31st March 1997 | <u>13,944</u> |

YENDELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998
(continued)

| | | | | | |
|----|--|----------|-------------------|---------------|-------------|
| 8 | STOCKS | | 1998 £ | 1997 £ | |
| | Stocks | | <u>12,988</u> | <u>12,671</u> | |
| 9 | DEBTORS | | 1998 £ | 1997 £ | |
| | Trade debtors | | 28,767 | 32,197 | |
| | Other debtors | | 21,490 | 21,290 | |
| | Prepayments | | <u>5,653</u> | <u>3,180</u> | |
| | | | <u>55,890</u> | <u>56,667</u> | |
| 10 | CREDITORS: Amounts falling due within one year | | 1998 £ | 1997 £ | |
| | Trade creditors | | 29,439 | 29,768 | |
| | Corporation tax | | 7,675 | 12,962 | |
| | Other taxes and social security costs | | 4,552 | 5,854 | |
| | Accruals | | <u>3,920</u> | <u>2,400</u> | |
| | | | <u>45,586</u> | <u>50,984</u> | |
| 11 | SHARE CAPITAL | | | | |
| | Authorised: | | | | |
| | Number: | Class: | Nominal Value: | 1998 £ | 1997 £ |
| | 1,000 | Ordinary | £1 | <u>1000</u> | <u>1000</u> |
| | Allotted, issued and fully paid: | | | | |
| | Number: | Class: | Nominal Value: | 1998 £ | 1997 £ |
| | 2 | Ordinary | £1 | <u>2</u> | <u>2</u> |

YENDELL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998
(continued)**

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | <i>1998</i> £ | <i>1997</i> £ |
|--|------------------|------------------|
| Profit for the financial year | 28,028 | 18,465 |
| Dividends | (26,400) | (20,000) |
| NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS | 1,628 | (1,535) |
| Opening shareholders' funds | <u>49,594</u> | <u>51,129</u> |
| Closing shareholders' funds | <u>51,222</u> | <u>49,594</u> |
| Equity interests | <u>51,222</u> | <u>49,594</u> |

13 FINANCIAL COMMITMENTS

The company has operating lease commitments which are as follows:

| | £ |
|-------------------------------------|---------------|
| Expiring between two and five years | <u>29,164</u> |

14 RELATED PARTY TRANSACTIONS

During the year £15,770 remained outstanding from Mr D S Brown whose wife is one of the Directors Mrs C M Brown. The loan was interest free.