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MATTHEW FINCH GROUP LTD

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JANUARY 1998**



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COMPANIES HOUSE

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MATTHEW FINCH GROUP LTD

Company Information for the Year Ended 31st January 1998

DIRECTOR: M A Finch

SECRETARY: P Finch

REGISTERED OFFICE: 5/6 High Street
Farningham
Kent
DA4 ODG

REGISTERED NUMBER: 2277597 (England and Wales)

AUDITOR: Allan & Co
Ground Floor
The Station House
Station Approach
Otford
Kent TN14 5QY

MATTHEW FINCH GROUP LTD

Director's Report

The director submits his report, together with the audited financial statements, for the year ended 31st January 1998.

Results

The results of the Company are shown on page 5 of the financial statements.

Principal Activity

The principal activity of the company in the year under review was that of a holding company for a marketing and advertising group.

Director

The director during the year under review was:

M.A. Finch

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

Ordinary £1 Shares	31.1.98	31.1.97
M A Finch	100	100

Statement of Director's Responsibilities

Company law requires the director 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 of the company for that period. In preparing those financial statements, the director 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Acts 1963 to 1990. He is 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.

MATTHEW FINCH GROUP LTD

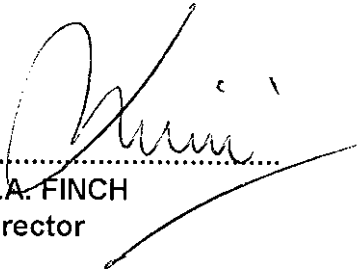
Director's Report (cont'd)

Auditors

The auditors, Allan & Co. will be proposed for re-appointment in accordance with Section 385 of the Companies Act.

In preparing this report, the director has taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the Board:



.....
M.A. FINCH
Director

27th November, 1998
Dated

MATTHEW FINCH GROUP LTD

Auditor's Report to the members of Matthew Finch Group Ltd

We have audited the financial statements on pages 5 and 6.

Respective responsibilities of Director and Auditor

As described on pages 2 and 3 the Company's Director is 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, applied consistently 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.

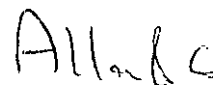
Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31st January 1998 and of its results for the period then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1990.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of accounts have been kept by the Company. The balance sheet of the Company is in agreement with the books of account.

In our opinion, the information given in the Director's report on pages 2 to 3 is consistent with the financial statements.

Ground Floor
The Station House
Station Approach
Oxford
Kent TN14 5QY



Allan & Co
Chartered Accountant &
Registered Auditor

27th November, 1998

MATTHEW FINCH GROUP LTD

Profit and Loss Account for the year ended 31st January 1998

	Notes	1998 £	1997 £
Turnover		-	-
Operating Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
Profit for the financial year after taxation		-	-
Deficit brought forward		<u>(51)</u>	<u>(51)</u>
Deficit carried forward		<u>£(51)</u>	<u>£(51)</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 for the current year or previous year.

MATTHEW FINCH GROUP LTD

Balance Sheet as at 31st January 1998

	Notes	1998 £	1997 £
Fixed Assets			
Investments	4	49	49
Net Current liabilities		<u>-</u>	<u>-</u>
Total Assets Less Current Liabilities		<u>£49</u>	<u>£49</u>
Capital and Reserves			
Called up share capital	5	100	100
Profit and loss account		<u>(51)</u>	<u>(51)</u>
Shareholder's funds	6	<u>£49</u>	<u>£49</u>

In preparing these financial statements, the director has taken advantage of special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985. 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.

On behalf the Board: 
(Director)

Dated: 27th November, 1998

MATTHEW FINCH GROUP LTD

Notes to the Financial Statements for the year ended 31st January 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historic cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Deferred taxation

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

Basis of Non-Consolidation

The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

2. OPERATING PROFIT

The operating profit is stated after charging:	31.01.98	31.01.97
	£	£
Director's emoluments	—	—
	£ —	£ —

3. TAXATION

UK Corporation Tax arose on ordinary activities for the year ended 31st January 1998 (nil for the year ended 31st January 1997).

4. FIXED ASSETS INVESTMENTS

Cost	£
At 1st February 1997	£49
At 31st January 1998	£49

Net Book Value

At 1st February 1997	£49
At 31st January 1998	£49

	1998	1997
Unlisted investments	£49	£49

MATTHEW FINCH GROUP LTD

Notes to the Financial Statements for the year ended 31st January 1998 (cont'd)

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Matthew Finch Design Consultants Ltd

Registered: England and Wales

Nature of Business: Marketing

	%		
Class of shares	Holding		
Ordinary £1	100		
		1998	1997
		£	£
Aggregate capital and reserves		140,372	99,818
Profit/(Loss) for the year		40,554	(33,470)

5. CALLED UP SHARE CAPITAL

Authorised: 1,000 ordinary £1 shares	<u>£1,000</u>	<u>£1,000</u>
Allotted, issued and fully paid up: 100 ordinary £1 shares	<u>£100</u>	<u>£100</u>

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Opening shareholder's funds	<u>£49</u>	<u>£49</u>
Closing shareholder's funds	<u>£49</u>	<u>£49</u>
Equity interests	<u>£49</u>	<u>£49</u>

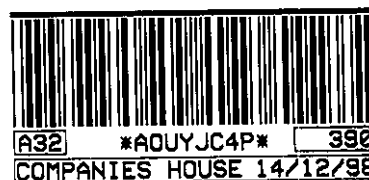
MATTHEW FINCH GROUP LTD

Trading and Profit and Loss Account for the Year Ended 31st January 1997

	1997		1996	
	£	£	£	£
Income		— -		— -
NET PROFIT		£ — -		£ — -

**MATTHEW FINCH DESIGN
CONSULTANTS LTD**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JANUARY 1998**



MATTHEW FINCH DESIGN CONSULTANTS LTD

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MATTHEW FINCH DESIGN CONSULTANTS LTD

Company Information for the Year Ended 31st January 1998

DIRECTORS: M A Finch
P Finch

SECRETARY: P Finch

REGISTERED OFFICE: 5/6 High Street
Farningham
Kent
DA4 ODG

REGISTERED NUMBER: 1033060 (England and Wales)

AUDITOR: Allan & Co
Ground Floor
The Station House
Station Approach
Otford
Kent TN14 5QY

MATTHEW FINCH DESIGN CONSULTANTS LTD

Directors' Report

The directors submit their report, together with the audited financial statements, for the year ended 31st January 1998.

Results

The results of the Company are shown on page 5 of the financial statements.

Principal Activity

The principal activity of the company in the year under review was that of the supply of marketing and advertising services.

Directors

The directors during the year under review were:

M.A. Finch

P. Finch

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

Ordinary £1 Shares	31.1.98	1.2.97
M A Finch	10,000	10,000
P. Finch	-	-

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 and of the profit 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 1963 to 1990. 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.

MATTHEW FINCH DESIGN CONSULTANTS LTD

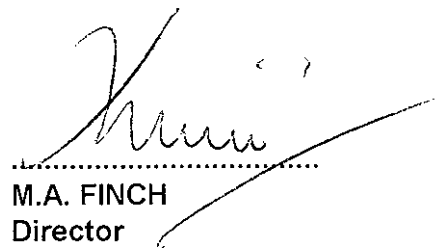
Director's Report (cont'd)

Auditors

The auditors, Allan & Co. will be proposed for re-appointment in accordance with Section 385 of the Companies Act.

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

On behalf of the Board:


.....
M.A. FINCH
Director

Dated: 27th November, 1998

MATTHEW FINCH DESIGN CONSULTANTS LTD

Auditor's Report to the members of Matthew Finch Design Consultants Ltd

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of Directors and Auditors

As described on pages 2 and 3, 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, applied consistently 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 affairs of the company as at 31st January 1998 and of the loss of the Company for the period then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1990.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of accounts have been kept by the Company. The balance sheet of the Company is in agreement with the books of account.

In our opinion, the information given in the Directors' report on pages 2 and 3 is consistent with the financial statements.

Ground Floor
The Station House
Station Approach
Oxford
Kent TN14 5QY

ALL & CO

Allan & Co
Chartered Accountant &
Registered Auditor

27th November, 1998

MATTHEW FINCH DESIGN CONSULTANTS LTD

Profit and Loss Account for the year ended 31st January 1998

	Notes	1998 £	1997 £
Turnover	2	70,045	63,244
Cost of Sales		<u>(7,120)</u>	<u>(16,800)</u>
Gross Profit		62,925	46,444
Administrative expenses		<u>(41,659)</u>	<u>(96,309)</u>
		21,266	(49,865)
Other operating income	3	<u>26,083</u>	<u>27,058</u>
OPERATING PROFIT(LOSS)	4	47,349	(22,807)
Interest payable and similar charges		<u>(1,646)</u>	<u>(10,663)</u>
Profit/(Loss) on ordinary activities before taxation		45,703	(33,470)
Tax on profit/(loss) on ordinary activities	5	<u>(5,149)</u>	<u>(-)</u>
Profit/(Loss) on ordinary activities after taxation		40,554	(33,470)
Deficit brought forward		<u>(111,864)</u>	<u>(78,394)</u>
Retained deficit carried forward		<u>£(71,310)</u>	<u>£(111,864)</u>

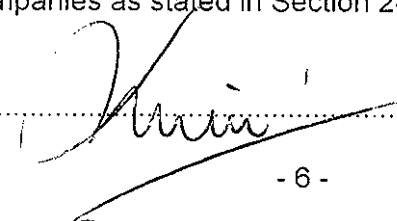
MATTHEW FINCH DESIGN CONSULTANTS LTD

Balance Sheet as at 31st January 1998

		1998		1997	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		975		1,147
Investment	7		<u>250,000</u>		<u>250,000</u>
			250,975		251,147
Current Assets					
Stocks	8	1,000		1,000	
Debtors	9	13,758		1,320	
Cash in hand		<u>13,468</u>		<u>-</u>	
		28,226		2,320	
Creditors: amounts falling due within one year	10	<u>138,829</u>		<u>153,649</u>	
Net Current liabilities			<u>(110,603)</u>		<u>(151,329)</u>
Total Net Assets			<u>£140,372</u>		<u>99,818</u>
Capital and Reserves					
Share Capital	11	10,000		10,000	
Revaluation Reserve	12	201,682		201,682	
Profit and Loss Account		<u>(71,310)</u>		<u>(111,864)</u>	
Shareholders' funds	13	<u>£140,372</u>		<u>£99,818</u>	

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985. 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.

On behalf the Board:
(Director)



Dated: 27th November, 1998

MATTHEW FINCH DESIGN CONSULTANTS LTD

Notes to the Financial Statements for the year ended 31st January 1998

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historic cost convention.

b) Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

c) Turnover

Turnover represents the invoiced value of goods sold, excluding value added tax.

d) 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- 10% on cost
20% on cost or
15% on reducing balance

e) Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f) Deferred taxation

Provision is made at current rates for taxation 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.

g) Hire Purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

h) Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

i) Investment property

The investment property is included in the financial statements at directors' valuation based upon an open market value of the property.

MATTHEW FINCH DESIGN CONSULTANTS LTD

Notes to the Financial Statements for the Year Ended 31st January 1998

2. TURNOVER

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

3. OTHER OPERATING INCOME

	1998 £	1997 £
Rents received	26,083	27,058
Sundry receipts	-	-
	<u>£26,083</u>	<u>£27,058</u>

4. OPERATING PROFIT/(LOSS)

The operating profit/loss is stated after charging/(crediting)	£	£
Depreciation - owned assets	172	287
Auditors' remuneration	1,000	1,335
Directors' emoluments	-	<u>34,425</u>

5. TAXATION

The tax charge on the profit/(loss) on ordinary activities for the year was as follows:

Based on the adjusted results of the year UK Corporation Tax @ 21.5% (1997 = 24%)	£5,014	£ -
Adjustment for prior year	<u>135</u>	£ -
	<u>£5,149</u>	£ -

6. TANGIBLE FIXED ASSETS

	Cost £	Depreciation £	Totals £
Fixtures & Equipment			
At 1st February 1997	151,110	149,963	1,147
Charge for the year	-	<u>172</u>	<u>(172)</u>
At 31st January 1998	<u>£151,110</u>	<u>£150,135</u>	<u>£ 975</u>

7. FIXED ASSET INVESTMENT

The directors are of the opinion that the investment property would have a market value of £250,000 and consequently no revaluation has been included in the year.

MATTHEW FINCH DESIGN CONSULTANTS LTD

Notes to the Financial Statements (cont'd)

8.	STOCKS	1998	1997
		£	£
	Work in progress	<u>£1,000</u>	<u>£1,000</u>
9.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Trade debtors	<u>£13,758</u>	<u>£1,320</u>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Bank loans and overdrafts	-	125,688
	Trade creditors	11,518	20,469
	Directors' current accounts	112,230	(2,250)
	Social security and other taxes	5,531	82
	Taxation	5,014	4,630
	Accrued expenses	<u>4,536</u>	<u>5,030</u>
		<u>£138,829</u>	<u>£153,649</u>

The bank loan is a medium term loan with interest payable at 2.5% over Barclays Bank PLC base rate subject to a minimum of 8.5%.

11 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid 10,000 ordinary £1 shares:	<u>£10,000</u>	<u>£10,000</u>
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12 REVALUATION RESERVE	<u>£201,682</u>	<u>£201,682</u>
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13 ULTIMATE PARENT COMPANY

The company's ultimate holding company is Matthew Finch Group Limited, a company incorporated in England.

MATTHEW FINCH DESIGN CONSULTANTS LTD

Trading and Profit and Loss Account for the Year Ended 31st January 1998

	1998		1997	
	£	£	£	£
Sales		70,045		63,244
Cost of Sales				
Opening stock	1,000		2,000	
Purchases	<u>7,120</u>		<u>15,800</u>	
	8,120		17,800	
Closing stock	<u>(1,000)</u>		<u>(1,000)</u>	
		<u>7,120</u>		<u>16,800</u>
GROSS PROFIT		62,925		46,444
Other income:				
Rents received		<u>26,083</u>		<u>27,058</u>
		89,008		73,502
Expenditure:				
Director's Remuneration	-		34,425	
Pension contributions	-		3,911	
Wages and national insurance	21,934		31,112	
Health and life assurance	961		1,369	
Telephone and postage	1,998		3,107	
Printing and stationery	1,697		1,074	
Publicity and PR	1,543		7,214	
Motor and travelling expenses	1,849		1,586	
Entertaining and subscriptions	1,705		1,105	
Computer costs and training	215		310	
Reference books and journals	76		74	
Equipment rentals and maintenance	610		1,853	
Sundry expenses	<u>637</u>		<u>149</u>	
carried forward	<u>33,225</u>	<u>89,008</u>	<u>87,289</u>	<u>73,502</u>

MATTHEW FINCH DESIGN CONSULTANTS LTD

Trading and Profit and Loss Account for the year ended 31st January 1998 (cont'd)

		1998		1997
	£	£	£	£
Brought forward	33,225	89,008	87,289	73,502
Auditor and accounting	1,020		1,335	
Legal and professional fees	-		715	
Rates, light, heat, repairs & property expenses	5,174		4,171	
Insurance	1,272		1,586	
Canteen expenses	<u>192</u>		<u>-</u>	
		(40,883)		(95,096)
Finance Costs				
Bank interest	1,646		10,663	
Bank charges	<u>604</u>		<u>926</u>	
		(2,250)		(11,589)
		45,875		(33,183)
Depreciation				
Fixtures and equipment		<u>(172)</u>		(287)
NET PROFIT/(LOSS)		<u>£45,703</u>		<u>£(33,470)</u>