

GW Mills Limited

Directors' report and financial statements

31 August 1997

Registered number 811749



GW Mills Limited

Directors' report and financial statements

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GW Mills Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 1997.

Principal activities, trading review and future developments

The company did not trade during the year and is unlikely to do so in the near future.

Proposed dividends

The directors do not recommend the payment of a dividend for the year under review (1996:£nil).

Directors and directors' interests

The directors who held office during the year were as follows:

GC Iliffe	(resigned 22 December 1997)
CR Potterell	
NRA Butterfield	(appointed 18 September 1997)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the year.

At 31 August 1997 GC Iliffe held 500 (1996:3,162) ordinary shares of 10p each in Chrysalis Group plc and had an interest in a further 280 ordinary shares of 10p each held by Mrs Iliffe. At 31 August 1997 and 31 August 1996, GC Iliffe had options to acquire 20,000 ordinary shares in Chrysalis Group plc, the ultimate parent company.

At 31 August 1997, CR Potterell held 1,011 (1996:2,148) ordinary shares at 10p each in Chrysalis Group plc and had an interest in a further 1,589 (1996:2,852) ordinary shares at 10p each held by Mrs Potterell. At 31 August 1997 and 31 August 1996 CR Potterell had options to acquire 15,000 ordinary shares of 10p each in Chrysalis Group plc, the ultimate parent company.

By order of the Board

CR Potterell
Secretary

The Chrysalis Building
Bramley Road
London
W10 6SP

GW Mills Limited

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of GW Mills Limited

We have audited the financial statements on pages 4 to 5.

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 31 August 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

22 April 1998

GW Mills Limited

Balance sheet
at 31 August 1997

	Note	1997 £	1996 £
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		<u>(84,971)</u>	<u>(84,971)</u>
Net liabilities		<u><u>(84,971)</u></u>	<u><u>(84,971)</u></u>
Capital and reserves			
Called up share capital	3	100	100
Profit and loss account		<u>(85,071)</u>	<u>(85,071)</u>
Shareholders' deficit - equity		<u><u>(84,971)</u></u>	<u><u>(84,971)</u></u>

The company was dormant throughout the financial year.

These financial statements were approved by the Board of directors on 14 April 1998 and were signed on its behalf by:


CR Potterell
Director

The notes on page 5 form part of these financial statements.

GW Mills Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Profit and loss account

The company has not traded during this or the previous financial year and has received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

3 Called up share capital

<i>Equity</i>	1997 £	1996 £
<i>Authorised, allotted, called up and fully paid</i>		
70 ordinary shares of £1 each	70	70
30 non-voting ordinary shares of £1 each	30	30
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

4 Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement on the grounds that its parent undertakings, Chrysalis Group plc, includes the company in its own published consolidated financial statements.

5 Ultimate parent company

The ultimate parent company is Chrysalis Group plc, which is registered in England and Wales, for which consolidated accounts are prepared. The consolidated accounts of this company may be obtained from The Secretary, Chrysalis Group plc, The Chrysalis Building, Bramley Road, London, W10 6SP.

The audit fee is borne by the ultimate parent company.

The ultimate parent company has informed the company that it is their present intention to provide such financial support as is required for the company's continued operations.