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# Phonenames Limited

(formerly Franchise Development International Limited)

## Report and Accounts

31 December 1994



**Phonenames Limited**  
(formerly Franchise Development International Limited)

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Registered No. 907055

**DIRECTORS**

J F Zockoll  
J B Chaplin  
S M Zockoll  
J A Zockoll

**SECRETARY**

G T Oatham

**AUDITORS**

Ernst & Young  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

**BANKERS**

Lloyds Bank Plc  
83 Clarence Street  
Kingston upon Thames  
Surrey KT1 1RE

**REGISTERED OFFICE**

Zockoll House  
143 Maple Road  
Surbiton  
Surrey KT6 4BJ

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1994.

### REVIEW OF THE BUSINESS

The company changed its name to Phonenames Limited on 16 February 1994 by special resolution at an extraordinary general meeting of the company, and commenced trading on that date.

The principal activity of the company is the marketing and selling of alphanumeric telephone numbers.

The loss for the year after taxation amounted to £758,831. Rapid progress was made in the securing of the necessary phone numbers and trademarks. The marketing of the alphanumeric telephone numbers concept has commenced.

### FUTURE DEVELOPMENTS

To secure key named customers, a direct selling approach has been developed.

### DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

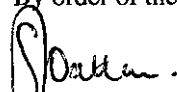
J F Zockoll (USA)	
J B Chaplin	(appointed 23 February 1994)
S M Zockoll (USA)	(appointed 28 June 1994)
J A Zockoll (USA)	(appointed 1 July 1994)

There are no directors' interests requiring disclosure under the Companies Act 1985.

### AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
G T Oatham  
Secretary

24 MAY 1995

# Phonenames Limited

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS****to the members of Phonenames Limited****(formerly Franchise Development International Limited)**

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

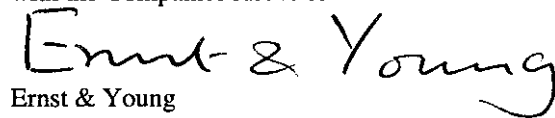
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

24 May 1995

# Phonenames Limited

(formerly Franchise Development International Limited)

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

	<i>Notes</i>	<i>1994</i> <i>£</i>	<i>1993</i> <i>£</i>
<b>TURNOVER</b>	3	34,760	—
Cost of sales		981,982	—
Gross profit		(947,222)	—
Administrative expenses		175,609	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	(1,122,831)	—
Taxation	7	(364,000)	—
<b>LOSS RETAINED FOR THE FINANCIAL YEAR</b>	11	(758,831)	—

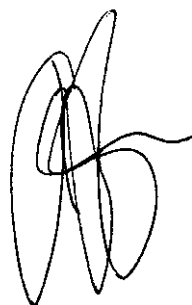
There were no recognised gains or losses other than the loss for the year.

**Phonenames Limited**  
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**BALANCE SHEET**  
at 31 December 1994

	<i>Notes</i>	<i>1994</i> £	<i>1993</i> £
<b>CURRENT ASSETS</b>			
Debtors	8	101,706	—
Cash at bank and in hand		17,070	—
		<u>118,776</u>	<u>—</u>
<b>CREDITORS: amounts falling due within one year</b>	9	891,282	(13,675)
<b>NET CURRENT LIABILITIES</b>		<u>(772,506)</u>	<u>(13,675)</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	(772,606)	(13,775)
		<u>(772,506)</u>	<u>(13,675)</u>

J B Chaplin



24 MAY 1995

Director

NOTES TO THE ACCOUNTS  
at 31 December 1994

1. FUNDAMENTAL ACCOUNTING CONCEPT

These accounts are prepared on a going concern basis following an undertaking by the parent company to continue to provide adequate funds to the company, notwithstanding the deficiency of net assets at 31 December 1994.

2. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

*Turnover*

Turnover is the total amount invoiced to third parties in respect of the company's one continuing activity, that of marketing and selling alphanumeric telephone numbers, and is stated net of value added tax.

3. TURNOVER

Turnover represents the total invoiced amount in respect of charges for the use of telephone lines and sales of telephone equipment.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1994	1993
	£	£
Auditors' remuneration	4,500	—

5. DIRECTORS' REMUNERATION

The directors of the company receive no remuneration from the company. Each of the directors is also a director of another company within the group and their emoluments are disclosed in the accounts of the relevant group company. It is not possible to separately identify their emoluments relating to their services as directors of Phonenames Limited.

6. STAFF COSTS

	1994	1993
	£	£
Wages and salaries	27,301	—
Social security costs	2,380	—
	29,681	—

The average weekly number of employees during the year was as follows:

1994	1993
No.	No.
2	—



**Phonenames Limited**  
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**NOTES TO THE ACCOUNTS**  
at 31 December 1994

**7. TAXATION**

	1994	1993
	£	£
Based on the loss for the year:		
Corporation tax credit at 33%	(364,000)	-

**8. DEBTORS**

	1994	1993
	£	£
Trade debtors	2,029	-
Other debtors	99,474	-
Prepayments	203	-
	<u>101,706</u>	<u>-</u>

**9. CREDITORS: amounts falling due within one year**

	1994	1993
	£	£
Trade creditors	75,944	-
Amounts owed to parent undertaking	809,818	-
Other taxes and social security costs	1,020	-
Other creditors and accruals	4,500	-
	<u>891,282</u>	<u>-</u>

**10. CALLED UP SHARE CAPITAL**

	<i>Authorised, allotted, called up and fully paid</i>			
	1994	1993	1994	1993
	No.	No.	£	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

NOTES TO THE ACCOUNTS  
at 31 December 1994

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 January 1993	100	(13,775)	(13,675)
At 1 January 1994	100	(13,775)	(13,675)
Loss for the year		(758,831)	(758,831)
At 31 December 1994	100	(772,606)	(772,506)

12. ULTIMATE PARENT COMPANY

Phonenames Limited is a wholly owned subsidiary of The Zockoll Group Limited, a company registered in England and Wales. The Zockoll Group Limited is the parent undertaking of the only group for which group accounts are drawn up and of which the company is a member. Copies of the group accounts can be obtained from Companies House.

The ultimate parent undertaking is Jannco Limited, a company incorporated in Jersey. Jannco Limited does not prepare group accounts.