

FIRTHFAME LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 1999

Company No. 1471660 (England and Wales)



**SEARBY & CO.
CHARTERED ACCOUNTANTS.
HULL**

FIRTHFAME LIMITED

Company Information

Directors	D.M. Barton C.M. Barton G.A. Davies
Secretary	C.M. Barton
Company Number	1471660 (England and Wales)
Registered Office	17 Parliament Street Hull HU1 2BH
Auditors	Messrs. Searby & Co. Chartered Accountants and Registered Auditors Compass House 17/19 Empringham Street Hedon Road Hull HU9 1RP

FIRTHFAME LIMITED

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FIRTHFAME LIMITED

Directors' Report for the year ended 31st August 1999

The Directors present their report and the financial statements for the year ended 31st August 1999

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;
- 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 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.

Principal Activity

The company's principal activity continues to be that of property developers and traders.

Directors

The directors at 31st August 1999 and their interests in the share capital of the company were as follows:-

	Number of Ordinary Shares	
	1999	1998
D.M. Barton	49	49
C.M. Barton	49	49
G.A. Davies	1	1

Auditors

The auditors, Messrs. Searby & Co. will be proposed for reappointment in accordance with Section 385 of the **Companies Act 1985**.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the **Companies Act 1985** relating to small companies.

This report was approved by the board on 30th August 2000 and signed on its behalf.


.....
D. M. BARTON
Director

FIRTHFAME LIMITED

Auditors' Report to the Shareholders of Firthfame Limited

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on pages 5 to 8.

Respective Responsibilities of Directors and Auditors

As described on page 1, 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.

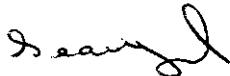
Basis of Opinion

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 31st August 1999 and of its (loss) for the year then ended and have been properly prepared in accordance with the **Companies Act 1985**.



SEARBY & CO.
Chartered Accountants
and Registered Auditors
Compass House
17/19 Empringham Street
Hedon Road
Hull
HU9 1RP

30th August 2000

FIRTHFAME LIMITED

**Profit and Loss Account
for the year ended 31st August 1999**

	Notes	1999	1998
Turnover	1.2/2	820,220	596,594
Cost of Sales		723,435	497,030
		<hr/>	<hr/>
Gross Profit		96,785	99,564
Administration Expenses		(65,006)	(67,913)
Selling and Distribution		(4,433)	(3,681)
Establishment Charges		(14,689)	(15,955)
Financial Charges		(5,419)	(4,596)
		<hr/>	<hr/>
Operating Profit	3	7,238	7,419
Profit on disposal of tangible fixed assets	14	1,719	-
		<hr/>	<hr/>
Profit on ordinary activities before interest		8,957	7,419
Interest payable	4	(31,539)	(29,024)
		<hr/>	<hr/>
		(22,582)	(21,605)
Other Income:			
Rental Income		22,897	19,863
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation		315	(1,742)
Taxation on Profit/(Loss) on ordinary activities	5	108	439
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities after taxation, being retained profit/(loss) for the year		423	(1,303)
Retained profit brought forward		76,886	78,189
		<hr/>	<hr/>
Retained profit carried forward		77,309	76,886
		<hr/>	<hr/>

The notes on pages 5 to 8 form part of these financial statements.

FIRTHFAME LIMITED

Balance Sheet as at 31st August 1999

	Notes	1999	1998
Fixed Assets			
Tangible Assets	6	135,034	163,645
Current Assets			
Stocks	1.4	363,758	304,412
Debtors	7	76,421	111,013
Cash in Hand		30	45
		<u>440,209</u>	<u>415,470</u>
Creditors: amounts falling due within one year	8	(479,381)	(482,335)
Net Current (Liabilities)		<u>(39,172)</u>	<u>(66,865)</u>
Total Assets less Current Liabilities		<u>95,862</u>	<u>96,780</u>
Creditors: amounts falling due after more than one year	9	-	-
Net Assets		<u>95,862</u> =====	<u>96,780</u> =====
Capital and Reserves			
Called up share capital	10	100	100
Capital Reserve		19,794	19,794
Profit and Loss account		75,968	76,886
Shareholders' funds		<u>95,862</u> =====	<u>96,780</u> =====

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the **Companies Act 1985** applicable to small companies, were approved by the board on 30th August 2000 and signed on its behalf.



 D.M. BARTON
 Director

The notes on pages 5 to 8 form part of these financial statements.

FIRTHFAME LIMITED

Notes to the financial statements for the year ended 31st August 1999

1. Accounting policies

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover comprises the value of goods and services supplied by the company.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Fixtures and Fittings	25% per annum reducing balance basis
Office Equipment	25% " " " "
Motor Vehicles	25% " " " "

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.5 Pensions

The company operates a defined contribution pension scheme, Equity & Law Executive Pension Plan for Firthfame Ltd, and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

In the year to 31st August 1999 - none of the company's turnover was derived from markets outside the United Kingdom. (1998 - None).

3. Operating Profit

The operating profit is stated after charging:	1999	1998
Depreciation of tangible fixed assets		
- owned by the company	1,198	1,498
Auditors' remuneration	1,939	3,084
Directors' emoluments	11,114	10,316
Directors' Pension costs	8,987	8,902
	=====	=====

FIRTHFAME LIMITED
Notes to the financial statements
Year ended 31st August 1999(continued)

4.	Interest Payable	1999	1998			
	Bank Interest	31,539 =====	29,024 =====			
5.	Taxation	1999	1998			
	U.K. Corporation Tax Repayment re earlier years		(80)			
	Corporation Tax (Interest)	(108)	(359)			
		<u>(108)</u> =====	<u>(439)</u> =====			
6.	Tangible Fixed Assets					
		Investment Properties Freehold Land & Buildings	Office Furniture & Equipment	Plant & Equipment	Motor Vehicles	Total
	Cost or Valuation					
	At 1st September 1998	159,150	8,472	752	3,000	171,374
	Additions	-	300	-	-	300
	Disposals	(27,713)	-	-	-	(27,713)
	At 31st August 1999	<u>131,437</u> =====	<u>8,772</u> =====	<u>752</u> =====	<u>3,000</u> =====	<u>143,961</u> =====
	Depreciation					
	At 1st September 1998	-	6,393	586	750	7,729
	Charge for Year	-	595	41	562	1,198
	At 31st August 1999	<u>-</u> =====	<u>6,988</u> =====	<u>627</u> =====	<u>1,312</u> =====	<u>8,927</u> =====
	Net Book Values					
	At 31st August 1999	<u>131,437</u> =====	<u>1,784</u> =====	<u>125</u> =====	<u>1,688</u> =====	<u>135,034</u> =====
	At 31st August 1998	<u>159,150</u> =====	<u>2,079</u> =====	<u>166</u> =====	<u>2,250</u> =====	<u>163,645</u> =====

The freehold land and buildings brought forward at a valuation of £70,000 were last valued at 16th June 1987 by F.A. Larard & Sons, Chartered Surveyors. In the opinion of the Directors the value has not altered since that date, and this is an existing use open market valuation. Land and Buildings are not depreciated. If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:-

	1999	1998
Cost	111,643	139,356
	=====	=====
Net Book Value	111,643	139,356
	=====	=====

With regard to the freehold land and buildings, compliance with SSAP 19 is a departure from the Companies Act 1985 necessary to give a true and fair view.

FIRTHFAME LIMITED
Notes to the financial statements
Year ended 31st August 1999(continued)

7. Debtors

	1999	1998
Due after more than one year	-	-
Due within one year:		
Trade Debtors	73,558	86,560
Other Debtors - Corporation Tax	-	6,667
Other Debtors	2,442	17,365
Prepayments	421	421
	<u>76,421</u>	<u>111,013</u>
	=====	=====

8. Creditors: amounts falling due within one year

	1999	1998
Bank Overdraft (Secured)	346,029	390,421
Trade Creditors	54,575	16,794
Corporation Tax	-	-
Other Creditors	66,804	65,073
Social Security and Other Taxes	4,705	1,706
Accruals	7,268	8,341
	<u>479,381</u>	<u>482,335</u>
	=====	=====

Of the creditors falling due within one year, £346,029 (1998 - £390,421) are secured.

The Midland Bank Plc (now HSBC Bank), holds the following by way of security:-

1. Debenture dated 23rd April 1985, being a fixed and floating charge over the undertaking and all property and assets present and future including Goodwill, Book debts and Uncalled Capital.
2. Debenture dated 14th July 1997, being a fixed and floating charge over the undertaking and all property and assets present and future including Goodwill, Book debts and Uncalled Capital, Buildings, Fixtures, Fixed Plant and Machinery.
3. Legal Mortgage dated 24th January 2000, being a charge over the freehold property at 82, Marsdale, Sutton Park, Hull.
4. Legal Mortgage dated 21st February 2000, being a charge over the freehold property at 1 Gladys Villas, Brecon Street, Hull.

9. Creditors: amounts falling due after more than one year	1999	1998
	-	-
	=====	=====

FIRTHFAME LIMITED
Notes to the financial statements
Year ended 31st August 1999 (continued)

10. Share Capital

	1999	1998
Authorised		
Ordinary Shares of £1 each	100	100
	=====	=====
Allotted, Called up and Fully Paid		
Ordinary Shares of £1 each	100	100
	=====	=====

11. Contingent Liabilities

The company had no contingent liabilities. (1998 - None).

12. Capital Commitments

The company had no capital commitments. (1998 - None).

13. Related Parties

There is no overall controlling party.

14. The profit on disposal of tangible fixed assets was the surplus on the sale of an Investment Property.

15. Transactions with Directors

During the year the company purchased services at normal commercial rates from Princess Holdings - a partnership in which Mr. D. M. Barton and Mrs. C. M. Barton each hold a 25% interest.

The value of the services purchased was £12,360 (1998 - £7,134).

At the balance sheet date the amount outstanding was NIL (1998 - NIL).

During the year Management Charges were paid to Princess Holdings to the value of £5,875 (1998 - £11,717)

At the balance sheet date the amount outstanding was £5,875 (1998 - NIL).