

## LEWIS GOLDEN &amp; CO

Chartered Accountants

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N.W.Benson FCA

H.Cuderley FCA

A.G.Moss ACA

## REPORT OF THE AUDITORS TO THE MEMBERS

of

LAYTON BLACKHAM LIMITED

We have audited the financial statements set out on pages 3 to 9 in accordance with Auditing Standards except that the scope of our work was limited by the matter referred to below.

At the year end there was no list of balances due from clients and to insurance companies on which we could rely for the purpose of our audit and there were no satisfactory audit procedures that we could adopt to confirm independently that these balances were properly recorded. In this respect alone we were unable to satisfy ourselves as to the completeness and accuracy of the accounting records.

Subject to any adjustments that we might have found to be necessary had we been able to satisfy ourselves as to the matter referred to above, in our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st May, 1990, and of its profit and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act, 1985.

5th February, 1992

Registered Auditor

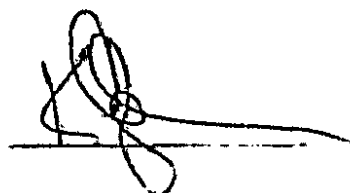
LAYTON BLACKHAM LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31st MAY, 1990

	<u>Note</u>	<u>1990</u> £
TURNOVER.....	1 (b)	127,293
COST OF SALES.....		( <u>16,954</u> )
GROSS PROFIT.....		110,339
ADMINISTRATIVE EXPENSES.....		(103,513)
OTHER INCOME AND CHARGES		
Interest receivable.....		16,424
Interest payable.....	2	( <u>2,288</u> )
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION.....	3,4	20,962
TAX ON ORDINARY ACTIVITIES.....	5	( <u>5,561</u> )
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		
Carried forward.....		<u>15,401</u>

LAYTON BLACKHAM LIMITED  
BALANCE SHEET AS AT 31st MAY, 1990

	Note	£	1990	£
FIXED ASSETS				
Tangible assets.....	6			16,464
CURRENT ASSETS				
Debtors.....	7	327,656		
Cash at bank and in hand		<u>66,949</u>		
		394,605		
CREDITORS: amounts due within one year . . . .	8	(393,022)		
NET CURRENT ASSETS.....				<u>1,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES.....				18,047
CREDITORS: amounts due after more than one year	9			(1,667)
				16,380
PROVISION FOR LIABILITIES AND CHARGES				
Deferred taxation.....	1(d)			(977)
				<u>15,403</u>
CAPITAL AND RESERVES				
Called up share capital.	10			2
Profit and loss account.				15,401
				<u>15,403</u>

Directors.

LAYTON BLACKHAM LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE PERIOD ENDED 31st MAY, 1990

	<u>1990</u>	
	£	£
SOURCE OF FUNDS		
Net profit before taxation...		20,962
Add: items not involving the movement of funds:-		
Depreciation.....	3,768	
Profit on disposal of fixed assets.....	(2,627)	
		<u>1,141</u>
Total generated by operations		22,103
FUNDS FROM OTHER SOURCES		
Sale of fixed assets.....	2,825	
Issue of shares.....	<u>2</u>	
		<u>2,827</u>
Total funds generated.....		24,930
APPLICATION OF FUNDS		
Purchase of fixed assets.....		(20,430)
MOVEMENT IN WORKING CAPITAL		
Debtors.....	127,656	
Creditors.....	(390,105)	
Movement in net liquid funds.	<u>66,949</u>	
		<u>4,500</u>

LAYTON BLACKHAM LIMITED

NOTES ON ACCOUNTS  
FOR THE PERIOD ENDED 31st MAY, 1990

1 ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention.
- (b) Turnover represents invoiced commission received.
- (c) Fixed assets are depreciated so as to write them off over their useful lives at the following rates:-
- |                       |   |                       |
|-----------------------|---|-----------------------|
| Fixtures and fittings | - | 25% per annum on cost |
| Motor vehicles        | - | 20% per annum on cost |
- (d) Deferred taxation is provided at the relevant rates on timing differences likely to reverse within the foreseeable future.

2 INTEREST PAYABLE

1990

£

On bank overdrafts repayable within 5 years.....	1,774
On other loans repayable within 5 years.....	<u>514</u>
	<u>2,288</u>

3 PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION

£

This is stated after charging/  
(crediting):-

Staff costs (see note 4).....	50,671
Auditors' remuneration.....	<u>2,875</u>
Depreciation.....	<u>768</u>
Profit on disposal of fixed assets.....	<u>( 2,627)</u>

JAYTON BLACKHAM LIMITED  
 NOTES ON ACCOUNTS  
 FOR THE PERIOD ENDED 31st MAY, 1990

4	EMPLOYEE INFORMATION	<u>1990</u> £
4.1	Staff costs: (including directors' emoluments)	
	Wages and salaries.....	46,778
	Social security costs.....	<u>3,893</u>
		<u>50,671</u>
4.2	Directors' emoluments.....	<u>20,000</u>
4.3	The average weekly number of employees during the period was 8.	
5	TAXATION	<u>1990</u> £
5.1	The tax charge on the profit on ordinary activities for the period was as follows:-	
	U.K. Corporation tax at 25%....	4,584
	Deferred taxation.....	<u>977</u>
		<u>5,561</u>
5.2	The company is a close company within the terms of the Income and Corporation Taxes Act, 1988.	

LAYTON BLACKHAM LIMITED  
NOTES ON ACCOUNTS  
FOR THE PERIOD ENDED 31st MAY, 1990

6 TANGIBLE FIXED ASSETS

	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST			
Additions.....	9,434	10,996	20,430
Disposals.....	<u>-</u>	( <u>198</u> )	( <u>198</u> )
As at 31st May, 1990.....	<u>9,434</u>	<u>10,798</u>	<u>20,232</u>
DEPRECIATION			
Charge for the year.....	<u>1,965</u>	<u>1,803</u>	<u>3,768</u>
As at 31st May, 1990.....	<u>1,965</u>	<u>1,803</u>	<u>3,768</u>
NET BOOK VALUE			
As at 31st May, 1990.....	<u>7,469</u>	<u>8,995</u>	<u>16,464</u>

Included in the above totals are the following assets, which are subject to hire purchase contracts:-

	£
Cost as at 31.5.1990.....	8,478
Accumulated depreciation as at 31.5.1990.....	( <u>1,413</u> )
Net book value as at 31.5.1990.....	<u>7,065</u>

7 DEBTORS

Trade debtors.....	315,542
Other debtors.....	4,856
Prepayments.....	<u>7,258</u>
	<u>327,656</u>

LAYTON BLACKHAM LIMITED  
NOTES ON ACCOUNTS  
FOR THE PERIOD ENDED 31st MAY, 1990

	<u>1990</u>
	£
8 CREDITORS: amounts falling due within one year	
Trade creditors.....	352,215
Corporation tax.....	4,584
Other taxation and social security costs.....	3,842
Other creditors.....	12,750
Accruals.....	<u>19,631</u>
	<u>393,022</u>
9 CREDITORS: amounts falling due after more than one year	
Obligations under finance leases..	<u>1,667</u>
10 SHARE CAPITAL	
Authorised:- 1,000 shares of £1 each.....	<u>1,000</u>
Allotted, issued and fully paid...	<u>2</u>

11 COMPARATIVE FIGURES

No comparative figures have been shown as this is the company's first accounting period.