

COMPANY REGISTRATION
NUMBER: 2519495

WEDDING LIST SERVICES LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997



Wedding List Services Limited
Directors' Report
for the year ended 31 December 1997

The directors present their report and the accounts for the year ended 31 December 1997.

Principal activity

The company's principal activity in the year under review continued to be that of supplying wedding list services.

Directors

The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

| | <u>Number of ordinary shares</u> | |
|----------------------------------|---|------------------------------|
| | <u>31 December 1997</u> | <u>1 January 1997</u> |
| C C Dachtler | 40 | 45 |
| V J Dachtler | 40 | 45 |
| C King (resigned 29 August 1997) | - | 10 |

Directors' responsibilities

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;
- 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.

Post balance sheet event

The Directors are pleased to report that since the year end the company has concluded an agreement with Thomas Goode & Co. Ltd, of 19 South Audley Street, London W1Y 6BN to open its second showroom within their highly reputed store. The Directors are confident that the association of the proven expertise of Wedding List Services Limited, together with the long established name and reputation of Thomas Goode, will ensure a consolidation of the existing improvement in results, and the springboard for further achievements in the next two to five years.

Auditors

The auditors, Hextall Meakin, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

Signed on behalf of the board of directors


Colin Dachtler
Director

Approved by the board on:

17th July 1998

Hextall Meakin

Chartered Accountants

Argon House, Argon Mews, Fulham Broadway, London SW6 1BJ
Telephone: 0171 381 2022 Fax: 0171 385 1087
E-mail: hextallmeakin@compuserve.com

Auditors' report to the shareholders of Wedding List Services Limited

We have audited the accounts on pages 3 to 8 which have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of 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 the company's affairs as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Hextall Meakin
Chartered Accountants
Registered Auditors

Dated: 11 August 1998

T.C. Hextall FCA G.R. Meakin FCA

Taxation Specialists: D.F. Airey FCA FTII D.G. Windows FCA ATII
Also at: Beckett House, 4 Bridge Street, Salisbury, Wiltshire SP1 2LX. Telephone: (01722) 414445 Fax (01722) 414196
Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

Wedding List Services Limited
Profit and loss account
for the year ended 31 December 1997

| | <u>Notes</u> | <u>1997</u> £ | <u>1996</u> £ |
|---|--------------|------------------|------------------|
| Turnover | 1 & 2 | 789,754 | 601,088 |
| Cost of sales | | <u>(464,722)</u> | <u>(388,511)</u> |
| Gross Profit | | 325,032 | 212,577 |
| Administrative expenses | | <u>(290,940)</u> | <u>(239,896)</u> |
| Operating profit/(loss) | 3 | 34,092 | (27,319) |
| Interest receivable | | 14 | 8 |
| Interest payable | | <u>(719)</u> | <u>(1,662)</u> |
| Profit/(loss) on ordinary activities before taxation | | 33,387 | (28,973) |
| Taxation | | <u>0</u> | <u>0</u> |
| Profit/(loss) on ordinary activities after taxation | | 33,387 | (28,973) |
| Retained loss brought forward | | <u>(77,336)</u> | <u>(48,363)</u> |
| Retained loss carried forward | | <u>£(43,949)</u> | <u>£(77,336)</u> |

The company has no recognised gains or losses other than the loss for the above two financial years.

Turnover and operating profit derive wholly from continuing operations.


The notes on pages 5 to 8 form part of these accounts

Wedding List Services Limited**Balance sheet****As at 31 December 1997**

| | | <u>1997</u> | | <u>1996</u> | |
|--|---------------------|--------------------|------------------|--------------------|------------------|
| | <u>Notes</u> | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 4 | | 22,336 | | 19,604 |
| Current assets | | | | | |
| Stocks | 5 | 27,358 | | 23,648 | |
| Debtors | 6 | 41,832 | | 14,667 | |
| Cash at bank and in hand | | <u>1,140</u> | | <u>5,636</u> | |
| | | 70,330 | | 43,951 | |
| Creditors: amounts falling due within one year | 7 | <u>(110,478)</u> | | <u>(126,291)</u> | |
| Net current liabilities | | | <u>(40,148)</u> | | <u>(82,340)</u> |
| Total assets less current liabilities | | | (17,812) | | (62,736) |
| Creditors: amounts falling due after more than one year | 8 | | (26,037) | | (14,500) |
| | | | <u>£(43,849)</u> | | <u>£(77,236)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 100 | | 100 |
| Profit and loss account | | | <u>(43,949)</u> | | <u>(77,336)</u> |
| Shareholders' funds | 10 | | <u>£(43,849)</u> | | <u>£(77,236)</u> |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Signed on behalf of the board of directors



Colin Dachtler (Director)

Approved by the board: 17th July 1998

The notes on pages 5 to 8 form part of these accounts

Wedding List Services Limited
Notes to the accounts
for the year ended 31 December 1997

1. Accounting policies

Basis of accounting

The accounts are prepared under the historical cost convention.

Going concern

The accounts have been prepared on a going concern basis on the assumption that the company will not exceed its cash resources and continued support will be provided by the directors and bankers.

The directors are confident that the assumptions are appropriate on the evidence of the current position and of the projected trading in the foreseeable future.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of Value Added Tax.

Depreciation

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

| | |
|-----------------------|-------------|
| Property improvements | 50% on cost |
| Motor vehicle | 25% on cost |
| Office equipment | 25% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Assets held under finance lease and hire purchase agreements are included in tangible fixed assets and depreciated using the appropriate rates. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. Finance charges are taken to the profit and loss account so that the annual rate of charge of the outstanding obligation at the end of each accounting period is approximately constant

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

2. Turnover

In the year ended 31 December 1997, none of the company's turnover was to markets outside the United Kingdom (1996 - £nil).

Wedding List Services Limited
Notes to the accounts
for the year ended 31 December 1997

| 3. | <u>Operating profit/(loss)</u> | <u>1997</u> | <u>1996</u> |
|----|---|--------------------|--------------------|
| | | £ | £ |
| | The operating profit/(loss) is stated after charging: | | |
| | Depreciation of tangible fixed assets | 12,023 | 8,540 |
| | Auditors' remuneration | 3,000 | 3,000 |
| | Directors' remuneration | 57,750 | 14,199 |
| | Operating leases | 666 | 666 |

| 4. | <u>Tangible fixed assets</u> | Property Improvements | Motor Vehicle | Office Equipment | Total |
|----|-------------------------------------|--------------------------|------------------|---------------------|---------|
| | | £ | £ | £ | £ |
| | Cost | | | | |
| | At 1 January 1997 | 8,674 | 3,100 | 27,656 | 39,430 |
| | Additions | 0 | 8,325 | 7,722 | 16,047 |
| | Disposals | 0 | (3,100) | 0 | (3,100) |
| | At 31 December 1997 | 8,674 | 8,325 | 35,378 | 52,377 |
| | Depreciation | | | | |
| | At 1 January 1997 | 6,883 | 1,808 | 11,135 | 19,826 |
| | Charge | 1,791 | 2,079 | 8,153 | 12,023 |
| | Disposals | 0 | (1,808) | 0 | (1,808) |
| | At 31 December 1997 | 8,674 | 2,079 | 19,288 | 30,041 |
| | Net Book Value | | | | |
| | At 31 December 1997 | 0 | 6,246 | 16,090 | 22,336 |
| | At 31 December 1996 | 1,791 | 1,292 | 16,521 | 19,604 |

Included in motor vehicles is an item held under hire purchase agreement with a net book value of £6,246 (1996 - £nil). The depreciation charged on that asset was £2,079 (1996 - £nil).

| 5. | <u>Stocks</u> | <u>1997</u> | <u>1996</u> |
|----|----------------------|--------------------|--------------------|
| | | £ | £ |
| | Goods for resale | 27,358 | 23,648 |

Wedding List Services Limited
Notes to the accounts
for the year ended 31 December 1997

| 6. | <u>Debtors</u> | <u>1997</u> | <u>1996</u> |
|----|-----------------------------|--------------------|--------------------|
| | | £ | £ |
| | Trade debtors | 30,507 | 4,499 |
| | Corporation tax recoverable | 0 | 1,472 |
| | Other debtors | 11,325 | 8,696 |
| | | <hr/> | <hr/> |
| | | 41,832 | 14,667 |
| | | <hr/> | <hr/> |

| 7. | <u>Creditors: amounts falling due within one year</u> | <u>1997</u> | <u>1996</u> |
|----|--|--------------------|--------------------|
| | | £ | £ |
| | Bank loan and overdraft (secured) | 0 | 9,708 |
| | Trade creditors | 101,863 | 99,718 |
| | Other taxes and social security costs | 3,196 | 6,544 |
| | Hire purchase creditor (note 11) | 2,196 | 0 |
| | Accruals | 3,149 | 10,247 |
| | Directors current accounts | 74 | 74 |
| | | <hr/> | <hr/> |
| | | 110,478 | 126,291 |
| | | <hr/> | <hr/> |

| 8. | <u>Creditors: amounts falling due after more than one year</u> | <u>1997</u> | <u>1996</u> |
|----|---|--------------------|--------------------|
| | | £ | £ |
| | Hire purchase creditor (note 11) | 6,037 | 0 |
| | Directors loan | 20,000 | 14,500 |
| | | <hr/> | <hr/> |
| | | 26,037 | 14,500 |
| | | <hr/> | <hr/> |

The director's loan is repayable only when the company is in a position to afford the repayments.

| 9. | <u>Called up share capital</u> | <u>1997</u> | <u>1996</u> |
|----|---------------------------------------|--------------------|--------------------|
| | | £ | £ |
| | Authorised: | | |
| | 100 Ordinary shares of £1 each | 100 | 100 |
| | | <hr/> | <hr/> |
| | Allotted, called up and fully paid: | | |
| | 100 Ordinary shares of £1 each | 100 | 100 |
| | | <hr/> | <hr/> |

Wedding List Services Limited
Notes to the accounts
for the year ended 31 December 1997

| | | | |
|------------|---|--------------------|--------------------|
| 10. | <u>Shareholders' funds</u> | <u>1997</u> | <u>1996</u> |
| | | <u>£</u> | <u>£</u> |
| | Profit/(loss) for the year | <u>33,387</u> | <u>(28,973)</u> |
| | Net addition/(reduction) in shareholders' funds | 33,387 | (28,973) |
| | Opening shareholders funds | <u>(77,236)</u> | <u>(48,263)</u> |
| | Closing shareholders funds | <u>(43,849)</u> | <u>(77,236)</u> |
| 11. | <u>Hire purchase creditor</u> | <u>1997</u> | <u>1996</u> |
| | Repayable within one year | 2,742 | 0 |
| | Repayable in two to five years | <u>7,542</u> | <u>0</u> |
| | | 10,284 | 0 |
| | Less: future finance charges | <u>(2,051)</u> | <u>0</u> |
| | | <u>8,233</u> | <u>0</u> |

12. Post balance sheet events

The Directors are pleased to report that since the year end the company has concluded an agreement with Thomas Goode & Co. Ltd, of 19 South Audley Street, London W1Y 6BN to open its second showroom within their highly reputed store. The Directors are confident that the association of the proven expertise of Wedding List Services Limited, together with the long established name and reputation of Thomas Goode, will ensure a consolidation of the existing improvement in results, and the springboard for further achievements in the next two to five years.

13. Transactions with Directors

At 31 December 1997, the balance of a loan to the company from V Dachtler stood at £20,000 (1996 - £14,500). This loan is interest free and will not be repayable until the company is in a position to afford the repayments.

14. Ultimate Controlling Parties

The controlling parties are C Dachtler and V Dachtler by virtue of each having ownership of 40% of the issued ordinary share capital of the company.