

McIntyre & King (Direct) Limited

FINANCIAL STATEMENTS

for the year ended

31 August 2001



Company Registration No. 2535195

McIntyre & King (Direct) Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of McIntyre & King (Direct) Limited for the year ended 31 August 2001.

PRINCIPAL ACTIVITIES

The company's principal activity was the provision of mail order fulfilment and mailing services. The business was sold to its ultimate holding company, McIntyre & King Limited, on 3 April 1998. During the year the company did not trade and is expected to remain dormant for the foreseeable future.

RESULT FOR THE YEAR

The company did not trade during the year and made neither a profit or loss.

DIRECTORS AND DIRECTORS' INTERESTS

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

B King
N Harwood
R Bischof
A Thompson
R Cook

No director had any interests in the shares of the company. The directors shareholdings in the ultimate holding company, McIntyre & King Limited, are disclosed in the financial statements of that company.

The above directors were all removed on 29 October 2002 and J S Clarkson and D Joseph were appointed as directors on that same day.

AUDITORS

In accordance with Sections 249AA(1) and 388A of the Companies Act 1985, the company, having been dormant throughout the year, is exempt from the provisions of Part VII of the Companies Act 1985 relating to the audit of accounts and from the obligation to appoint auditors.

On behalf of the board



D Joseph
Director

15 November 2002

McIntyre & King (Direct) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 year. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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.

On behalf of the board



D Joseph
Director

15 November 2002

McIntyre & King (Direct) Limited

BALANCE SHEET

as at 31 August 2001

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Intangible assets	6	-	-
		<hr/>	<hr/>
		-	-
CURRENT ASSETS			
Debtors	7	40	40
NET CURRENT ASSETS		<hr/>	<hr/>
		40	40
NET ASSETS		<hr/>	<hr/>
		40	40
CAPITAL AND RESERVES			
Called up share capital	8	760	760
Share premium account	10	26	26
Profit and loss account	10	(746)	(746)
SHAREHOLDERS' FUNDS - EQUITY	9	<hr/>	<hr/>
		40	40

For the year ended 31 August 2001 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221; and
- ii) preparing accountings which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 15 November 2002 and were signed on its behalf by:



D Joseph
Director

McIntyre & King (Direct) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2001

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

BASIS OF PREPARATION

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

PROFIT AND LOSS ACCOUNT

The company did not trade during 2000 or 2001 and therefore a profit and loss account has not been prepared for either of these two years.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £'000	2000 £'000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration:		
Audit	-	-
Other services	-	-
	<hr/>	<hr/>

3 REMUNERATION OF DIRECTORS

	2001 £'000	2000 £'000
Directors' emoluments	-	-
:	<hr/>	<hr/>

The emoluments, excluding pension contributions, of the highest paid director were £NIL (2000: £NIL).

Retirement benefits are accruing to no directors (2000: Nil) under money purchase schemes.

McIntyre & King (Direct) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2001

4 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year, analysed by category, was follows:

	Number of employees	
	2001 £'000	2000 £'000
Production and Data Processing	-	-
Administration	-	5
	<hr/> -	<hr/> 5
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	<hr/> -	<hr/> -
	<hr/>	<hr/>

5 TAXATION

The company has transferred approximately £787,000 of tax losses to McIntyre & King Limited, the company's holding company.

McIntyre & King (Direct) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2001

6 INTANGIBLE FIXED ASSETS

The net book value of intangible fixed assets comprises purchased goodwill arising on the acquisition by the company of the trade and certain of the net assets of Bellman Direct on 28 December 1990 less amounts written off.

Cost	£'000
At beginning and end of year	386
Amortisation	
At beginning and end of year	386
Net book value	
At 31 August 2001	-
Net book value	
At 31 August 2000	-

7 DEBTORS

	2001 £'000	2000 £'000
Amounts owed by group undertakings	40	40

8 CALLED UP SHARE CAPITAL

	As at 31 August 2001		As at 31 August 2000	
	No '000	£'000	No '000	£'000
Authorised				
'A' Ordinary shares of £1 each	1,400	1,400	1,400	1,400
Allotted, called up and fully paid				
'A' Ordinary shares of £1 each	760	760	760	760

McIntyre & King (Direct) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2001

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Retained profit for the year	-	-
Opening shareholders' funds	40	40
Revaluation reserve	-	-
Closing shareholders' funds	<u>40</u>	<u>40</u>

10 SHARE PREMIUM AND RESERVES

	Share premium account £'000	Profit and loss account £'000
At beginning and end of year	<u>26</u>	<u>(746)</u>

11 COMMITMENTS

There are no unprovided capital commitments at the end of the financial year.

12 ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of McIntyre & King Limited, incorporated in England and Wales.