

The Gaymer Group Overseas Holdings Limited

Directors' report and financial statements

30 April 1998

Registered number 2661279



Directors' report and financial statements

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Directors' report

The directors present their report and the audited financial statements for the year ended 30 April 1998.

Principal activities and business review

The principal activity of the company is to hold investments in subsidiary undertakings. The company recorded a loss of £809,000 as a consequence of adjustments to prior year tax charges.

Dividends

No dividend has been paid or is proposed (1997: *£nil*).

Directors and directors' interests

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

P Aikens	
AT Colquhoun	(appointed 7 April 1998)
HC Etheridge	
PW Huntley	(resigned 19 March 1998)

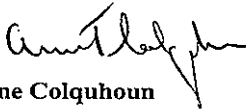
The interests of P Aikens, HC Etheridge and PW Huntley in the ordinary shares and in options to acquire ordinary shares of the ultimate parent company, Matthew Clark plc, are disclosed in the annual report of that company.

AT Colquhoun held 1,142 ordinary shares of the ultimate parent company Matthew Clark plc at 30 April 1998 (1997: 1,142) and 49,144 (1997: 32,144) options to acquire ordinary shares of Matthew Clark plc, under the Matthew Clark Executive Share Option Scheme and options over 2,582 (1997: 2,612) shares under the Savings Related Share Scheme.

Auditors

A resolution to exempt the company from the need to appoint auditors on the grounds that it is dormant will be proposed at the forthcoming Annual General Meeting.

By order of the board



Anne Colquhoun
Secretary

Whitchurch Lane
Bristol
BS14 0JZ

6th November 1998

Statement of directors' responsibilities in respect of the 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Report of the auditors to the members of The Gaymer Group Overseas Holdings Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 2 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 30 April 1998 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc
Chartered Accountants
Registered Auditor

12 November 1998

Profit and loss account

for the year ended 30 April 1998

	<i>Note</i>	1998 £	1997 £
Profit ordinary activities before taxation		-	-
Tax on ordinary activities	4	(809,000)	-
Loss on ordinary activities after tax		(809,000)	-
Loss for the financial period		(809,000)	-

There are no recognised gains or losses in either year other than the loss for the year ended 30 April 1998.

Balance sheet

as at 30 April 1998

	<i>Note</i>	1998 £	1997 £
Current assets			
Debtors: amounts due from group undertakings		6,591,359	6,598,859
Creditors: amounts falling due within one year	5	(8,801,500)	(8,000,000)
Net liabilities		<u>(2,210,141)</u>	<u>(1,401,141)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	6	(2,210,143)	(1,401,143)
Deficit on equity shareholders' funds	8	<u>(2,210,141)</u>	<u>(1,401,141)</u>

These financial statements were approved by the board of directors on 6th November 1998 and were signed on its behalf by:



HC Etheridge
Director

Notes

(forming part of the financial statements)

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.

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996): Cash Flow Statements, a cash flow statement has not been prepared on the grounds that the company is a wholly owned subsidiary undertaking.

Related party transactions

As 100% of the company's voting rights are controlled within the group headed by Matthew Clark plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group or investees of the group qualifying as related parties.

2 Directors' emoluments

The directors received no remuneration for their services to the company during the year (1997: £nil).

3 Audit fee

The audit fee is borne by the ultimate parent undertaking.

4 Taxation

	1998 £	1997 £
Corporation tax - adjustment in respect of prior year	809,000	-

Notes *(continued)*

5 Creditors: amounts falling due within one year

	1998 £	1997 £
Amount owed to parent undertaking	8,000,000	8,000,000
Corporation tax	801,500	-
	<u>8,801,500</u>	<u>8,000,000</u>

6 Profit and loss account

	£
At beginning of period	(1,401,143)
Loss for period	(809,000)
	<u>(2,210,143)</u>
At end of period	<u>(2,210,143)</u>

7 Called up share capital

	1998 £	1997 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

8 Reconciliation of movements in shareholder's funds

	1998	1997
Loss on ordinary activities after tax	(809,000)	-
Opening shareholders' funds	(1,401,141)	(1,401,141)
	<u>(2,210,143)</u>	<u>(1,401,141)</u>
Closing shareholders' funds	<u>(2,210,143)</u>	<u>(1,401,141)</u>

Notes (continued)

9 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The company is a subsidiary undertaking of The Gaymer Group Europe Limited, which is a subsidiary of the ultimate parent company Matthew Clark plc, both are registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is headed by Matthew Clark plc. Copies of the financial statements of Matthew Clark plc may be obtained from the company secretary at Whitchurch Lane, Bristol, BS14 0JZ.