

2900802

THE SAFFRON PARTNERSHIP LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28TH FEBRUARY 1998



ROTHMAN PANTALL & CO

CHARTERED ACCOUNTANTS

SUTTON SURREY

THE SAFFRON PARTNERSHIP LIMITED

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THE SAFFRON PARTNERSHIP LIMITED

DIRECTORS REPORT

DIRECTORS

A J Champion
L R Dunmow

SECRETARY

L R Dunmow

REGISTERED OFFICE

Bank House
1/7 Sutton Court Road
Sutton
Surrey
SM1 4SZ

REGISTERED NUMBER

2900802

FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements for the year ended 28th February 1998.

DIRECTORS RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs 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. The directors are also required to make judgements and estimates that are reasonable and prudent. Finally they must prepare 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.

DIVIDENDS

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activities during the year were those of advertising and design project management. The directors are pleased to report a pre-tax profit of £10,424 for the year.

THE SAFFRON PARTNERSHIP LIMITED

DIRECTORS REPORT (continued)

DIRECTORS INTERESTS

The directors interests in the share capital of the company were as follows:

	<u>28th February 1998</u> <u>£1 Ordinary Shares</u>	<u>28th February 1997</u> <u>£1 Ordinary Shares</u>
A J Champion	50	50
L R Dunmow	50	50

AUDITORS

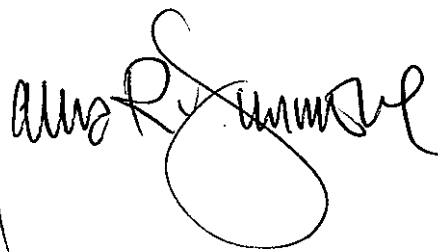
Rothman Pantall & Company have expressed their willingness to continue in office as auditors and in accordance with Section 385 of the Companies Act 1985 a resolution proposing their re-appointment will be submitted to the annual general meeting.

SMALL COMPANY EXEMPTION

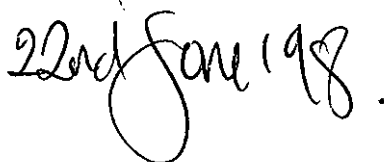
The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

SECRETARY



DATE



THE SAFFRON PARTNERSHIP LIMITED

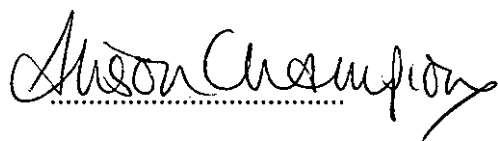
BALANCE SHEET

AS AT 28TH FEBRUARY 1998

	<u>NOTE</u>	<u>1998</u>	<u>1997</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	2	31,518	24,077
<u>CURRENT ASSETS</u>			
Work in progress	3	12,347	5,247
Debtors	4	57,642	62,217
Bank balances and cash		<u>9,398</u>	<u>30,120</u>
		79,387	97,584
<u>CREDITORS</u> : amounts falling due within one year	5	<u>93,460</u>	<u>108,723</u>
<u>NET CURRENT LIABILITIES</u>		(14,073)	(11,139)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		17,445	12,938
<u>CREDITORS</u> : amounts falling due after more than one year	6	<u>-</u>	(1,677)
		<u>17,445</u>	<u>11,261</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	7	100	100
Profit and loss account	8	<u>17,345</u>	<u>11,161</u>
		<u>17,445</u>	<u>11,261</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON 22/6/98


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THE SAFFRON PARTNERSHIP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28TH FEBRUARY 1998

	<u>NOTE</u>	<u>1998</u> £	<u>1997</u> £
<u>TURNOVER</u>		381,893	392,870
Cost of sales		<u>125,941</u>	<u>142,181</u>
<u>GROSS PROFIT</u>		255,952	250,689
Administrative expenses		<u>244,782</u>	<u>196,146</u>
<u>OPERATING PROFIT</u>		11,170	54,543
Interest receivable	14	1	1
Interest payable	13	<u>(747)</u>	<u>(1,102)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	12	10,424	53,442
Tax on profit on ordinary activities	11	<u>4,240</u>	<u>15,030</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		6,184	38,412
Dividend	10	<u>-</u>	<u>28,000</u>
<u>RETAINED PROFIT FOR THE YEAR</u>	8	<u>6,184</u>	<u>10,412</u>

THE SAFFRON PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 1998

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

b) Deferred Taxation

Provision is made on the liability method for deferred taxation in respect of material timing differences which are expected to reverse within the foreseeable future.

c) Depreciation

Depreciation is charged on a straight line basis at the following rate, which is expected to reduce the assets to their net realisable values over their estimated lives:

Fixtures and fittings	20% per annum
Office equipment	20% per annum
Motor vehicles	20% per annum

d) Stock and Work in Progress

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

The cost of bringing each product to its present location and condition is calculated as follows:

Raw materials and consumable stores	-	purchase price on a first in, first out basis
Work in progress and finished goods	-	direct materials and labour plus an appropriate proportion of attributable overheads

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion.

e) Turnover

Turnover is calculated net of value added tax and represents the total amount receivable by the company in respect of goods sold and services supplied during the year and is wholly attributable to its principal activity.

f) Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element is charged to the Profit and Loss Account over the period of the agreement and represents a constant proportion of the repayments outstanding.

THE SAFFRON PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28TH FEBRUARY 1998

2. TANGIBLE ASSETS

Movements during the year are summarised as follows:

	<u>Motor Vehicles</u> £	<u>Office Equipment</u> £	<u>Fixtures & Fittings</u> £	<u>Total</u> £
<u>COST</u>				
As at 1st March 1997	-	22,840	22,026	44,866
Additions	<u>16,678</u>	<u>1,259</u>	-	<u>17,937</u>
As at 28th February 1998	<u>16,678</u>	<u>24,099</u>	<u>22,026</u>	<u>62,803</u>
<u>DEPRECIATION</u>				
As at 1st March 1997	-	9,033	11,756	20,789
Charged	<u>1,390</u>	<u>4,701</u>	<u>4,405</u>	<u>10,496</u>
As at 28th February 1998	<u>1,390</u>	<u>13,734</u>	<u>16,161</u>	<u>31,285</u>
<u>NET BOOK VALUE</u>				
As at 28th February 1998	<u>15,288</u>	<u>10,365</u>	<u>5,865</u>	<u>31,518</u>
As at 28th February 1997	<u>-</u>	<u>13,807</u>	<u>10,270</u>	<u>24,077</u>

The gross amounts of assets held under finance leases amounts to £16,678 (1997 - nil) and the related accumulated depreciation amounts to £1,390 (1997 - nil).

3. STOCK AND WORK IN PROGRESS

	<u>1998</u> £	<u>1997</u> £
Work in progress	<u>12,347</u>	<u>5,247</u>

4. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Trade debtors	55,812	56,045
Prepayments	1,599	3,881
Other debtors	<u>231</u>	<u>2,291</u>
	<u>57,642</u>	<u>62,217</u>

All amounts included above are receivable within one year of the Balance Sheet date.

THE SAFFRON PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28TH FEBRUARY 1998

5. CREDITORS: amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Other creditors	4,764	-
Bank loan (secured by guarantee)	2,377	4,033
Trade creditors	47,621	44,394
Current corporation tax	4,295	13,900
Other taxes and social security costs	11,838	7,154
Directors loan account	4,600	5,206
Accruals	<u>17,965</u>	<u>34,036</u>
	<u>93,460</u>	<u>108,723</u>

6. CREDITORS: amounts falling due after more than one year

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Bank loan (secured by guarantee)	<u>-</u>	<u>1,677</u>

7. SHARE CAPITAL

The authorised share capital is 10,000 ordinary shares of £1 each.

The issued share capital is 100 ordinary shares of £1 each, fully paid.

8. PROFIT AND LOSS ACCOUNT

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Balance at 1st March 1997	11,161	749
Retained profit for the year	<u>6,184</u>	<u>10,412</u>
Balance at 28th February 1998	<u>17,345</u>	<u>11,161</u>

9. DIVIDENDS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Dividends paid in year	<u>-</u>	<u>28,000</u>

THE SAFFRON PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28TH FEBRUARY 1998

10. TAXATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Underprovision in previous year	-	1,130
Corporation tax based on current profit at 24%21% (1997 - 25%/24%)	<u>3,326</u>	<u>13,900</u>
As per profit and loss account	<u>3,326</u>	<u>15,030</u>

The 'close' company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

11. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit is stated after charging:		
Depreciation	10,496	8,972
Directors fees	94,241	41,626
Auditors remuneration	<u>2,750</u>	<u>4,150</u>

12. INTEREST PAYABLE

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Bank interest	3	246
Bank loan	505	856
Hire purchase interest	<u>239</u>	<u>-</u>
	<u>747</u>	<u>1,102</u>

13. INTEREST RECEIVABLE

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Deposit interest received	<u>1</u>	<u>1</u>

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 28th February 1998 the directors had authorised no further capital expenditure (1997 - nil). There were no contingent liabilities at the Balance Sheet date (1997 - nil).

AUDITORS REPORT TO THE SHAREHOLDERS OF

THE SAFFRON PARTNERSHIP LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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.

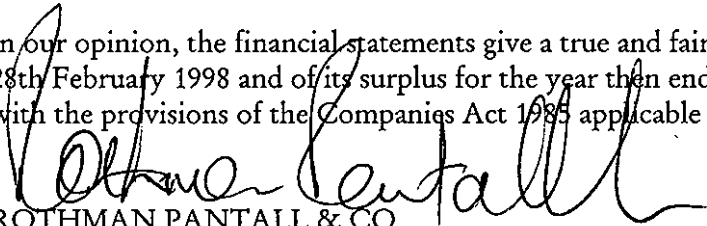
BASIS OF OPINION

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 28th February 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


ROTHMAN PANTALL & CO
CHARTERED ACCOUNTANTS &
REGISTERED AUDITORS

BANK HOUSE
SUTTON COURT ROAD
SUTTON
SURREY

DATE

22 June 1998