

BLYTH'S ART SHOP LIMITED  
COMPANY REGISTRATION NUMBER 2992624

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DIRECTORS REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR TO 31 MARCH 1998

**LUNT, JORDAN & CO.**  
*Chartered Accountants*  
(Incorporating Stewart & Brotherton)  
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BLYTH'S ART SHOP LIMITED

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## BLYTH'S ART SHOP LIMITED

### DIRECTORS' REPORT FOR THE YEAR TO 31 MARCH 1998

The Directors submit their Report and Financial Statements for the year to 31 March 1998.

### PRINCIPAL ACTIVITIES

The principal activity of the company was the supply of graphic art, office materials and equipment through an art shop. The company opened an art gallery in December 1997.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their interest in the company were as stated below.

	<u>Class of Share</u>	<u>Number of Shares</u>	
		<u>31.3.98</u>	<u>31.3.97</u>
D B Thornton	Ordinary	50	50
H M Thornton	Ordinary	50	50
D. Thornton	Ordinary	Nil	Nil

### DIRECTORS' RESPONSIBILITIES

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 period. 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) 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 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.

### ACCOUNTANTS

The accountants, Lunt, Jordan & Company, have expressed their willingness to continue, and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

BLYTH'S ART SHOP LIMITED

DIRECTORS' REPORT FOR THE  
YEAR TO 31 MARCH 1998 Cont'd... ..

TAX STATUS

In the opinion of the Directors the close company provisions of the Income and Corporation Taxes Act 1988 do apply to the Company.

APPROVAL OF REPORT

In preparing this Report, the directors' have taken advantage of special exemptions available to small companies.

The Report was approved by the Board on 9th December 1998 and signed on its behalf.

X BY ORDER OF THE BOARD

D.B. Thornton

D B THORNTON  
CHAIRMAN

Amazon House,  
3 Brazil Street,  
Manchester,  
M1 3PJ.

BLYTH'S ART SHOP LIMITED

PROFIT AND LOSS ACCOUNT  
YEAR TO 31 MARCH 1998

	<u>1998</u>	<u>1997</u>
	£	£
TURNOVER	53,387	41,144
Cost of Sales	<u>39,060</u>	<u>24,686</u>
GROSS PROFIT	14,327	16,458
Administrative Expenses	<u>20,793</u>	<u>17,832</u>
Operating (Loss)	(6,466)	(1,374)
(Loss) Brought forward	<u>(1,862)</u>	<u>(488)</u>
ACCUMULATED LOSSES AT 31 MARCH 1998	<u>(8,328)</u>	<u>(1,862)</u>

STATEMENT OF TOTAL RECOGNISED GAINS

There were no recognised gains or losses other than the loss for the year in the above financial period.

CONTINUING OPERATIONS

None of the company's activities was discontinued or acquired during the above financial period.

The Notes on pages 5 & 6 form part of these Financial Statements

BLYTH'S ART SHOP LIMITED  
BALANCE SHEET AS AT 31 MARCH 1998

		£	1998	£	£	£
	Notes					
FIXED ASSETS	3			2,468		Nil
CURRENT ASSETS						
Stocks		3,267				
Debtors		477				Nil
Loan		514				515
Cash at Bank & on hand		50				27
		<u>4,308</u>				<u>542</u>
CURRENT LIABILITIES						
Associated Company Loan	4	8,579			1,668	
Creditors: Amounts falling due within one year	5	1,440			646	
		<u>10,019</u>			<u>2,304</u>	
NET (LIABILITIES)				(5,711)		(1,762)
Creditors: Amounts falling due After on year				(3,243)		(1,762)
				4,985		Nil
				<u>(8,228)</u>		<u>(1,762)</u>
CAPITAL AND RESERVES						
Called up Share Capital	6		100			100
Profit and Loss Account	7		(8,328)			(1,862)
Shareholders Funds	8		<u>(8,228)</u>			<u>(1,762)</u>

DIRECTORS DECLARATION ON THE UNAUDITED FINANCIAL STATEMENTS

- (a) for the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985.
- (b) no notice has been deposited under subsection (2) of section 249B.
- (c) the directors acknowledge their responsibility for:
- (i) ensuring that the company keeps proper accounting records which comply with section 221, and
- (ii) preparing Financial Statements 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 and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to Financial Statements, so far as applicable to the company.
- (d) advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8.
- (e) advantage has been taken, in the preparation of the Financial Statements, of special exemptions applicable to small companies.
- (f) in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company under section 247.

The Directors approved these Financial Statements on 31 March 1998  
 ..... D.B. THORNTON)  
 ..... H.M. THORNTON) DIRECTORS

The Notes on pages 5 & 6 form part of these Financial Statements

BLYTH'S ART SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR TO 31 MARCH 1998

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The Financial Statements are prepared under the historical cost convention.

TURNOVER

Turnover represents amounts receivable for goods and services provided in the U.K. net of VAT and trade discounts.

DEPRECIATION

Depreciation has been charged at the following rates

Fixturs and Fittings  $7\frac{1}{2}\%$  x written down value.

2. OPERATING PROFIT

Operating profit is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Accountants Remuneration	600	646
Management Charge	15,000	15,000

3. FIXED ASSETTS

FIXTURES

Additions	<u>2,668</u>
at 31.3.98	<u>2,668</u>
Depreciation Charged for year	<u>200</u>
At 31.3.98	<u>200</u>
Written Down Value at 31.3.98	<u>2,468</u>

4. ASSOCIATED COMPANY LOAN

The Associated Company has deferred part of its loan account regarding the deficit on the Profit and Loss Account.

BLYTH'S ART SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 1998

5. CREDITORS

	<u>1998</u>	<u>1997</u>
Amounts falling due within one year:		
Bank Overdraft	194	Nil
Other Creditors	<u>1,246</u>	<u>646</u>
	<u>1,440</u>	<u>646</u>

6. SHARE CAPITAL

Authorised, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
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7. PROFIT & LOSS ACCOUNT

Accumulated losses at 1 April 1997	(1,862)	(488)
(Loss) for the year	<u>(6,466)</u>	<u>(1,374)</u>
Accumulated (Losses) at 31 March 1998	<u>(8,328)</u>	<u>(1,862)</u>

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

(Losses) for the year	<u>(6,466)</u>	<u>(1,374)</u>
	<u>(6,466)</u>	<u>(1,374)</u>
Net (reduction) Addition to Shareholders Funds		
Opening Shareholders Funds	<u>(1,762)</u>	<u>(388)</u>
Closing Shareholders Funds	<u>(8,228)</u>	<u>(1,762)</u>