

By Word of Mouth Limited
Abbreviated financial statements
For the year ended 30 April 2003

Grant Thornton 



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COMPANIES HOUSE

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19/09/03

Company no.3310603

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Independent auditors' report to the company pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the balance sheet, principal accounting policies and the related notes, together with the financial statements of the company for the year ended 30 April 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 4 to 8 are properly prepared in accordance with those provisions.


GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BIRMINGHAM
8 September 2003

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards. The accounts have been prepared on a going concern basis which the directors believe to be appropriate due to the availability of financial support from the parent undertaking.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property - reducing balance on remaining period of lease
Motor vehicles - 25% reducing balance
Kitchen equipment - 25% reducing balance
Office equipment - 25% reducing balance

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

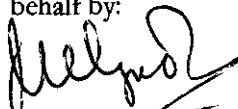
Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

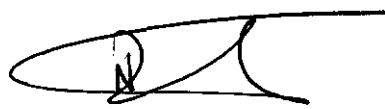
Balance sheet

	Note	2003 £	2002 £
Fixed assets	1		
Tangible assets		<u>130,540</u>	<u>-</u>
Current assets			
Stocks		44,158	-
Debtors		252,010	274,646
Cash at bank and in hand		<u>259</u>	<u>26,786</u>
		296,427	301,432
Creditors: amounts falling due within one year		<u>467,000</u>	<u>291,401</u>
Net current (liabilities)/assets		(170,573)	10,031
Total assets less current liabilities		<u>(40,033)</u>	<u>10,031</u>
Creditors: amounts falling due after more than one year		14,837	-
		<u>(54,870)</u>	<u>10,031</u>
Capital and reserves			
Called-up share capital	2	18,401	10,000
Profit and Loss Account		<u>(73,271)</u>	<u>31</u>
(Deficiency)/shareholders' funds		<u>(54,870)</u>	<u>10,031</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 8/9/03 and are signed on their behalf by:


M Lloyd Owen
Director


N Brewster
Director

Notes to the abbreviated financial statements

1 Fixed assets

	Tangible Assets £
Cost	
Additions	2,445
Disposals	(7,010)
Business acquisition	301,719
At 30 April 2003	<u>297,154</u>
Depreciation	
Charge for year	5,939
On disposals	(7,010)
Business acquisition	167,685
At 30 April 2003	<u>166,614</u>
Net book value	
At 30 April 2003	<u>130,540</u>

2 Share capital

Authorised share capital:

	2003 £	2002 £
8,500 A Ordinary shares of £1 each	8,500	8,500
1,500 B Ordinary shares of £1 each	1,500	1,500
8,401 7% Preference shares of £1 each	8,401	—
	<u>18,401</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
A Ordinary shares	8,500	8,500	8,500	8,500
B Ordinary shares	1,500	1,500	1,500	1,500
7% Preference shares	8,401	8,401	—	—
	<u>18,401</u>	<u>18,401</u>	<u>10,000</u>	<u>10,000</u>

2 Share capital (continued)

During the year the company issued 8,401 7% £1 preference shares at par. These were allotted to certain directors of the company and amounts due in respect of these shares were debited to the directors' current account.

3 Parent undertaking and controlling party

The company's immediate and ultimate controlling party is The Simply Smart Group Limited, by virtue of its 100% shareholding.