

**BY WORD OF MOUTH LIMITED**  
**FINANCIAL STATEMENTS**  
**30 APRIL 1999**

**Company Registration Number 3310603**

**HEXTALL MEAKIN**  
Chartered Accountants & Registered Auditors  
Argon House  
Argon Mews  
Fulham Broadway  
London  
SW6 1BJ



**BY WORD OF MOUTH LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 1999**

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## **BY WORD OF MOUTH LIMITED**

### **THE DIRECTORS' REPORT**

**YEAR ENDED 30 APRIL 1999**

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The directors present their report and the financial statements of the company for the year ended 30 April 1999.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the period was the provision of catering services.

#### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 30 April 1999</b>	<b>At 1 May 1998</b>
M Lloyd Owen	33	33
J Lloyd Owen	33	33
J Tinne	33	33

#### **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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

#### **AUDITORS**

A resolution to re-appoint Hextall Meakin as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# BY WORD OF MOUTH LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 1999

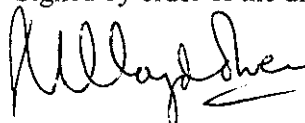
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### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
22 Glenville Mews  
Kimber Road  
London  
SW18 4NJ

Signed by order of the directors



M LLOYD OWEN  
Company Secretary

Approved by the directors on

30 October 1999

# **Hextall Meakin**

## **Chartered Accountants**

Argon House, Argon Mews, Fulham Broadway, London SW6 1BJ  
Telephone: 020 7381 2022 Fax: 020 7385 1087  
E-mail: admin@hextallmeakin.co.uk

### **BY WORD OF MOUTH LIMITED**

### **AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 30 APRIL 1999**

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 6.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of the 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.

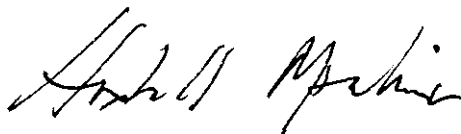
#### **BASIS OF OPINION**

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 company's state of affairs as at 30 April 1999 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**Hextall Meakin**  
**Chartered Accountants**  
**Registered Auditors**

**Dated:**

*4/11/99*

**BY WORD OF MOUTH LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 APRIL 1999**

	Note	Year to 30 Apr 99 £	Period from 31 Jan 97 to 30 Apr 98 £
<b>TURNOVER</b>		2,602,397	2,278,768
Cost of sales		2,600,750	2,277,100
<b>GROSS PROFIT</b>		1,647	1,668
Administrative expenses		1,568	1,697
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	79	(29)
Interest payable		41	14
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		38	(43)
Tax on profit/(loss) on ordinary activities		(28)	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		10	(43)
Balance brought forward		(43)	-
Balance carried forward		(33)	(43)


The notes on pages 6 to 8 form part of these financial statements.

**BY WORD OF MOUTH LIMITED****BALANCE SHEET****30 APRIL 1999**

		1999		1998	
	Note	£	£	£	£
<b>CURRENT ASSETS</b>					
Debtors	3	156,929		109,560	
Cash at bank and in hand		19,039		-	
		<u>175,968</u>		<u>109,560</u>	
<b>CREDITORS: Amounts falling due within one year</b>	4	<u>(175,902)</u>		<u>(109,504)</u>	
<b>NET CURRENT ASSETS</b>			66		56
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>66</u>		<u>56</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	6		99		99
Profit and loss account	7		(33)		(43)
<b>SHAREHOLDERS' FUNDS</b>			<u>66</u>		<u>56</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the directors on the 30 October 19..., and are signed on their behalf by:



M LLOYD OWEN

**BY WORD OF MOUTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 1999**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

**Turnover**

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

**Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

**2. OPERATING PROFIT/LOSS**

Operating profit/loss is stated after charging:

	Year to 30 Apr 99 £	Period from 31 Jan 97 to 30 Apr 98 £
Directors' emoluments	-	-
Auditors' fees	1,250	1,250

**3. DEBTORS**

	1999 £	1998 £
Trade debtors	156,637	108,860
Other debtors	292	-
Prepayments and accrued income	-	700
	<u>156,929</u>	<u>109,560</u>



**BY WORD OF MOUTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 1999**

**4. CREDITORS: Amounts falling due within one year**

	1999		1998	
	£	£	£	£
Bank loans and overdrafts		-		23
Trade creditors		131,991		95,925
Other creditors including:				
Corporation tax	8		-	
VAT	-		344	
Other creditors	42,653		11,962	
		42,661		12,306
Accruals and deferred income		1,250		1,250
		<u>175,902</u>		<u>109,504</u>

**5. RELATED PARTY TRANSACTIONS**

While the company invoices its services, all the related costs are incurred by By Word of Mouth, a partnership in which M Lloyd Owen, J Lloyd Owen and J Tinne, directors of this company, are partners. During the period, the company was recharged for cost of sales to the value of £2,600,750 (1998 - £2,277,800). At 30 April 1999, the company owed the partnership £130,304 (1998 - £95,925).

Throughout the period, the company was under the control of Mr M and Mrs J Lloyd Owen who between them hold two thirds of the issued share capital.

**6. SHARE CAPITAL**

**Authorised share capital:**

	1999	1998
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	1999	1998
	£	£
Ordinary share capital brought forward	99	-
Issue of ordinary shares	-	99
	<u>99</u>	<u>99</u>

**BY WORD OF MOUTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 1999**

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**7. PROFIT AND LOSS ACCOUNT**

	<b>Year to 30 Apr 99 £</b>	<b>Period from 31 Jan 97 to 30 Apr 98 £</b>
Balance brought forward	(43)	-
Retained profit/(loss) for the financial year	10	(43)
Balance carried forward	<u>(33)</u>	<u>(43)</u>