

**BY WORD OF MOUTH LIMITED**  
**FINANCIAL STATEMENTS**  
**30 APRIL 1998**

**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**

**PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998**

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# **BY WORD OF MOUTH LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998**

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The directors present their report and the financial statements of the company for the period from 31 January 1997 to 30 April 1998.

#### **PRINCIPAL ACTIVITIES**

The company was incorporated on 31 January 1997 as Dencopse Limited. The name was changed on 17 February 1997 to By Word of Mouth Limited. Trading began on 7 April 1997. 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 period 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 1998</b>	<b>At 31 January 1997</b>
M Lloyd Owen	33	-
J Lloyd Owen	33	-
J Tinne	33	-
	<u>          </u>	<u>          </u>

#### **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 period and of the profit or loss for the period 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)*

PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998

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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

10/4/98.

# Hexhall Meakin

## Chartered Accountants

Argon House, Argon Mews, Fulham Broadway, London SW6 1BJ  
Telephone: 0171 381 2022 Fax: 0171 385 1087  
E-mail: hexhallmeakin@compuserve.com

### BY WORD OF MOUTH LIMITED

### AUDITORS' REPORT TO THE SHAREHOLDERS

### PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998

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We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 1998 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



**Hexhall Meakin**  
**Chartered Accountants**  
**Registered Auditors**

**Dated:**

11/11/98

T.C. Hexhall FCA G.R. Meakin FCA

Taxation Specialists: D.F. Airey FCA FTII D.G. Windows FCA ATII  
Also at: Beckett House, 4 Bridge Street, Salisbury, Wiltshire SP1 2LX. Telephone: (01722) 414445 Fax (01722) 414196  
Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

**BY WORD OF MOUTH LIMITED****PROFIT AND LOSS ACCOUNT****PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998**

	Note	£
<b>TURNOVER</b>		2,278,768
Cost of sales		<u>2,277,100</u>
<b>GROSS PROFIT</b>		1,668
Administrative expenses		<u>1,697</u>
<b>OPERATING LOSS</b>	<b>2</b>	(29)
Interest payable		14
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(43)</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u>(43)</u>

The notes on pages 6 to 7 form part of these financial statements.

# BY WORD OF MOUTH LIMITED

## BALANCE SHEET

30 APRIL 1998

	Note	£	£
<b>CURRENT ASSETS</b>			
Debtors	3	109,560	
<b>CREDITORS: Amounts falling due within one year</b>	4	(109,504)	
<b>NET CURRENT ASSETS</b>			56
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>56</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	6		99
Profit and loss account	7		(43)
<b>SHAREHOLDERS' FUNDS</b>			<u>56</u>

These accounts 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.

These financial statements were approved by the directors on the 10 November 1998, and are signed on their behalf by:

  
M LLOYD OWEN

The notes on pages 6 to 7 form part of these financial statements.

# BY WORD OF MOUTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998

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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.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the period, 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 LOSS

Operating loss is stated after charging:

	£
Directors' emoluments	-
Auditors' fees	1,250
	<u>1,250</u>

### 3. DEBTORS

	£
Trade debtors	108,860
Prepayments and accrued income	700
	<u>109,560</u>

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

	£	£
Bank loans and overdrafts		23
Trade creditors		95,925
Other creditors including:		
VAT	344	
Other creditors	<u>11,962</u>	
		12,306
Accruals and deferred income		1,250
		<u>109,504</u>



# BY WORD OF MOUTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 31 JANUARY 1997 TO 30 APRIL 1998

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### 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 £2,277,800. At 30 April 1998, the company owed the partnership £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:

	£
1,000 Ordinary shares of £1 each	1,000

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

	£
Issue of ordinary shares	99

Two shares were in issue on incorporation of the company on 31 January 1997. On 17 March 1997 a further 97 Ordinary £1 shares were issued at par.

### 7. PROFIT AND LOSS ACCOUNT

	£
Retained loss for the financial period	(43)
Balance carried forward	(43)