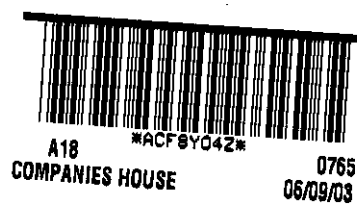


Company Registration No. 3332902 (England and Wales)

**THE FETHER MILES GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2003**



# THE FETHER MILES GROUP LIMITED

## COMPANY INFORMATION

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**Directors**

K.B. Fether  
R. Miles

**Secretary**

R. Miles

**Company number**

3332902

**Registered office**

29/30 Fitzroy Square  
London  
W1T 6LQ

# THE FETHER MILES GROUP LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1
Profit and loss account	2
Balance sheet	3 - 4
Notes to the financial statements	5 - 13

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# THE FETHER MILES GROUP LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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The directors present their report and financial statements for the year ended 31 March 2003.

### Principal activities and review of the business

The principal activities of the company is that of a holding company and property investment.

The directors are satisfied with the performance of the company for the year under review and look to the future with confidence.

### Results and dividends

The results for the year are set out on page 2.

### Directors

The following directors have held office since 1 April 2002:

K.B. Fether

R. Miles

### Directors' interests

At the beginning and end of the year K.B. Fether held 795 'A' Ordinary shares of £0.10 each and R. Miles owned 605 'B' Ordinary shares of £0.10 each.

The directors do not recommend payment of an ordinary dividend.

### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

On behalf of the board



R. Miles

Director

Date: 20.8.03

# THE FETHER MILES GROUP LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	<b>2</b>	165,000	109,273
Administrative expenses		(41,171)	(164,641)
Other operating income		-	4,848
<b>Operating profit/(loss)</b>	<b>3</b>	123,829	(50,520)
Investment income	<b>4</b>	25,000	-
Amounts written off investments	<b>5</b>	-	(1,000)
Interest payable and similar charges	<b>6</b>	(24,078)	(29,086)
<b>Profit/(loss) on ordinary activities before taxation</b>		124,751	(80,606)
Tax on profit/(loss) on ordinary activities	<b>7</b>	(18,687)	-
<b>Profit/(loss) on ordinary activities after taxation</b>		106,064	(80,606)
Dividends	<b>8</b>	(20,000)	-
<b>Retained profit/(loss) for the year</b>	<b>15</b>	86,064	(80,606)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# THE FETHER MILES GROUP LIMITED

## BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	9	329,889		336,821	
Investments	10	37,238		37,238	
		<u>367,127</u>		<u>374,059</u>	
<b>Current assets</b>					
Debtors	11	34,407		40,877	
		<u>34,407</u>		<u>40,877</u>	
<b>Creditors: amounts falling due within one year</b>	12	(65,430)		(142,391)	
<b>Net current liabilities</b>		<u>(31,023)</u>		<u>(101,514)</u>	
<b>Total assets less current liabilities</b>		336,104		272,545	
<b>Creditors: amounts falling due after more than one year</b>	13	(327,865)		(350,370)	
		<u>8,239</u>		<u>(77,825)</u>	
<b>Capital and reserves</b>					
Called up share capital	14	1,540		1,540	
Other reserves	15	350		350	
Profit and loss account	15	6,349		(79,715)	
<b>Shareholders' funds - equity interests</b>	16	<u>8,239</u>		<u>(77,825)</u>	

# THE FETHER MILES GROUP LIMITED

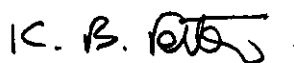
## BALANCE SHEET AS AT 31 MARCH 2003

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 20.8.03

  
.....  
R. Miles  
Director

  
.....  
K.B. Fether  
Director

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold Property	Straight line over fifty years
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#### 1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit/(loss)</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	6,932	4,259
Loss on disposal of tangible assets	-	2,267
	<hr/>	<hr/>
<b>4 Investment income</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Income from shares in group undertakings	25,000	-
	<hr/>	<hr/>

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# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

<b>5</b>	<b>Amounts written off investments</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	1,000
<b>6</b>	<b>Interest payable</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	On loans repayable after 5 years	24,078	29,086
<b>7</b>	<b>Taxation</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	18,687	-
	<b>Current tax charge</b>	<b>18,687</b>	<b>-</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	124,751	(80,606)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002 : 20.00%)	23,703	(16,121)
	Effects of:		
	Non deductible expenses	4,826	14,906
	Depreciation	1,317	852
	Capital allowances	(274)	(385)
	Tax losses utilised	(6,135)	295
	Chargeable disposals	-	453
	Dividends and distributions received	(4,750)	-
		(5,016)	16,121
	<b>Current tax charge</b>	<b>18,687</b>	<b>-</b>

The company has estimated losses of £ 27,409 (2002 : £ 34,696) available for carry forward against future trading profits.

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

8	Dividends	2003	2002
		£	£
	Ordinary interim paid	<u>20,000</u>	<u>-</u>
9	Tangible fixed assets	Freehold Property	
		£	
	<b>Cost</b>		
	At 1 April 2002 & at 31 March 2003	<u>346,605</u>	
	<b>Depreciation</b>		
	At 1 April 2002	9,784	
	Charge for the year	<u>6,932</u>	
	At 31 March 2003	<u>16,716</u>	
	<b>Net book value</b>		
	At 31 March 2003	<u>329,889</u>	
	At 31 March 2002	<u>336,821</u>	

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 10 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2002 & at 31 March 2003	38,238
<b>Provisions for diminution in value</b>	
At 1 April 2002 & at 31 March 2003	1,000
<b>Net book value</b>	
At 31 March 2003	37,238
At 31 March 2002	37,238

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
FM Design Limited	Great Britain	Ordinary	100
FM Modelmakers Limited	Great Britain	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
FM Design Limited	46,313	66,107
FM Modelmakers Limited	4,414	-

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

11 Debtors	2003 £	2002 £
Trade debtors	-	11,368
Amounts owed by subsidiary undertakings	26,700	17,328
Other debtors	7,707	12,181
	<u>34,407</u>	<u>40,877</u>

12 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	3,079	-
Trade creditors	1,571	24,484
Amounts owed to subsidiary undertakings	2,101	-
Corporation tax	18,687	-
Other taxes and social security costs	60	-
Directors' current accounts	-	29,634
Other creditors	22,192	57,900
Accruals and deferred income	17,740	30,373
	<u>65,430</u>	<u>142,391</u>

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

13 Creditors: amounts falling due after more than one year	2003 £	2002 £
Other loans	327,865	350,370
<b>Analysis of loans</b>		
Wholly repayable within five years	350,057	375,515
	350,057	375,515
Included in current liabilities	(22,192)	(25,145)
	327,865	350,370
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	23,980	26,900
In more than two years but not more than five years	84,175	92,504
In more than five years	219,710	230,966

The building society loan of £350,057 loan is secured by a fixed charge over the company's freehold property.

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

14 Share capital	2003 £	2002 £
<b>Authorised</b>		
8,600 Ordinary shares of £ 1 each	8,600	8,600
795 AA Ordinary shares of 10p each	80	80
605 BB Ordinary shares of 10p each	60	60
795 A Ordinary shares of £ 1 each	795	795
605 B Ordinary shares of £ 1 each	605	605
	<hr/>	<hr/>
	10,140	10,140
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
800 AA Ordinary shares of 10p each	80	80
600 BB Ordinary shares of 10p each	60	60
795 A Ordinary shares of £ 1 each	795	795
605 B Ordinary shares of £ 1 each	605	605
	<hr/>	<hr/>
	1,540	1,540
	<hr/>	<hr/>

### Rights of Shares

The 'AA' Ordinary Shares shall as a class be entitled to a preferential dividend equal to 795/1400 of the profits of the company available for distribution in any financial year excluding capital profits. If there are no 'AA' Ordinary Shares in issue the 'A' Ordinary Shares shall as a class be entitled to the said preferential dividend on the same terms. The 'BB' Ordinary Shares are entitled to same rights in respect of 'B' Ordinary Shares with a preferential dividend ratio of 605/1400.

The remaining profits of the company which are available for distribution and which the company determines to distribute in respect of any financial year shall be distributed only among the holders of Ordinary 'A' and 'B' Shares.

On a return of assets on liquidation or otherwise, any assets remaining after the payment of its liabilities shall be distributed among the holders of ordinary shares but subject thereto shall be distributed amongst the holders of 'A' and 'B' Ordinary Shares only pro rata to the amounts paid up or credited as paid up on such shares held by them.

Every holder of 'A' and 'B' Ordinary Shares shall be entitled to attend and vote at any general meeting of the company with one share representing one vote. The holders of 'AA' and 'BB' Ordinary Shares are not entitled to vote or attend except in relation to a resolution to vary rights attached to these shares which requires the approval of three-quarters of the nominal value of 'AA' and 'BB' Ordinary Shares.

# THE FETHER MILES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2002	350	(79,715)
Retained profit for the year	-	86,064
	<hr/>	<hr/>
Balance at 31 March 2003	350	6,349
	<hr/>	<hr/>
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 April 2002 & at 31 March 2003	350	
	<hr/>	

### 16 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit/(Loss) for the financial year	106,064	(80,606)
Dividends	(20,000)	-
	<hr/>	<hr/>
	86,064	(80,606)
Proceeds from issue of shares	-	140
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	86,064	(80,466)
Opening shareholders' funds	(77,825)	2,641
	<hr/>	<hr/>
Closing shareholders' funds	8,239	(77,825)
	<hr/>	<hr/>

### 17 Contingent liabilities

On 27 June 1997 the company entered into a composite guarantee with Barclays Bank Plc whereby there is a right of set off between all bank accounts held by the group companies. At 31 March 2003 the group's net bank borrowings amounted to £Nil (2001: £Nil).