

**FIRST & 42ND LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**  
Company Registration No. 3280816 (England and Wales)

**Shelley Stock Hutter**  
**Chartered Accountants**  
**& Registered Auditors**  
**45 Mortimer Street**  
**London W1N 7TD**



# FIRST & 42ND LIMITED

## COMPANY INFORMATION

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Director	A Canning
Secretary	M Canning
Company number	3280816
Registered office	45 Mortimer Street London W1N 7TD
Auditors	Shelley Stock Hutter 45 Mortimer Street London W1N 7TD
Business address	Flat 2 31 Belsize Avenue London NW3 2BL

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# FIRST & 42ND LIMITED

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# FIRST & 42ND LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

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The director presents her report and financial statements for the year ended 31 December 1998.

### Principal activities

The principal activity of the company during the year continued to be that of communication consultants and contractors.

### Year 2000

The director has considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

### Director

The following director has held office since 1 January 1998:

A Canning

### Director's interests

	Ordinary shares of £ 1 each	
	31 December 1998	1 January 1998
A Canning	100	100

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Shelley Stock Hutter be reappointed as auditors of the company will be put to the Annual General Meeting.

# FIRST & 42ND LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

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### Director's responsibilities

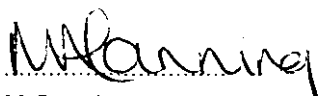
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

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

By order of the board



M Canning

Secretary

Date 6/9/99

# FIRST & 42ND LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF FIRST & 42ND LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of the director and auditors

As described on page 2 the company's director is responsible for the preparation of 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 director 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 state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Shelley Stock Hutter**  
**Chartered Accountants**  
**Registered Auditor**

Date 9 September 1999

45 Mortimer Street  
London  
W1N 7TD

# FIRST & 42ND LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Turnover		683,893	410,606
Cost of sales		(87,132)	(37,581)
<b>Gross profit</b>		596,761	373,025
Administrative expenses		(410,213)	(242,995)
<b>Operating profit</b>	<b>2</b>	186,548	130,030
Other interest receivable and similar income	<b>3</b>	3,223	541
Interest payable and similar charges	<b>4</b>	(315)	-
<b>Profit on ordinary activities before taxation</b>		189,456	130,571
Tax on profit on ordinary activities	<b>5</b>	(40,112)	(28,060)
<b>Profit on ordinary activities after taxation</b>		149,344	102,511
Dividends		(81,000)	(41,000)
<b>Retained profit for the year</b>	<b>11</b>	68,344	61,511

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.

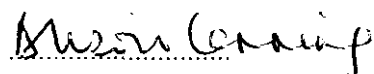
# FIRST & 42ND LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £	£	1997 £	£
<b>Fixed assets</b>					
Tangible assets	6		40,199		17,033
<b>Current assets</b>					
Debtors	7	196,728		29,569	
Cash at bank and in hand		50,280		111,097	
		<u>247,008</u>		<u>140,666</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(157,252)</u>		<u>(96,088)</u>	
<b>Net current assets</b>			89,756		44,578
<b>Total assets less current liabilities</b>			<u>129,955</u>		<u>61,611</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account	11		129,855		61,511
<b>Shareholders' funds - equity interests</b>	12		<u>129,955</u>		<u>61,611</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 6.9.99



A Canning  
Director



# FIRST & 42ND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### 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 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:

Fixtures, fittings & equipment	25% Reducing balance
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#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### 1.6 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 director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Operating profit

	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,179	6,327
Operating lease rentals	5,563	4,765
Auditors' remuneration	3,000	3,000
Director's emoluments	93,200	42,000
	<u>          </u>	<u>          </u>

### 3 Other interest receivable and similar income

	1998	1997
	£	£
Bank interest	3,223	541
	<u>          </u>	<u>          </u>

# FIRST & 42ND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

<b>4</b>	<b>Interest payable</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	On overdue tax	315	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 21% (1997 - 21%)	40,112	28,060
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Tangible fixed assets</b>		
			<b>Plant and machinery etc £</b>
	<b>Cost</b>		
	At 1 January 1998		23,360
	Additions		30,345
			<u>          </u>
	At 31 December 1998		53,705
			<u>          </u>
	<b>Depreciation</b>		
	At 1 January 1998		6,327
	Charge for the year		7,179
			<u>          </u>
	At 31 December 1998		13,506
			<u>          </u>
	<b>Net book value</b>		
	At 31 December 1998		40,199
			<u>          </u>
	At 31 December 1997		17,033
			<u>          </u>
<b>7</b>	<b>Debtors</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	Trade debtors	189,947	27,859
	Other debtors	6,781	1,710
		<u>          </u>	<u>          </u>
		196,728	29,569
		<u>          </u>	<u>          </u>

# FIRST & 42ND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

8	Creditors: amounts falling due within one year	1998 £	1997 £
	Bank loans and overdrafts	-	6,216
	Corporation tax	19,862	17,810
	Taxation and social security	49,226	42,179
	Other creditors	88,164	29,883
		<u>157,252</u>	<u>96,088</u>

### 9 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,243 (1997 - £2,980).

10	Share capital	1998 £	1997 £
	<b>Authorised</b>		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1998	61,511
Retained profit for the year	68,344
Balance at 31 December 1998	<u>129,855</u>

# FIRST & 42ND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

12 Reconciliation of movements in shareholders' funds	1998 £	1997 £
Profit for the financial year	149,344	102,511
Dividends	(81,000)	(41,000)
	<hr/> 68,344	<hr/> 61,511
Proceeds from issue of shares	-	100
	<hr/> 68,344	<hr/> 61,611
Net addition to shareholders' funds	68,344	61,611
Opening shareholders' funds	61,611	-
	<hr/> 129,955	<hr/> 61,611
Closing shareholders' funds	<hr/> <hr/> 129,955	<hr/> <hr/> 61,611

### 13 Financial commitments

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as follows:

	1998 £	1997 £
Expiry date:		
Within one year	7,764	11,652
Between two and five years	3,395	11,159
	<hr/> 11,159	<hr/> 22,811
	<hr/> <hr/> 11,159	<hr/> <hr/> 22,811

### 14 Related party transactions

#### Control

The company is wholly owned and controlled by the director.

#### Transactions

During the year, the director withdrew £84,655 cash from the company. A dividend of £810 per share was paid to the director, and a recharge of £1,200 was made to the company in respect of use of home as office.