

COMPANY NUMBER : 02174725

THE CHADWICK GROUP LIMITED

ACCOUNTS

31ST AUGUST, 2001



AGN s h i p l e y s
chartered accountants

AGN s h i p l e y s

chartered accountants

10 Orange Street, Haymarket, London WC2H 7DQ
Tel: +44 (0)20 7312 0000 Fax: +44 (0)20 7312 0022

ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED ACCOUNTS OF

THE CHADWICK GROUP LIMITED

We have prepared, on the basis of the information contained in the company's accounting records and provided by the company's director, and without carrying out an audit or examination, the accounts set out on pages 3 to 7. The accounts have been prepared in accordance with the applicable requirements of the Companies Act 1985, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

As described on page 4 the company's director is responsible for the accounts and he believes the company is exempt from an audit.

We have not conducted an audit on the accounts in accordance with Auditing Standards or an examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board and accordingly we express no opinion thereon.

Our work does not provide any assurance that the records and the accounts are free from material misstatement.



Chartered Accountants

25 JUNE 2002

THE CHADWICK GROUP LIMITED
COMPANY INFORMATION

Director

J.A.H. Chadwick

Secretary

C.R. Secretaries

Registered Office

120 East Road,
London N1 6AA.

Accountants

AGN Shipleys,
10 Orange Street,
Haymarket,
London WC2H 7DQ.

THE CHADWICK GROUP LIMITED

DIRECTOR'S REPORT

The director submits his report together with the unaudited accounts for the year ended 31st August, 2001.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activities are the provision of architectural, interior, graphic and product design services, space management and allied agencies.

The results for the year are set out on page 4 and were as expected in the light of current trading conditions.

The directors do not recommend the payment of a dividend.

DIRECTOR'S INTEREST

The director who served during the year and his beneficial interest in the share capital of the company was as follows:-

	Ordinary Shares of £1 Each	
	31st August, 2001	1st September, 2000
J.A.H. Chadwick	990	990

Mrs. M.R. Chadwick holds the remaining 10 shares on trust.

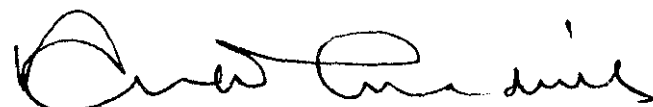
CASH FLOW STATEMENT

In the opinion of the director the company qualifies as a small company and as such no cash flow statement has been prepared.

EXEMPTION STATEMENT

The report of the director 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



J.A.H. Chadwick
Director

25 JUL 2002

THE CHADWICK GROUP LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST, 2001

	Notes	2001 £	2000 £
TURNOVER	2	983,000	234,391
COST OF SALES		<u>(177,148)</u>	<u>(108,754)</u>
GROSS PROFIT		805,852	125,637
DISTRIBUTION COSTS		(16,168)	(24,310)
ADMINISTRATIVE EXPENSES		<u>(447,229)</u>	<u>(354,626)</u>
OPERATING PROFIT/(LOSS)	3	342,455	(253,299)
INTEREST PAYBLE	4	<u>(18,855)</u>	<u>(10,609)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		323,600	(263,908)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	6	<u>(50,499)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		273,101	(263,908)
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		<u>(254,771)</u>	<u>9,137</u>
RETAINED PROFIT/(LOSS) CARRIED FORWARD		<u>£18,330</u>	<u>£(254,771)</u>

The notes on pages 5 to 7 form part of these accounts.

THE CHADWICK GROUP LIMITED

BALANCE SHEET

AS AT 31ST AUGUST, 2001

	Notes	£	2001	£	£	2000	£
FIXED ASSETS							
Tangible fixed assets	7			33,828			49,996
CURRENT ASSETS							
Work in progress	1.3&8	72,362			-		
Debtors	9	320,831			97,587		
Cash at bank and in hand		688			28		
			393,881		97,615		
CREDITORS : Amounts falling due within one year	10	<u>(408,379)</u>			<u>(401,382)</u>		
NET CURRENT ASSETS/ (LIABILITIES)				<u>(14,498)</u>			<u>(303,767)</u>
				£19,330			£(253,771)
				=====			=====
CAPITAL AND RESERVES							
Called up share capital	11			1,000			1,000
Profit and loss account				18,330			<u>(254,771)</u>
SHAREHOLDERS' FUNDS				£19,330			£(253,771)
				=====			=====

In the director's opinion the company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31st August, 2001. No notice from members requiring an audit has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with Section 221 and for preparing accounts which give a true and fair view of the state of the affairs of the company as at 31st August, 2001 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June, 2002).

Approved by the Board on

25 JUNE 2002

J.A.H. Chadwick - Director



The notes on pages 5 to 7 form part of these accounts.

THE CHADWICK GROUP LIMITED

NOTES TO THE ACCOUNTS

31ST AUGUST, 2001

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Accounting Convention

The accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:-

Fixtures and fittings	:	25% reducing balance
Computer software and equipment	:	33% reducing balance

1.3 Work in Progress

Work in progress represents labour costs incurred on specific objects but not invoiced as at 31st August, 2001 and has been valued at the lower of cost and net realisable value.

2. TURNOVER

The turnover and operating profit for the year was derived from the company's principal activity and was carried out mainly in the UK.

3. OPERATING PROFIT/(LOSS)	2001 £	2000 £
The operating profit/(loss) is stated after charging or crediting:		
Depreciation - owned assets	13,272	20,449
- assets held under hire purchase or finance lease contracts	2,896	3,861
	=====	=====
4. INTEREST PAYABLE		
Bank loans and overdrafts	£18,855	£10,609
	=====	=====

THE CHADWICK GROUP LIMITED
NOTES TO THE ACCOUNTS - CONTINUED

31ST AUGUST, 2001

5. DIRECTOR AND EMPLOYEES	2001 £	2000 £
Employment costs		
Wages and salaries	151,339	152,145
Social security costs	<u>14,668</u>	<u>11,250</u>
	<u>£166,007</u>	<u>£163,395</u>
Remuneration in respect of the director was as follows:-		
Aggregate amount of emoluments paid in respect of qualifying services	<u>£3,000</u>	<u>£3,000</u>
6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	£	£
Tax charge @ 20%	499	-
Under-provision in prior years	<u>50,000</u>	<u>-</u>
	<u>£50,499</u>	<u>£ -</u>

There is a reduced charge for the year due to the availability of brought forward losses.

7. TANGIBLE FIXED ASSETS	Fixtures & Fittings £	Computer Software & Equipment £	Total £
Cost			
At 1st September, 2000	<u>84,502</u>	<u>151,492</u>	<u>235,994</u>
At 31st August, 2001	<u>84,502</u>	<u>151,492</u>	<u>235,994</u>
Depreciation			
At 1st September, 2000	80,366	105,632	185,998
Charged for the year	<u>1,034</u>	<u>15,134</u>	<u>16,168</u>
At 31st August, 2001	<u>81,400</u>	<u>120,766</u>	<u>202,166</u>
Net Book Value			
At 31st August, 2001	<u>£3,102</u>	<u>£30,726</u>	<u>£33,828</u>
At 31st August, 2000	<u>£4,136</u>	<u>£45,860</u>	<u>£49,996</u>
8. STOCKS	2001		2000
Work in progress	<u>£72,362</u>		<u>£ -</u>

THE CHADWICK GROUP LIMITED
NOTES TO THE ACCOUNTS - CONTINUED

31ST AUGUST, 2001

9. DEBTORS	2001	2000
	£	£
Trade debtors	-	3,727
Other debtors	5,917	93,860
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>314,914</u>	<u>-</u>
	<u>£320,831</u>	<u>£97,587</u>
	=====	=====
 10. CREDITORS : Amounts falling due within one year	 £	 £
Bank loans and overdrafts	128,428	219,594
Trade creditors	145,773	91,721
Amounts owed to group undertakings in which the company has a participating interest	-	2,375
Corporation tax	40,000	-
Other creditors and accruals	<u>94,178</u>	<u>87,692</u>
	<u>£408,379</u>	<u>£401,382</u>
	=====	=====
 11. SHARE CAPITAL		
Authorised, allotted and fully paid		
1,000 ordinary shares of £1 each (2000 : 1,000)	<u>£1,000</u>	<u>£1,000</u>
	=====	=====

12. RELATED PARTY TRANSACTIONS

Included in turnover are amounts totalling £983,000 invoiced to Chadwick International for the provision of studio services (2000 : £224,250). At the balance sheet date £314,914 was owed by Chadwick International, a partnership in which J.A.H. Chadwick is the principal.

13. COMMITMENTS AND POST BALANCE SHEET EVENTS

The company has an annual commitment under a non-cancellable lease of £71,000 which expires between two to five years.