

**THE CHADWICK GROUP LIMITED**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**for the year ended 31 August 1994**

**Company number 02174725**

BINDER HAMLYN



# THE CHADWICK GROUP LIMITED

## DIRECTORS' REPORT for the year ended 31 August 1994

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### FINANCIAL STATEMENTS

The director presents his report and financial statements for the year ended 31 August 1994.

### 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 and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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. They 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.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity was that of a holding company until 30 November 1991. Since that date its principal activities have been those of the provision of architectural, interior, graphic and product design services, space management and allied agencies.

### RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £141,324 (1993: profit £167,728).

The directors do not recommend the payment of a dividend.

### DIRECTORS' AND DIRECTORS INTERESTS

The directors during the year and their interests in the shares of the company at the beginning and end of the financial year are:

	£1 ordinary shares 1994 and 1993
JAH Chadwick	990*

\* Mrs ML Chadwick holds the remaining 10 shares on trust.

## THE CHADWICK GROUP LIMITED

### DIRECTORS' REPORT for the year ended 31 August 1994

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#### AUDITORS

On 1 October 1994 our auditors, BDO Binder Hamlyn, joined the Arthur Andersen worldwide organisation and now practise in the name, Binder Hamlyn. They have signed their audit report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 27/6/95



Andrew Chadwick  
Director

# BINDER HAMLYN

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20 Old Bailey  
London EC4M 7BH

## AUDITORS' REPORT

to the members of The Chadwick Group Limited

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 1, the company's directors are 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 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.

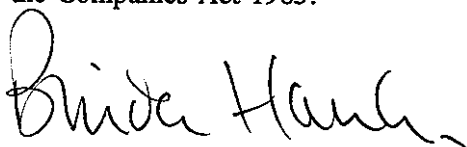
We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 5 of the financial statements concerning the recoverability of the amount of £270,262 owed to the company by a partnership in which Mr JAH Chadwick is principal. The company has no security over this debt, the recoverability of which is dependent upon the future profitability of that partnership, which is uncertain. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
Registered Auditors

27th June 1995

**THE CHADWICK GROUP LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 31 August 1994

	Notes	1994	1993
		£	£
Turnover	1	781,641	1,124,855
Cost of sales		(189,581)	(73,948)
Gross profit		592,060	1,050,907
Administrative expenses		(783,384)	(812,079)
(Loss)/profit on ordinary activities before taxation	2	(191,324)	238,828
Tax on credit/(charge) on (loss)/profit on ordinary activities	3	50,000	(71,100)
(Loss)/profit for the year		(141,324)	167,728
Retained reserve brought forward		169,967	2,239
Retained profit carried forward		28,643	169,967

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses other than the profit and loss for the year.

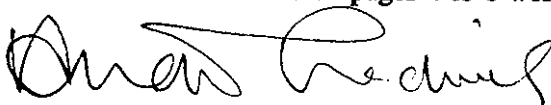
All of the above results derive from continuing activities and there were no acquisitions in the period.

**THE CHADWICK GROUP LIMITED**

**BALANCE SHEET**  
as at 31 August 1994

	Notes	1994		1993	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		26,143		-
<b>CURRENT ASSETS</b>					
Work in progress		24,483		120,000	
Debtors	5	404,949		341,649	
Cash at bank and in hand		527		791	
		429,959		462,440	
<b>CREDITORS:</b> amounts falling due within one year	6	(426,459)		(291,473)	
<b>Net current assets</b>			3,500		170,967
<b>Total assets less current liabilities</b>			29,643		170,967
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		1,000		1,000
Profit and loss account			28,643		169,967
<b>Shareholders' funds</b>	8		29,643		170,967

The financial statements on pages 4 to 8 were approved by the Board on 27/6/95



**Andrew Chadwick**  
Director

**THE CHADWICK GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**Turnover**

Turnover represents amounts receivable for goods net of trade discounts, Value Added Tax and other similar taxes.

**Tangible fixed assets**

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

Computer equipment	- 33% reducing balance
Fixtures and fittings	- 25% reducing balance

**Work in progress**

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

**Foreign currency translation**

Foreign currency transactions are translated in accordance with the provisions of SSAP 20.

**2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

is stated after charging\crediting):	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
(Profit)/loss on foreign currency transaction	(13)	350
Auditors' remuneration as auditors	5,000	10,000

**3 TAXATION**

UK current year corporation tax (credit)/charge at 33% (1993: 33%)	(50,000)	71,100
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**THE CHADWICK GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

4 TANGIBLE FIXED ASSETS	Computer equipment £	Office equipment £	Total £
<b>Cost</b>			
1 September 1993	-	-	-
Transfers in (see note 10)	40,658	82,706	123,364
<b>31 August 1994</b>	<b>40,658</b>	<b>82,706</b>	<b>123,364</b>
<b>Depreciation</b>			
1 September 1993	-	-	-
Transfers in (see note 10)	26,602	60,343	86,945
Charge for the year	4,685	5,591	10,276
<b>31 August 1994</b>	<b>31,287</b>	<b>65,934</b>	<b>97,221</b>
<b>Net book value</b>			
<b>31 August 1994</b>	<b>9,371</b>	<b>16,772</b>	<b>26,143</b>
<b>31 August 1993</b>	<b>-</b>	<b>-</b>	<b>-</b>

5 DEBTORS	1994 £	1993 £
Amounts owed by related undertakings	270,262	-
Trade debtors	103,827	289,086
Other debtors	376	4,376
Prepayments	30,484	48,187
	<b>404,949</b>	<b>341,649</b>

'Amounts owed by related undertakings' represents an amount of £270,262 owed to the company by a partnership in which Mr JAH Chadwick is principal. The company has no security over this debt. The recoverability of this amount is dependent upon the future profitability of that partnership.



**THE CHADWICK GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6 CREDITORS: amounts falling due within one year**

Bank overdraft	140,053	-
Trade creditors	131,128	-
Amount due to related undertakings	39,672	145,183
Corporation tax	21,365	73,700
Other taxes and social security	58,041	52,590
Accruals	20,450	20,000
Other creditors	15,750	-
	<b>426,459</b>	<b>291,473</b>

The bank overdraft is secured by a fixed and floating charge over the assets of the company. Subsequent to the year end, the bank overdraft was partially replaced by a five year loan of £100,000.

<b>7 SHARE CAPITAL</b>	<b>1994</b>	<b>1993</b>
	£	£
Authorised, issued and fully paid		
1,000 ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>

**8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

(Loss)/profit for the financial year	(141,324)	167,728
Opening shareholders' funds	170,967	3,239
Closing shareholders' funds	<b>29,643</b>	<b>170,967</b>

**9 EMPLOYEES**

The average number of persons (including directors) employed by the company was 16 (1993: 15).

**Employment costs**

Wages and salaries	332,935	323,726
Social security costs	30,936	33,416
	<b>363,871</b>	<b>357,142</b>

**10 DIRECTOR'S MATERIAL INTERESTS IN TRANSACTIONS**

During the year the company paid management charges and fees for rent and services totalling £115,000 to a partnership in which JAH Chadwick was a partner (1993: £117,000 to a company of which JAH Chadwick was a director and a partnership in which JAH Chadwick was a partner). Assets with a net book value of £36,419 were also transferred (1993: £Nil) from the partnership to the company.