

BLAZE GROUP HOLDINGS LIMITED

**CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2001



A17
COMPANIES HOUSE

AGF995NF

0392
10/11/01

BLAZE GROUP HOLDINGS LIMITED

Company Information

Directors	F R Allen (appointed 12.4.00) Mrs L J Allen (appointed 12.4.00) Ms S E Allen (appointed 28.7.00)
Secretary	F R Allen
Company Number	3971102
Registered Office	Carlyle House 15 Tonbridge Road Hildenborough Kent TN11 9BH
Auditors	Buckland Steadman & Roberts Chartered Accountants & Registered Auditors 7 Linden Close Tunbridge Wells Kent TN4 8HH

BLAZE GROUP HOLDINGS LIMITED

Contents

	Page
<i>The Group</i>	
Directors' Report	1
Auditors' Report	2
Consolidated Profit and Loss Account	3
Consolidated Balance Sheet	4
Notes to the Financial Statements	5 - 9
 <i>The Company</i>	
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 - 6

BLAZE GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and the consolidated financial statements for the year ended 31 March 2001.

Statement of 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 of the profit or loss of the company 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;
- 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. 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

The group's principal activities during the period were those of sign maintenance and manufacturing.

Group reorganisation

The holding company was incorporated on 12 April 2000 as Blaze Group Holdings (2000) Limited and changed its name by special resolution on 7 August 2000 to Blaze Group Holdings Limited. Under a demerger arrangement which was effected on 28 July 2000, the 100% shareholding in three subsidiaries of the former Blaze Group Holdings Limited were transferred to this company which became the new holding company, in consideration for the issue of the equivalent number of their issued £1 ordinary shares.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	2001	2000
FR Allen (appointed 12.4.00)	55,100	-
Mrs LJ Allen (appointed 12.4.00)	-	-
Ms SE Allen (appointed 28.7.00)	-	-

Auditors

The auditors, Buckland Steadman & Roberts, were appointed during the year and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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

This report was approved by the board and signed on its behalf by:



F R Allen
Secretary

Date: 31. 08. 01

AUDITORS' REPORT TO THE SHAREHOLDERS OF BLAZE GROUP HOLDINGS LIMITED

We have audited the consolidated financial statements on pages 3 to 9 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 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements of the company and the group. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

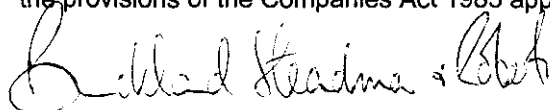
Basis of opinion

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 state of the group's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Buckland Steadman & Roberts

Date: 3rd September 2001

Chartered Accountants & Registered Auditors
7 Linden Close
Tunbridge Wells
Kent
TN4 8HH

BLAZE GROUP HOLDINGS LIMITED**CONSOLIDATED
PROFIT AND LOSS ACCOUNT****For the year ended 31 March 2001**

	Note	2001 £
TURNOVER	1,2	3,404,868
Cost of sales		(1,784,937)
		<hr/>
GROSS PROFIT		1,619,931
Administrative expenses		(1,121,862)
		<hr/>
OPERATING PROFIT	3	498,069
Income from other fixed asset investments		2,074
Interest receivable		33,951
Interest payable		(150)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		533,944
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4	(149,659)
		<hr/>
RETAINED PROFIT CARRIED FORWARD		£ 384,285
		<hr/>

The notes on pages 5 to 9 form part of these financial statements.

BLAZE GROUP HOLDINGS LIMITED

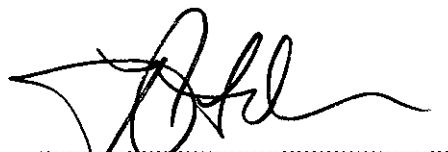
**CONSOLIDATED
BALANCE SHEET**

As at 31 March 2001

	Note	£	2001 £
FIXED ASSETS			
Tangible fixed assets	5		325,254
Investments	6		34,248
			<u>359,502</u>
CURRENT ASSETS			
Stocks		27,473	
Debtors	7	631,702	
Cash at bank and in hand		278,972	
		<u>938,147</u>	
CREDITORS: amounts falling due within one year	8	<u>(817,558)</u>	
NET CURRENT ASSETS			<u>120,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>480,091</u>
PROVISIONS FOR LIABILITIES AND CHARGES	9		<u>(350)</u>
NET ASSETS			<u><u>£ 479,741</u></u>
CAPITAL AND RESERVES			
Called up share capital	10		55,100
Other reserves	11		40,356
Profit and loss account			384,285
SHAREHOLDERS' FUNDS			<u><u>£ 479,741</u></u>

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.

The financial statements were approved by the board and signed on its behalf by:



FR Allen
Director

Date: 31.08.01

The notes on pages 5 to 9 form part of these financial statements.

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Directors' Report.

Although the company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985, the directors believe it is beneficial to prepare consolidated group accounts of the new group following the demerger and reorganisation carried out in July 2000.

As noted in the directors' report 100% of the share capital in the subsidiaries; Blaze Maintenance Ltd, Blaze Electronic Signs Ltd and Excelda Signs Ltd was transferred from the former Blaze Group Holdings to this company on 28 July 2000.

Under the terms of the demerger agreement the majority of the retained earnings of those subsidiaries at 31 March 2000 was distributed to the shareholders prior to the reorganisation, but the benefit of all the trading activity after 31 March 2000 was retained by the subsidiaries. The consolidated accounts have therefore been prepared to include the trading results of the new group for the whole of the year ended 31 March 2001.

The accounts of Blaze Group Holdings Limited have been prepared separately.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	4%	straight line
Plant & machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	25%	reducing balance
Office equipment (computers)	-	33%	straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2001

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.9 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

All of the group's turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2001 £
Depreciation of tangible fixed assets	
- owned by the group	38,636
- held under finance leases and hire purchase contracts	136
Auditors' remuneration	12,750
Directors' emoluments	400,000
Foreign exchange differences	(1,205)

4. TAXATION

	2001 £
Current year taxation	
UK corporation tax	150,871
Prior years	
UK corporation tax - overprovision	(1,212)
	<u>£ 149,659</u>

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2001

5. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Office Equipment £	Total £
Cost or valuation						
Additions (see below)	186,985	7,743	46,032	118,103	14,298	373,161
Disposals	-	-	(9,845)	(26,501)	-	(36,346)
At 31 March 2001	186,985	7,743	36,187	91,602	14,298	336,815
Depreciation						
Charge for year	7,479	1,936	11,744	15,969	1,644	38,772
On disposals	-	-	(9,845)	(17,366)	-	(27,211)
At 31 March 2001	7,479	1,936	1,899	(1,397)	1,644	11,561
Net Book Value						
At 31 March 2001	£ 179,506	£ 5,807	£ 34,288	£ 92,999	£ 12,654	£ 325,254

Included in land and buildings is freehold land valued at £100,000 which is not depreciated.

Additions to fixed assets include assets transferred on the reorganisation date at their net book values at that time as follows:

	<u>Original cost</u>	<u>NBV</u>
	£	£
Freehold land and buildings	278,303	186,985
Plant and machinery	50,435	7,743
Fixtures and fittings	113,429	30,585
Motor vehicles	116,521	51,539
Office equipment (computers)	1,670	839

The remaining additions are stated at cost and arose during the year.

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2001

6. FIXED ASSET INVESTMENTS

	£
Cost	
Additions	34,248
	<u>34,248</u>
At 31 March 2001	<u>34,248</u>
Net Book Value	
At 31 March 2001	£ 34,248
	<u>2001</u>
	£
Representing	
Listed investment	500
Unlisted investment	33,748
	<u>£ 34,248</u>

The market value of the listed shares was £3,803 as at 31 March 2001.

The unlisted investment represents a 50% interest in MDS Media Display Systems International Inc, a company registered in Canada, and in the opinion of the directors the value at the balance sheet date was not less than the cost.

7. DEBTORS

	2001
	£
Due within one year	
Trade debtors	591,323
Other debtors	40,379
	<u>£ 631,702</u>

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2001

8. CREDITORS:

Amounts falling due within one year

	2001 £
Trade creditors	117,636
Corporation tax	154,836
Other taxes and social security costs	220,580
Directors' loan account	74,283
Other creditors	237,123
Accruals	12,750
Net obligations under finance lease and hire purchase contracts	350
	<u>£ 817,558</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £
Deferred taxation	
At 31 March 2001	<u>£ 350</u>

10. CALLED UP SHARE CAPITAL

	2001 £
Authorised	
1,000,000 ordinary shares of £1 each	<u>£ 1,000,000</u>
Allotted, called up and fully paid	
55,100 ordinary shares of £1 each	<u>£ 55,100</u>

During the year 25,000 ordinary shares of £1.00 each were issued fully paid for cash at par.
30,100 ordinary shares of £1.00 each were issued fully paid in consideration for the transfer
of the issued shares in:

a) Blaze Maintenance Limited	15,000
b) Blaze Electronic Signs Limited	100
c) Excelda Signs Limited	<u>15,000</u>
	<u>30,100</u>

11. RESERVES

	£
Other reserves (see note 1.1)	
Reserves of subsidiaries transferred at 1 April 2000	1,240,356
Dividend prior to reorganisation	<u>(1,200,000)</u>
Balance retained at 31 March 2001	<u>£ 40,356</u>

BLAZE GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and the financial statements for the year ended 31 March 2001.

Statement of 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 of the profit or loss of the company 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;
- 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. 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

The company's principal activity during the period was that of management activities and of acting as a holding company to a group of sign maintainers and manufacturers.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	<u>Ordinary shares of £1 each</u>	
	<u>2001</u>	<u>2000</u>
F R Allen (appointed 12.04.00)	25,000	-
Mrs L J Allen (appointed 12.04.00)	-	-
Ms S E Allen (appointed 28.07.00)	-	-

Incorporation and change of name

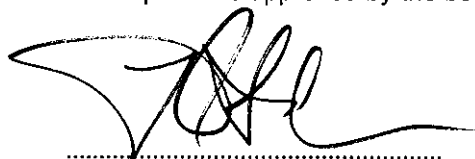
The company was incorporated on 12 April 2000 as Blaze Group Holdings (2000) Limited and changed its name by special resolution on 7 August 2000 to Blaze Group Holdings Limited.

Auditors

The company appointed Messrs Buckland Steadman & Roberts as auditors when the company was formed. They will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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

This report was approved by the board and signed on its behalf by:


.....
F R Allen
Secretary

Date: 31.8.01

AUDITORS' REPORT TO THE SHAREHOLDERS OF BLAZE GROUP HOLDINGS LIMITED

We have audited the financial statements on pages 3 to 6 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 5.

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.

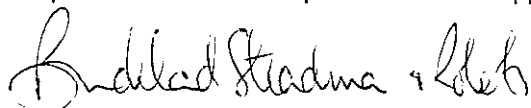
Basis of opinion

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 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 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Buckland Steadman & Roberts

Date: 3rd September 2001

Chartered Accountants & Registered Auditors
7 Linden Close
Tunbridge Wells
Kent
TN4 8HH

BLAZE GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2001

	Note	2001 £
Administrative expenses		<u>(1,553)</u>
LOSS CARRIED FORWARD		<u>£ (1,553)</u>

The notes on pages 5 to 6 form part of these financial statements.

BLAZE GROUP HOLDINGS LIMITED

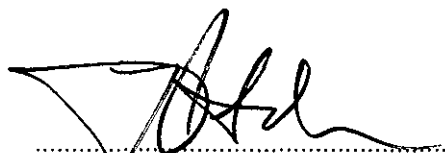
BALANCE SHEET

As at 31 March 2001

	Note	£	2001 £
FIXED ASSETS			
Investments	4		30,100
CURRENT ASSETS			
Debtors	5	30,509	
Cash at bank and in hand		21,581	
		<u>52,090</u>	
CREDITORS: amounts falling due within one year	6	(1,250)	
		<u></u>	
NET CURRENT ASSETS			<u>50,840</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 80,940</u>
CAPITAL AND RESERVES			
Called up share capital	7		55,100
Other reserves	8		27,393
Profit and loss account			(1,553)
			<u></u>
SHAREHOLDERS' FUNDS			<u>£ 80,940</u>

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.

The financial statements were approved by the board and signed on its behalf by:


 F R Allen
 Director

Date: 31.8.01

The notes on pages 5 to 6 form part of these financial statements.

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Directors' Report.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

The company has no turnover of its own but the activities of all its subsidiaries are shown in the consolidated accounts.

2. TURNOVER

All of the company's turnover arose within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging:

	2001
	£
Auditors' remuneration	1,550
	<hr/>
No director received any emoluments (2000 - £Nil).	

4. FIXED ASSET INVESTMENTS

	Shares in group undertakings	Total
	£	£
Cost		
Additions	30,100	30,100
	<hr/>	<hr/>
At 31 March 2001	30,100	30,100
	<hr/>	<hr/>
Net Book Value		
At 31 March 2001	£ 30,100	£ 30,100
	<hr/>	<hr/>

5. DEBTORS

	2001
	£
Due within one year	
Other debtors	£ 30,509
	<hr/>

BLAZE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

6. CREDITORS:

Amounts falling due within one year

	2001 £
Accruals	£ 1,250

7. CALLED UP SHARE CAPITAL

	2001 £
Authorised	
1,000,000 ordinary shares of £1 each	£ 1,000,000
Allotted, called up and fully paid	
55,100 ordinary shares of £1 each	£ 55,100

During the year 55,100 ordinary shares of £1.00 each were issued fully paid for cash at par.

8. RESERVES

	£
Other reserves	
Reserve arising on partition from old holding group	27,393
At 31 March 2001	£ 27,393