

COMPANY NUMBER: 2536708 (ENGLAND & WALES)

ACUTE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000



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ACUTE LIMITED

COMPANY INFORMATION

Company Number: 2536708 (England & Wales)

Directors: Amanda Lismer
Peter Lismer

Secretary: Peter Lismer

Registered Office: 39 High Street
Burford,
Oxfordshire.
OX18 4QE

Bankers: Barclays Bank PLC
Cornmarket,
Oxford,
Oxfordshire.
OX1 3HS

ACUTE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

The Directors present their report and the financial statements for the year ended 30th September 2000.

Principal activities

The principal activity of the company continues to be that of the design, manufacture and marketing of childrenswear and ladies and gentlemen's hairdressing.

Review of business

The profit and loss account for the year follows the Director's Report.

The Directors consider the state of affairs of the Company to be satisfactory. The Directors are aware that the company is reliant upon theirs and the bank's continuing support. At the date of signing this report, that support is ongoing and the Company continues to trade.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Dividends

The Directors do not recommend the payment of a dividend.

Directors' interests

The Directors of the Company during the year and their interests in the share capital of the Company as recorded in the register of Directors' interests were as follows:

	2000	1999
	Number of shares	
Amanda Lismer	1	1
Peter Lismer	1	1

Responsibilities of the Directors

Company law requires the Directors to prepare financial statements for each financial year that 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 a 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 that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to

ACUTE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

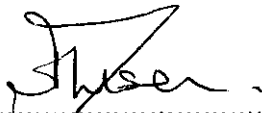
Responsibilities of the Directors (continued)

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.

Audit

Although the Company has been audited in previous periods by The Southill Partnership, the Directors have decided that the accounts of the Company do not require a statutory audit as required under section 394(1) of the Companies Act 1985.

By order of the board



Peter Lisner
Company Secretary

Date: 29th June 2001

39 High Street,
Burford,
Oxfordshire.
OX18 4QE

ACUTE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2000

	Note	2000 £	1999 £
Turnover	2	66,229	61,272
Cost of sales		<u>23,417</u>	<u>19,842</u>
Gross Profit		42,812	41,430
Administrative expenses		<u>42,129</u>	<u>39,060</u>
Operating profit / (loss)	3	683	2,370
Other interest receivable		1	1
Interest payable	5	<u>(1,075)</u>	<u>(1,198)</u>
Profit /(loss) on ordinary activities before taxation		(391)	1,173
Taxation	6	<u>(315)</u>	<u>(615)</u>
Retained profit /(loss) for the year		(706) =====	558 =====

The Company has made no acquisitions or discontinued any operations within the meaning of Financial Reporting Standard 3 during the year therefore turnover and operating profit derive entirely from continuing operations.

The Company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

The annexed notes form part of these financial statements.

ACUTE LIMITED**BALANCE SHEET****AS AT 30TH SEPTEMBER 2000**

	Note	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	7		-		1,200
Tangible assets	8		<u>181</u>		<u>1,459</u>
			181		2,659
Current assets					
Stocks	9	18,299		16,903	
Debtors	10	1,679		332	
Cash at bank and in hand		120		431	
		20,098		17,666	
Creditors					
Amounts falling due within one year	11	(16,529)		(14,442)	
Net current assets			3,569		3,224
Total assets less current liabilities			3,750		5,883
Creditors					
Amounts falling due after more than one year	12		(10,646)		(12,073)
Net liabilities			(6,896)		(6,190)
			=====		=====
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account	14		(6,898)		(6,192)
Shareholders' funds	15		(6,896)		(6,190)
			=====		=====

The annexed notes form part of these financial statements.

For the year ended 30th September 2000 the company was entitled to exemption under section 249A (1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

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ACUTE LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 2000

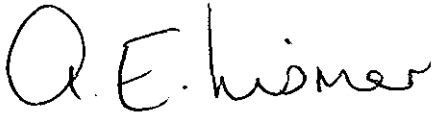
The Directors acknowledge their responsibility for:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts are prepared in accordance with the special provisions of part VII of the Companies act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on

29th June 2001 and were signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'A. E. Lismer'.

Amanda Lismer
Director

ACUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

1. Accounting policies

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards in the United Kingdom. The accounting policies have been applied consistently.

Turnover comprises of the invoiced value of goods and services supplied by the Company, net of Value Added Tax.

The Company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cashflow statement for the year.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost 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:

Leasehold improvements	- The period of the lease
Fixtures and fittings	- 3 to 10 years on cost

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stocks. Cost includes all direct costs.

Leasing

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of the business and the aggregate fair value of its separate net assets. It is being written off in equal annual instalments over its estimated economic life.

ACUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

2. Turnover

Turnover and profit is attributable solely to continuing operations and derives from the principal activity of the Company, which is as described in the Directors' Report.

3. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	5	245
Depreciation and amortisation of owned assets	2,478	2,572
	=====	=====

4. Staff costs

The average number of persons employed by the Company, including Directors, during the year was as follows:

	2000	1999
Office and management	5	5
	=====	=====

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£	£
Wages and salaries	24,434	20,000
Social security	902	739
	=====	=====
	25,336	20,739
	=====	=====

5. Interest payable

	2000	1999
	£	£
Interest payable – bank loans and overdraft and Other loans repayable in more than five years	1,075	1,198
	=====	=====

ACUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

6. Taxation on profit on ordinary activities

	2000 £	1999 £
Current year:		
United Kingdom Corporation Tax	<u>315</u>	<u>615</u>

7. Intangible fixed assets

	Goodwill £
Cost:	
At 1 st October 1999	<u>11,999</u>
At 30 th September 2000	<u>11,999</u>
Amortisation:	
At 1 st October 1999	10,799
Charge for the year	1,200
At 30 th September 2000	<u>11,999</u>
Net book value:	
At 30 th September 2000	<u>NIL</u>
At 30 th September 1999	<u>1,200</u>

8. Tangible fixed assets

	Leasehold Improvements £	Fixtures and Fittings £	Total £
Cost:			
At 1 st October 1999	<u>9,429</u>	<u>8,793</u>	<u>18,222</u>
At 30 th September 2000	<u>9,429</u>	<u>8,793</u>	<u>18,222</u>
Depreciation:			
At 1 st October 1999	8,486	8,277	16,763
Charge for the year	<u>943</u>	<u>335</u>	<u>1,278</u>
At 30 th September 2000	<u>9,429</u>	<u>8,612</u>	<u>18,041</u>
Net book value:			
At 30 th September 2000	<u>NIL</u>	<u>181</u>	<u>181</u>
At 30 th September 1999	<u>943</u>	<u>516</u>	<u>1,459</u>

ACUTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER 2000****9. Stock**

	2000	1999
	£	£
Raw materials and goods for resale	18,299	16,903
	=====	=====

10. Debtors

	2000	1999
	£	£
Due within one year:		
Trade debtors	-	-
Prepayments	1,679	332
	=====	=====
	1,679	332
	=====	=====

11. Creditors – amounts falling due within one year

	2000	1999
	£	£
Bank loans	3,270	2,152
Trade creditors	9,062	7,257
Corporation tax	315	627
Other taxes and social security	1,507	1,306
Accruals	2,375	3,100
	=====	=====
	16,529	14,442
	=====	=====

12. Creditors – amounts falling after more than one year

	2000	1999
	£	£
Bank loan accounts	10,646	12,073
Directors' loan accounts	-	-
	=====	=====
	10,646	12,073
	=====	=====

ACUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

13. Share capital

	2000	1999
Authorised		
Ordinary shares of £1 each	100	100
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2

14. Profit and loss account

	2000	1999
	£	£
Balance brought forward at 1 st October	(6,192)	(6,750)
Profit / (loss) for the year	(706)	558
Balance at 30 th September 2000	(6,898)	(6,192)

15. Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit/(Loss) for the financial year	(706)	558
Shareholders' funds at 1 st October	(6,190)	(6,748)
Shareholders' funds at 30 th September 2000	(6,896)	(6,190)

16 Transactions with Directors and Officers

The Company is controlled by the Directors as disclosed in the Director's report. No amounts are due to Directors at the Balance sheet date. The Directors have also entered into personal guarantees to support bank borrowings.