

Blick Group Management Services Limited

Directors' Report and Financial Statements

For the year ended 30 September 1998

Company number 1345093



Blick Group Management Services Limited

Directors' Report

For the year ended 30 September 1998

Page 1

The Directors present their report and financial statements for the year ended 30 September 1998.

Principal Activities and Review of the Business

The Company has not traded during the year and has made neither a profit nor a loss. There are no plans at present for the Company to resume trading.

Directors

The Directors who served during the year, and subsequent appointments, were:

| | | |
|------------------|--------------------------|--------------------------|
| Mr MJ Lee | | |
| Mr CD MacInnes | | |
| Mr IH Scott-Gall | | resigned 1 April 1998 |
| Mr AC Sauntson | | |
| Mr M Melvin | | resigned 15 January 1999 |
| Mr GG Cooke | appointed 1 October 1997 | resigned 31 January 1999 |
| Mr GR Purvis | appointed 1 October 1997 | resigned 7 July 1998 |
| Mr RH Collins | appointed 1 October 1998 | |

Directors' Interests in the Shares of the Company

The Directors had no interests in shares of the Company at any time during the year.

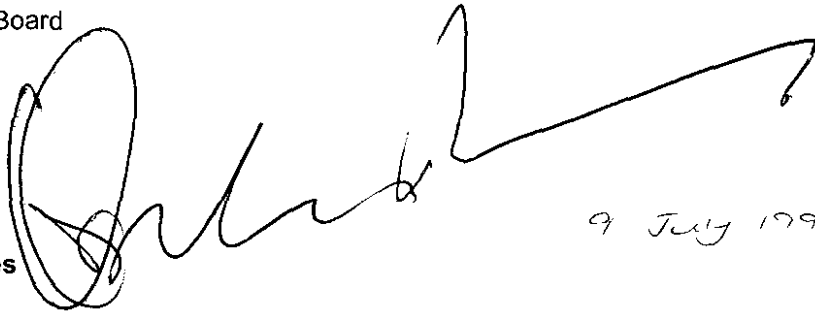
Mr MJ Lee, Mr CD MacInnes, Mr IH Scott-Gall and Mr GR Purvis were all Directors of the ultimate parent company, Blick plc, and their interests in the shares of Blick plc are disclosed in the financial statements of that company.

The interests of Mr AC Sauntson, Mr M Melvin and Mr GG Cooke in the shares of Blick plc are disclosed in note 5 of these financial statements.

Auditors

In accordance with Section 250 of the Companies Act 1985, a special resolution not to appoint auditors has been passed by the members of the Company.

By order of the Board



9 July 1999

Mr CD MacInnes
Secretary
Blick House
Bramble Road
Swindon
SN2 6ER

Blick Group Management Services Limited

Balance Sheet as at 30 September 1998

| | Note | 1998 £ | 1997 £ |
|---|------|-----------|-----------|
| Current assets | | | |
| Debtors | 2 | <u>2</u> | <u>2</u> |
| Net current assets | | <u>2</u> | <u>2</u> |
| Capital and reserves | | | |
| Called up share capital | 3 | <u>2</u> | <u>2</u> |
| Total equity shareholders' funds | | <u>2</u> | <u>2</u> |

The company was dormant throughout the year ended 30 September 1998.

Signed on behalf of the board on : 9 July 1999

Mr MJ Lee

)

) Directors

Mr CD MacInnes

The image shows two handwritten signatures in black ink. The first signature, for Mr MJ Lee, is located above the closing parenthesis of the first director's name. The second signature, for Mr CD MacInnes, is larger and more stylized, located below the closing parenthesis of the second director's name.

Blick Group Management Services Limited

Notes to the Accounts

1 Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the UK.

| 2 Debtors | 1998 £ | 1997 £ |
|--|-----------|-----------|
| Amounts owed by fellow subsidiary undertakings | <u>2</u> | <u>2</u> |
| | <u>2</u> | <u>2</u> |

| 3 Called up share capital | Number | £ |
|---|------------|------------|
| At 30 September 1998 and at 30 September 1997 | | |
| Authorised | | |
| Ordinary shares of 100p each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| Ordinary shares of 100p each | <u>2</u> | <u>2</u> |

4 Parent company

On 8th May 1998, the whole of the issued share capital of the Company was transferred from Blick Dormants Limited to Blick plc.

The Company is a wholly owned subsidiary of Blick plc.

The Directors regard Blick plc as the Company's ultimate parent company.

Both companies are registered in England and Wales.

Copies of the financial statements for Blick plc are available from the Company Secretary, Blick House, Bramble Road, Swindon, SN2 6ER.

Blick plc is the parent company of the largest and smallest group of which this company is a member and for which group accounts are drawn up.

5 Directors' interests

Page 4

The interests of the Directors in the ordinary shares of Blick plc were as follows:

| | 1998 | 1997 |
|----------------|-------|-------|
| Mr GG Cooke | 2,048 | 2,048 |
| Mr M Melvin | - | 1,000 |
| Mr AC Sauntson | - | - |

In addition to the above shareholdings, the following options to subscribe for 5p ordinary shares in Blick plc were also held:

The Blick plc Group Share Option Scheme

| | Options exercisable: | | No of share options: | | | Option price |
|----------------|----------------------|----------|----------------------|-------------------------|------------|--------------|
| | from | to | At 1.10.97 | Granted/ (Exercised) | At 30.9.98 | |
| Mr GG Cooke | 24.06.97 | 23.06.04 | 4,000 | - | 4,000 | 439p |
| | 17.06.99 | 16.06.06 | 8,000 | - | 8,000 | 547p |
| Mr M Melvin | 17.06.99 | 16.06.06 | 14,000 | - | 14,000 | 547p |
| Mr AC Sauntson | 24.06.97 | 23.06.04 | 4,200 | - | 4,200 | 439p |
| | 17.06.99 | 16.06.99 | 6,000 | - | 6,000 | 547p |

The Blick Group Sharesave Scheme

| | Options exercisable: | | No of share options: | | | Option price |
|-----------------|----------------------|----------|----------------------|-------------------------|------------|--------------|
| | from | to | At 7.4.97 | Granted/ (Exercised) | At 30.9.98 | |
| Mr GG Cooke | 01.03.98 | 31.08.98 | 1,599 | (1,599) | - | 340p |
| | 01.03.99 | 31.08.99 | 907 | - | 907 | 380p |
| | 01.03.00 | 31.08.00 | 896 | - | 896 | 385p |
| | 01.03.00 | 31.08.00 | 263 | - | 263 | 370p |
| | 01.03.01 | 31.08.01 | 862 | - | 862 | 400p |
| | 01.03.01 | 31.08.01 | - | 1,107 | 1,107 | 264p |
| Mr A C Sauntson | 24.06.97 | 23.06.04 | 4,200 | - | 4,200 | 439p |
| | 17.06.99 | 16.06.99 | 6,000 | - | 6,000 | 547p |