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REGISTRAR OF COMPANIES

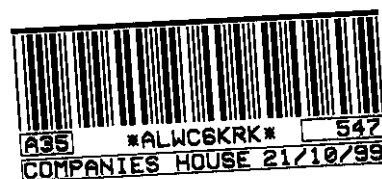
BIRMINGHAM CAPITAL TRUST LIMITED

ACCOUNTS

31ST DECEMBER 1998

E C BROWN & BATTS

Registered Auditors
Chartered Accountants
84 Kingsway
London
WC2B 6NF



BIRMINGHAM CAPITAL TRUST LIMITED **REGISTRAR OF COMPANIES**

COMPANY INFORMATION

DIRECTORS: M J Syed M.A., M.Sc (Econ)
(Chairman)
S S H Bukhari
N Holmes

SECRETARY: N Holmes

COMPANY NUMBER: 00071772 (England & Wales)

REGISTERED OFFICE: 84 Kingsway
London
WC2B 6NF

ACCOUNTANTS: E C Brown & Batts
Registered Auditors
Chartered Accountants
84 Kingsway
London
WC2B 6NF

BIRMINGHAM CAPITAL TRUST LIMITED

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REGISTRAR OF COMPANIES

BIRMINGHAM CAPITAL TRUST LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1998**

The directors present their annual report and accounts for the year ended 31st December 1998.

REVIEW OF THE YEAR

No activity took place in the year under review.

DIVIDENDS

The directors do not recommend payment of a dividend.

PRINCIPAL ACTIVITY

Effective from 31st December 1992, the company was no longer an Authorised Institution under the Banking Act 1987.

DIRECTORS

The directors who served during the year were as follows:

M J Syed M.A., M.Sc (Econ) (Chairman)
S S H Bukhari
N Holmes

DIRECTORS INTERESTS

No director personally held shares in the company at either 31st December 1998 or 31st December 1997.

EMPLOYEES

The average number of employees, including directors, in the year was 3 (1997-2), and their aggregate remuneration was £Nil (1997-£Nil).

SMALL COMPANY EXEMPTIONS

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

This report was approved by the Board on 19th October 1999, and signed on its behalf.



M J Syed
Director

REGISTRAR OF COMPANIES

BIRMINGHAM CAPITAL TRUST LIMITED

ACCOUNTANTS REPORT TO THE DIRECTORS OF

BIRMINGHAM CAPITAL TRUST LIMITED

In accordance with instructions given to us, we have prepared without carrying out an audit, the accounts on pages 3 to 8, from the accounting records of Birmingham Capital Trust Limited, and from the information and explanations supplied to us.



E C BROWN & BATTS

Registered Auditors
Chartered Accountants

84 Kingsway
London
WC2B 6NF

19th October 1999

BIRMINGHAM CAPITAL TRUST LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Trading loss before taxation	2	(2,351)	(12,511)
Taxation	3	<u>-</u>	<u>-</u>
Loss transferred to reserve	6	<u>£(2,351)</u>	<u>£(12,511)</u>

The notes on pages 5 and 6 form part of these accounts.

BIRMINGHAM CAPITAL TRUST REGISTER OF COMPANIES

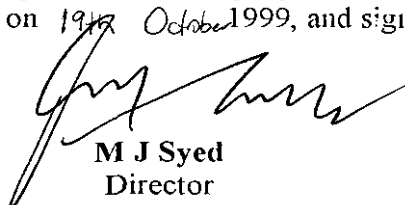
BALANCE SHEET 31ST DECEMBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		<u>£</u>	<u>£</u>
ASSETS			
Cash in hand and money on call		497	760
Loans, advances and other accounts	4	<u>34,816</u>	<u>36,317</u>
		<u>£35,313</u>	<u>£37,077</u>
LIABILITIES AND SHAREHOLDERS FUNDS			
Other liabilities	5	2,365	1,778
Reserves	6	(1,567,052)	(1,564,701)
Share Capital	7	<u>1,600,000</u>	<u>1,600,000</u>
		<u>£35,313</u>	<u>£37,077</u>

For the year ended 31st December 1998, the company was entitled to the total exemption conferred by Subsection (1) of Section 249A and no notice from members requiring an audit has been deposited under Section 249B in relation to the accounts for that period.

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

The director has taken advantage of the special exemptions conferred by part 1 of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in his opinion, the company is entitled to these exemptions. The accounts were approved by the Board on 19th October 1999, and signed on its behalf.


M J Syed
 Director

The notes on pages 5 and 6 form part of these accounts.

BIRMINGHAM CAPITAL TRUST LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER 1998

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

Income

Income from banking transactions is credited to the profit and loss account in the period in which it is received.

Income from leasing and instalment credit transactions is credited to the profit and loss account over the period during which repayments are made in proportion to the funds invested.

Bad and Doubtful Debts

Specific and general provisions for bad and doubtful debts are based on monthly appraisals of advances. The specific element relates to identified risk advances, whereas the general element relates to latent bad and doubtful debts, which are present in any portfolio of bank advances, but have not been specifically identified.

Advances are written down to estimated realisable value when the normal banking relationship with the customer has ceased; interest on the advance up to that time is credited to the profit and loss account and provision is made where appropriate.

Deferred Taxation

Deferred taxation is provided at appropriate rates of corporation tax, in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

Pensions

The company does not maintain a pension scheme and relies on the state scheme to provide benefits on retirement.

2. TRADING LOSS BEFORE TAXATION

	<u>1998</u>	<u>1997</u>
	£	£
Included in the expenses are the following:		
Depreciation	-	-
Directors emoluments (for management)	<u>-</u>	<u>-</u>

3. TAXATION

Due to losses incurred there is no taxation charge for the year.

BIRMINGHAM CAPITAL TRUST LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER 1998

4. LOANS, ADVANCES AND OTHER ACCOUNTS

	<u>1998</u>	<u>1997</u>
	£	£
Loans	511,694	513,195
Provisions for bad and doubtful debts:		
Specific:		
At 1 st January 1998	(476,878)	(467,244)
Movement in the year	<u>-</u>	<u>(9,634)</u>
	(476,878)	(476,878)
	<u>£34,816</u>	<u>£36,317</u>

5. OTHER LIABILITIES

	<u>1998</u>	<u>1997</u>
Accruals and other creditors	<u>£2,365</u>	<u>£1,778</u>

6. RESERVES

	<u>General Reserve</u>	<u>Share Premium</u>	<u>Total</u>
	£	£	£
At 31 st December 1997	(1,565,298)	597	(1,564,701)
Transfer from profit and loss account	<u>(2,351)</u>	<u>-</u>	<u>(2,351)</u>
At 31 st December 1998	<u>£(1,567,649)</u>	<u>£597</u>	<u>£(1,567,052)</u>

7. SHARE CAPITAL

	<u>31st December 1998 and 1997</u>
	<u>Authorised</u>
	£
Ordinary shares of £1 each	4,000,000
"A" Ordinary shares of 5p each	<u>600,000</u>
	<u>£4,600,000</u>
	<u>Issued and Fully Paid</u>
	£
Ordinary shares of £1 each	1,000,000
"A" Ordinary shares of 5p each	<u>600,000</u>
	<u>£1,600,000</u>

BIRMINGHAM CAPITAL TRUST LIMITED

**TRADING ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>1998</u> £	<u>1997</u> £
Interest Income:		
Interest on Loans	-	-
Income from Investments:		
Interest on Bank Deposits	<u>-</u>	<u>-</u>
Other Operating Income:		
Fees and Commissions	<u>-</u>	<u>-</u>
Total Operating Income	-	-
Operating Expenses:		
Other	<u>2,351</u>	<u>183</u>
Trading Loss before Bad and Doubtful Debts	(2,351)	(183)
Bad and Doubtful Debts:		
Specific Charge and Provision	<u>-</u>	<u>12,328</u>
Loss before Taxation	(2,351)	(12,511)
Taxation	<u>-</u>	<u>-</u>
Loss Transferred to Reserve	£(2,351)	£(12,511)

This page does not form part of the accounts.

BIRMINGHAM CAPITAL TRUST LIMITED

OTHER EXPENSES
31ST DECEMBER 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
STAFF		
Directors:		
Salaries and fees	-	-
Employees salaries	-	-
Employers National Insurance	-	-
	<u>£ -</u>	<u>£ -</u>
 PREMISES AND EQUIPMENT		
Rent, rates and insurance	<u>£ -</u>	<u>£ -</u>
 OTHERS		
Sundries	1,763	(698)
Accountancy	<u>588</u>	<u>881</u>
	<u>£2,351</u>	<u>£183</u>

This page does not form part of the statutory accounts.