

Company Registration No. 810796 (England and Wales)

ZETTERS COMPETITIONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997



ZETTERS COMPETITIONS LIMITED

COMPANY INFORMATION

Directors	P. Zetter, C.B.E. J.D.H. Clarke, B.E.M.
Secretary	C.T.A. Millward
Company number	810796
Registered office	86-88 Clerkenwell Road London EC1P 1ZS
Auditors	Littlestone Martin Glenton 2 Fitzhardinge Street London W1H 9PN

ZETTERS COMPETITIONS LIMITED

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ZETTERS COMPETITIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The directors present their report and financial statements for the year ended 31 March 1997.

Principal activities and review of the business

The company did not trade during the year.

Details of assets and liabilities are shown in the accompanying balance sheet and notes.

Future developments

The company intends to remain non-trading for the foreseeable future.

Directors

The following directors have held office since 31 March 1996:

P. Zetter, C.B.E.
J.D.H. Clarke, B.E.M.

Directors' interests

The directors' beneficial interests in the shares of the ultimate parent company Zetters Group PLC were as stated below:

	Ordinary Shares held at	
	31 March 1997	31 March 1996
P. Zetter, C.B.E.	895,990	895,990
J.D.H. Clarke, B.E.M.	3,124	3,124

In addition Mr. J.D.H. Clarke, B.E.M., is a non-beneficial trustee in respect of 1,840,000 ordinary shares (1996 : 1,840,000) in a Zetter family settlement.

No director had any interest in the shares of this company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Littlestone Martin Glenton be reappointed as auditors of the company will be put to the Annual General Meeting.

ZETTERS COMPETITIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

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.

By order of the board



C.T.A. Millward

Secretary

3 September 1997

ZETTERS COMPETITIONS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ZETTERS COMPETITIONS LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 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 1997 and have been properly prepared in accordance with the Companies Act 1985.

Littlestone Mark Glenton

Littlestone Martin Glenton

3 September 1997

Chartered Accountants
Registered Auditor

2 Fitzhardinge Street
London
W1H 9PN

ZETTERS COMPETITIONS LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	Notes	1997 £	£	1996 £	£
Current assets					
Debtors	3	12,239		-	
Cash at bank and in hand		-		453,757	
		<u>12,239</u>		<u>453,757</u>	
Creditors: amounts falling due within one year	4	-		(441,518)	
Total assets less current liabilities			<u>12,239</u>		<u>12,239</u>
Capital and reserves					
Called up share capital	5		8,100		8,100
Other reserves	6		895		895
Profit and loss account	6		3,244		3,244
Shareholders' funds - equity interests	7		<u>12,239</u>		<u>12,239</u>

The financial statements were approved by the Board on 3 September 1997



P. Zetter, C.B.E.
Director

ZETTERS COMPETITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

1 Accounting policies

1.1 Accounting convention

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

No cash flow statement has been included as a consolidated cashflow statement is included in the accounts of the ultimate parent company.

1.2 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

2 Dividends	1997 £	1996 £
Ordinary final proposed	-	69,984

3 Debtors	1997 £	1996 £
Amounts owed by parent and fellow subsidiary undertakings	12,239	-

4 Creditors: amounts falling due within one year	1997 £	1996 £
Amounts owed to parent and fellow subsidiary undertakings	-	371,534
Proposed dividend	-	69,984
	-	441,518

5 Share capital	1997 £	1996 £
Authorised		
8,100 Ordinary Shares of £1 each	8,100	8,100
Allotted, called up and fully paid		
8,100 Ordinary Shares of £1 each	8,100	8,100

ZETTERS COMPETITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

6 Statement of movements on reserves

	Other reserves £	Profit and loss account £
Balance at 31 March 1996	895	3,244
Balance at 31 March 1997	895	3,244

7 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Loss for the financial year	-	-
Dividends	-	(69,984)
Net depletion in shareholders' funds	-	(69,984)
Opening shareholders' funds	12,239	82,223
Closing shareholders' funds	12,239	12,239

8 Contingent liabilities

A legal right of set-off is in force covering the bank accounts of the companies within the group.

Although some group company bank balances were in overdraft at 31 March 1997 they were exceeded by group company credit balances.

9 Employees

Number of employees

There were no employees during the year apart from the directors

10 Control

The company's immediate parent company is Zetters International Pools Limited, incorporated in England.

The company's ultimate parent company is Zetters Group Public Limited Company, incorporated in England.

11 Related party transactions

Advantage has been taken of the exemption under FRS 8 from disclosing transactions with entities that are part of the group.