

Company Registration Number: 1095914

GABLEGATE LIMITED

Financial Statements

31st January 1996



Chartered Accountants

L O N D O N

GABLEGATE LIMITED**REPORT OF THE DIRECTOR**

The director presents his annual report and the audited financial statements for the year ended 31st January 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of management consultancy services.

REVIEW OF BUSINESS

After providing for taxation the profit for the year amounted to £25,502 which has been transferred to reserves. When added to reserves brought forward this leaves reserves carried forward of £502,774. The director is satisfied with the profits for the year despite the reduced turnover. New contracts are actively being sought to maintain the profitability of the company.

DIVIDEND

The director does not recommend the payment of a dividend.

DIRECTOR

The director who served on the board during the year and his interest in the issued share capital at 31st January 1996 and 1995 was as follows:-

Ordinary Shares

E W Jackson

2

AUDITORS

The auditors, Cooper Lancaster Brewers, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

Aldwych House
81 Aldwych
London
WC2B 4HP

23rd April, 1996

By Order of the Board



G R FOX
Secretary

GABLEGATE LIMITED**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF**GABLEGATE LIMITED**

We have audited the financial statements on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of the 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 director 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 31st January 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cooper Lancaster Brewers
Chartered Accountants
Registered Auditors

LONDON

23rd April, 1996

GABLEGATE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER - continuing operations	2	60,254	288,665
Cost of sales		(21,807)	(198,975)
GROSS PROFIT		<u>38,447</u>	<u>89,690</u>
Administrative expenses		(59,156)	(42,999)
		<u>(20,709)</u>	<u>46,691</u>
Income from investments	3	3,306	4,291
Profit/(Loss) on sale of current asset investments		17,259	(280)
Provision against current asset investments		-	(38,047)
Interest receivable	4	<u>25,937</u>	<u>15,953</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>25,793</u>	<u>28,608</u>
Tax on profit on ordinary activities	6	(291)	(15,817)
PROFIT FOR THE FINANCIAL YEAR		<u>25,502</u>	<u>12,791</u>
Dividends	7	-	(12,116)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	<u><u>£25,502</u></u>	<u><u>£ 675</u></u>

Statement of Total Recognised Gains and Losses

The profit for the financial year, as stated above, recognises all gains and losses for the year as defined by Financial Reporting Standard No.3.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	25,793	28,608
Amount written off investments in order to disclose at market value	(38,047)	38,047
Historical cost (loss)/profit on ordinary activities before taxation	<u>£(12,254)</u>	<u>£66,655</u>
Historical costs (loss)/retained profit	<u>£(12,545)</u>	<u>£38,722</u>

The notes on pages 6 to 9 form part of these financial statements.

GABLEGATE LIMITED**BALANCE SHEET****31ST JANUARY 1996**

	<u>Note</u>	£	<u>1996</u> £	£	<u>1995</u> £
FIXED ASSETS					
Tangible assets	8		618		824
Investments	9		60,284		57,143
			<u>60,902</u>		<u>57,967</u>
CURRENT ASSETS					
Debtors	10	63,544		85,177	
Current asset investments	11	5,600		65,500	
Cash at bank and in hand		411,240		311,277	
		<u>480,384</u>		<u>461,954</u>	
Creditors: Amounts falling due					
within one year	12	(38,510)		(42,647)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			441,874		419,307
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£502,776</u>		<u>£477,274</u>
CAPITAL AND RESERVES					
Equity Interests:					
Called up share capital	13		2		2
Profit and loss account	14		502,774		477,272
			<u></u>		<u></u>
TOTAL SHAREHOLDER'S FUNDS	15		<u>£502,776</u>		<u>£477,274</u>

These financial statements were approved by the director on 23rd April, 1996.

.....
E.W. Jackson
 DIRECTOR

The notes on pages 6 to 9 form part of these financial statements.

GABLEGATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST JANUARY 1996****1. ACCOUNTING POLICIES****(a) Accounting Convention**

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

(b) Turnover

Turnover represents net invoiced sales of services, excluding valued added tax.

(c) Depreciation

Depreciation is calculated on the straight line basis so as to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates:-

Office Equipment	- 20% on cost
Fixtures and Fittings	- 15% on cost
Computer	- 50% on cost

(d) Cash Flow Statement

The company, being a small company as defined by S.247 Companies Act 1985, is exempt under Financial Reporting Standard No.1 from preparing a cash flow statement.

(e) Current and Fixed Asset Investments

Current and fixed asset investments are shown at the lower of cost adjusted for exchange differences and market value.

(f) Foreign Currencies

Assets and liabilities stated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Transactions which have been concluded prior to the balance sheet date are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses arising in the normal course of business and upon revaluations are included in the profit and loss account.

2. TURNOVER

Turnover is attributable to the one principal activity of the company, and relates to the following markets:

	<u>1996</u> £	<u>1995</u> £
United Kingdom	40,949	288,665
Australia	19,305	-
	<u>£60,254</u>	<u>£288,665</u>

3. INCOME FROM INVESTMENTS

Income from fixed asset investments	3,066	740
Income from current asset investments	240	3,551
	<u>£3,306</u>	<u>£4,291</u>

GABLEGATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST JANUARY 1996**

		<u>1996</u>	<u>1995</u>		
		£	£		
4.	INTEREST RECEIVABLE				
	Deposit account interest	19,074	15,224		
	Loan interest	6,863	729		
		<u>£25,937</u>	<u>£15,953</u>		
5.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				
	This is stated after charging the following:				
	Director's remuneration	27,825	12,000		
	Social security costs	2,838	1,224		
	Depreciation	206	205		
	Auditors' remuneration	1,000	1,100		
	Amounts written off investments	<u>-</u>	<u>38,047</u>		
6.	TAX ON PROFIT ON ORDINARY ACTIVITIES				
	UK corporation tax @ 25% (1995 - 25%) based on the profit for the year	250	14,750		
	Adjustment in respect of previous years	(7)	113		
	Tax credits on franked investment income	48	954		
		<u>£291</u>	<u>£15,817</u>		
7.	DIVIDENDS				
	Ordinary - interim paid 30th January 1995	<u>£ -</u>	<u>£12,116</u>		
8.	TANGIBLE FIXED ASSETS				
		Computer	Office	Fixtures &	
		Equipment	Equipment	Fittings	Total
		£	£	£	£
	Cost				
	At 1st February 1995 and 31st January 1996	<u>7,044</u>	<u>6,147</u>	<u>2,249</u>	<u>15,440</u>
	Depreciation				
	At 1st February 1995	7,043	5,325	2,248	14,616
	Charge for the year	-	206	-	206
	At 31st January 1996	<u>7,043</u>	<u>5,531</u>	<u>2,248</u>	<u>14,822</u>
	Net Book Value				
	At 31st January 1996	<u>£ 1</u>	<u>£616</u>	<u>£ 1</u>	<u>£618</u>
	At 31st January 1995	<u>£ 1</u>	<u>£822</u>	<u>£ 1</u>	<u>£824</u>

GABLEGATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST JANUARY 1996**

9. FIXED ASSETS - INVESTMENTS	Associated Undertaking	Trade Investment	Total
Cost or Valuation	£	£	£
At 1st February 1995	16	57,127	57,143
Additions	-	1,777	1,777
Exchange translation difference	-	1,364	1,364
At 31st January 1996	<u>£16</u>	<u>£60,268</u>	<u>£60,284</u>

The company holds a share of the equity of the following undertakings which are all incorporated in Australia.

Associated Undertaking

Gablegate Australia PTY Ltd - ordinary shares 34%

Trade Investment

Alpha West PTY Ltd - ordinary shares 9.52%

Gablegate Australia PTY Ltd is an investment company which does not generate profits and so no results are incorporated in the Company's financial statements.

In the opinion of the director the investments have a market value equivalent to that shown in the financial statements.

10. DEBTORS	1996	1995
	£	£
Due within one year:		
Trade debtors	4,408	9,378
Prepayments	1,234	1,656
Sundry debtors	44,613	61,143
Taxation recoverable	289	-
Due after more than one year:		
Mortgage	13,000	13,000
	<u>£63,544</u>	<u>£85,177</u>

11. CURRENT ASSET INVESTMENTS

Current Asset Investments are unlisted and are shown at cost. In the opinion of the director, the investments have a market value equivalent to that shown in the financial statements.

12. CREDITORS: Amounts falling due within one year	1996	1995
	£	£
Director's current account	23,745	20,627
Other taxes and PAYE	11,965	4,176
Other creditors and accruals	2,800	3,213
A.C.T. payable	-	2,319
Corporation tax	-	12,312
	<u>£38,510</u>	<u>£42,647</u>

GABLEGATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST JANUARY 1996**

13.	CALLED UP SHARE CAPITAL	<u>1996</u>	<u>1995</u>
		£	£
	Equity Interests:		
	Authorised:		
	100 Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
	Allotted, Called Up and Fully Paid:		
	2 Ordinary shares of £1 each	<u>£2</u>	<u>£2</u>
14.	PROFIT AND LOSS ACCOUNT		
	Balance at 1st February 1995	477,272	476,597
	Retained profit for the year	25,502	675
	Balance at 31st January 1996	<u>£502,774</u>	<u>£477,272</u>
15.	RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS		
	Retained profit for the year	25,502	675
	Opening shareholders' funds	477,274	476,599
	Closing shareholders' funds	<u>£502,776</u>	<u>£477,274</u>