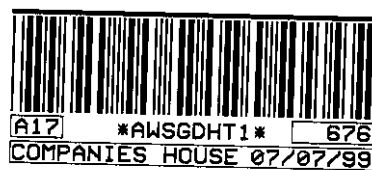


MARTIN HAYES ASSOCIATES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

COMPANY NUMBER : 2098313

LICHFIELD & CO.
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITOR



DIRECTORS' REPORT

The Directors submit their report and the financial statements for the year ended 30th June 1998

Principal Activities and Review of the Business

The principal activities of the company during the year continued to be that of the provision of marketing and public relations consultancy services.

Results and Dividends

A summary of the Period's trading is shown on page 2 of the financial statements.

A dividend payment of £500 per share is recommended.

Responsibility statement


The Directors are required by UK company law to prepare financial statements for each financial period 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 the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied constantly, and reasonable and prudent judgements have been made. Applicable accounting standards have been followed. The Directors are also responsible for maintaining adequate records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities. The Directors are satisfied that the business is a going concern.

Directors

The beneficial interests of the directors in the ordinary shares of £1 each of the company as at the beginning and at the end of the year.

	<u>1998</u>	<u>1997</u>
M. C. Hayes	90	90
S.J. Hayes	<u>10</u>	<u>10</u>

ON BEHALF OF THE BOARD


Secretary

Director

6/7/98
Date:

MARTIN HAYES AND ASSOCIATES LTD.

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1998

	Notes	1998 £	1997 £
Turnover	2	202029	201846
Administrative expenses		152190	156002
Operating Profit	3	49839	45844
Other interest receivable and similar charges		0	72
Interest payable and similar charges		0	-327
Profit on ordinary activities before tax		49839	45589
Taxation	4	11341	11680
Profit after tax		38498	33909
Dividends		50000	40000
Profit/(Loss) for the year		-11502	-6091
Retained Profit brought forward		20594	26685
Retained Profit carried forward		9092	20594

The notes on pages 4 to 5 form part of these financial statements.

MARTIN HAYES AND ASSOCIATES LIMITED

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BALANCE SHEET AS AT 30TH JUNE 1998

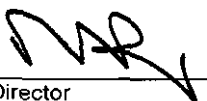
	Notes	1998 £	1997 £
Fixed Assets			
Tangible assets	5	<u>12324</u>	<u>19227</u>
Current Assets			
Debtors	6	18779	9158
Cash at bank		<u>10502</u>	<u>21530</u>
		29281	30688
Creditors: Amounts falling due within one year	7	<u>25300</u>	<u>18934</u>
Net current Assets		<u>3981</u>	<u>11754</u>
Creditors: Amounts falling due after one year	8	<u>7113</u>	<u>10287</u>
Total Assets		<u>9192</u>	<u>20394</u>
Represented by:			
Called up share capital	9	100	100
Retained Profits and loss		<u>9092</u>	<u>20594</u>
Shareholders fund		<u>9192</u>	<u>20694</u>

The exemption conferred by section 249A (1) not to have these accounts audited applies to the company and the directors confirms that no notice has been deposited under section 249B (2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that:

- 1) the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- 2) the accounts give a true and fair of the state of affairs of the company as at 30 June 1998 and of its profits for the period ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, as far as applicable to the company.

The financial statements were approved and agreed by the Board


Director

6/7/99
Date:

The notes on pages 4 and 5 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1998**1. Accounting Policies****(a) Basis of accounting**

The financial statements have been prepared under the historical cost accounting convention and include the results of the company's operations which are described in the Director's reports and all of which are continuing.

(b) The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cashflow statement on the grounds that it is a small company.

(c) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment at 30% on straight line basis
 Fixtures and Fittings at 25% on straight line basis
 Motor vehicles at 25% on straight line basis

2. Turnover and pre-tax profit

Turnover represents the invoiced amount of all goods sold and services provided throughout the year, stated net of value added tax.

3. Operating Profit

	<u>1998</u>	<u>1997</u>
	£	£
This is stated after charging the following:		
Operating lease rentals	0	16000
Staff costs: Wages & salaries	93756	87483
Director's pension costs	12718	16398
Depreciation of tangible fixed assets	<u>6904</u>	<u>7033</u>

4. Taxation

	<u>1998</u>	<u>1997</u>
	£	£
Corporation tax is based on profit for the year at 21% in 1998 and 24% in 1997	<u>11341</u>	<u>11680</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1998**5. Tangible fixed assets**

	Computer Equipment	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
Bal b/f and c/f	<u>4891</u>	<u>4389</u>	<u>20340</u>	<u>29620</u>
Depreciation				
Balance b/fwd	3207	2100	5085	10392
Charge for the year	<u>925</u>	<u>894</u>	<u>5085</u>	<u>6904</u>
Balance c/fwd	<u>4132</u>	<u>2994</u>	<u>10170</u>	<u>17296</u>
Net book value				
30/06/98	<u>759</u>	<u>1395</u>	<u>10170</u>	<u>12324</u>
30/06/97	<u>1684</u>	<u>2289</u>	<u>15255</u>	<u>19228</u>

6. Debtors

	<u>1998</u>	<u>1997</u>
Trade debtors	<u>18779</u>	<u>9158</u>

7. Creditors: amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	£	£
Net obligations under finance lease and hire purchase contracts	4676	4676
Trade creditors	1773	808
VAT	2559	0
Accruals	875	0
Taxation and social security	8195	9875
Other creditors	<u>7222</u>	<u>3575</u>
	<u>25300</u>	<u>18934</u>

8. Creditors: amounts falling due after more than one year

	<u>1998</u>	<u>1997</u>
	£	£
Net obligations under finance lease and hire purchase agreements	<u>7113</u>	<u>10287</u>

9. Share Capital

	<u>1998</u>	<u>1997</u>
Ordinary shares of £1 each		
Authorised	<u>10000</u>	<u>10000</u>
Allotted, called up and fully paid	<u>100</u>	<u>100</u>