

Company Registration No. 2397354 (England and Wales)

ZETTER INVESTMENT COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999



ZETTER INVESTMENT COMPANY LIMITED

COMPANY INFORMATION

Directors

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

Secretary

C.T.A. Millward

Company number

2397354

Registered office

86-88 Clerkenwell Road
London
EC1P 1ZS

Auditors

Littlestone Martin Glenton
2 Fitzhardinge Street
London
W1H 9PN

ZETTER INVESTMENT COMPANY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 8

ZETTER INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The directors present their report and financial statements for the year ended 31 March 1999.

Principal activities and review of the business

On 30 April 1998 the company resigned as a partner in the "Littlewoods Spot the Ball" competition. The company ceased trading on that date.

Results and dividends

Details of turnover, profit, assets and liabilities are shown in the accompanying profit and loss account, balance sheet and notes. The profit before taxation was £11,613 (1998: £278,446). After deducting taxation, there is a resulting surplus of £10,670 which the directors recommend be transferred to reserves.

The directors recommend that no dividend be paid for the year under review.

Future developments

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

Directors

The following directors have held office since 1 April 1998:

P. Zetter, C.B.E.

J.D.H. Clarke, B.E.M.

T. Yardley

(Resigned 5 October 1998)

C. J. Zetter-Wells

Directors' interests

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

	Ordinary Shares held at	
	31 March 1999	1 April 1998
P. Zetter, C.B.E.	895,990	895,990
J.D.H. Clarke, B.E.M.	48,124	48,124
C. J. Zetter-Wells	1,260,000	10,000

In addition, Mr.J.D.H.Clarke, B.E.M. is a non-beneficial trustee in respect of 590,000 (1998: 1,840,000) ordinary shares in a Zetter family settlement. During the year under review the beneficial interest in 1,250,000 ordinary shares in the aforementioned settlement was transferred to Mrs.C.J.Zetter-Wells.

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.

ZETTER INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

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

8 June 1999

ZETTER INVESTMENT COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ZETTER INVESTMENT COMPANY LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlestone Martin Glenton

8 June 1999

Chartered Accountants
Registered Auditor

2 Fitzhardinge Street
London
W1H 9PN

ZETTER INVESTMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999 £	1998 £
Turnover	1	11,736	283,301
Administrative expenses		(123)	(4,855)
Profit on ordinary activities before taxation	2	11,613	278,446
Tax on profit on ordinary activities	3	(943)	(17,150)
Profit on ordinary activities after taxation	8	10,670	261,296

The company ceased trading on 30 April 1998.

There are no recognised gains and losses other than those passing through the profit and loss account.

ZETTER INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Investments	4		-		700
Current assets					
Debtors	5	-		73,039	
Cash at bank and in hand		842,635		776,486	
		<u>842,635</u>		<u>849,525</u>	
Creditors: amounts falling due within one year	6	<u>(436,203)</u>		<u>(454,463)</u>	
Net current assets			406,432		395,062
Total assets less current liabilities			<u>406,432</u>		<u>395,762</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		406,332		395,662
Shareholders' funds - equity interests	9		<u>406,432</u>		<u>395,762</u>

The financial statements were approved by the Board on 8 June 1999

P. Zetter, C.B.E.
Director



ZETTER INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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 Turnover

Turnover represents the company's share of "Littlewoods Spot the Ball" Partnership profits receivable and attributable up to the date of the company's resignation as a partner on 30 April 1998.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 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 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	93	4,825

3 Taxation

	1999	1998
	£	£
U.K. current year taxation		
U.K. corporation tax at 21% (1998 - 22%)	2,440	17,150
Prior years		
U.K. corporation tax	(1,497)	-
	943	17,150

In 1998, £199,306 of losses of group companies were utilised under the Group Relief provisions.

ZETTER INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

4 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 1998	700
Disposals	(700)
	<hr/>
At 31 March 1999	-
	<hr/>

The cost of investments related to the company's share of partnership capital in the "Littlewoods Spot the Ball" competition, which was returned in full during the year..

5 Debtors	1999 £	1998 £
Trade debtors	-	73,039
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year	1999 £	1998 £
Amounts owed to parent and fellow subsidiary undertakings	433,013	433,013
Corporation tax	2,440	17,150
Accruals and deferred income	750	4,300
	<hr/>	<hr/>
	436,203	454,463
	<hr/>	<hr/>

7 Share capital	1999 £	1998 £
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

ZETTER INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1998	395,662
Retained profit for the year	10,670
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Balance at 31 March 1999	406,332
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9 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	10,670	261,296
Opening shareholders' funds	395,762	134,466
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Closing shareholders' funds	406,432	395,762
	<hr/>	<hr/>

10 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 1999 they were exceeded by group company credit balances.

11 Employees

Number of employees

There were no employees during the year apart from the directors.

12 Control

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

13 Related party transactions

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