

INCOMEGAIN LIMITED
REPORT AND FINANCIAL STATEMENTS
30th APRIL, 1996

Peter Seaton & Co.,
Certified Accountants,
118/119, Newgate Street,
London, EC1A 7AE.



INCOMEGAIN LIMITED

REPORT AND FINANCIAL STATEMENTS

AT 30th APRIL, 1996

DIRECTORS

D. E. Albert
Mrs A. L. Blackmore
A. Ellis
A. C. Field
B. H. Hord
L. J. Rumjahn
A. W. Scott-Harden

SECRETARY

M. G. Hardy

BANKERS

Royal Bank of Scotland Plc.,
Piccadilly Circus Branch,
48, Haymarket,
London,
SW1Y 4SE.

AUDITORS

Peter Seaton & Co.,
118/119, Newgate Street,
London,
EC1A 7AE.

SOLICITORS

Ashurst Morris Crisp,
Broadwalk House,
5 Appold Street,
London,
EC2A 2HA.

REGISTERED OFFICE

118/119 Newgate Street,
London,
EC1A 7AE.

INCOMEGAIN LIMITED
REPORT OF THE DIRECTORS

The Directors present herewith their report, together with the audited financial statements of the company for the year ended 30th April 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

RESULTS

The profit for the year before and after taxation was £17,366.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company intends to continue to develop its principle activity.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year and their interests in the share capital of the company were as follows:

	<u>Ordinary Shares</u> <u>of £1 each</u>
	£
A. C. Field	43,750
B. H. Hord	-
L. J. Rumjahn	-
D. E. Albert	-
A. W. Scott-Harden	-
A. Ellis	-
Mrs A. L. Blackmore	-

The interests of Messrs. B. Hord, L. Rumjahn, D. Albert, A. W. Scott-Harden, A. Ellis and Mrs A. L. Blackmore in the shares of the parent company, Goodweight Limited are disclosed in the financial statements of that Company.

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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

INCOMEGAIN LIMITED


REPORT OF THE DIRECTORS (Continued)

AUDITORS

As the Company has dispensed with the annual obligation to reappoint auditors, Peter Seaton & Co., will continue to act as auditors to the company.

Approved by the Board of Directors
and signed on behalf of the Board

2nd July 1996


Secretary

AUDITORS REPORT TO THE SHAREHOLDERS OF
INCOMEGAIN 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 1, 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 30th April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 30th April 1996 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

Peter Seaton & Co

PETER SEATON & CO.

Certified Accountants

Registered Auditors

118/119 Newgate Street
London
EC1A 7AE

23rd July 1996

INCOMEGAIN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th APRIL, 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	1	56,000	45,000
Administrative expenses		40,639	41,145
OPERATING PROFIT	3	15,361	3,855
Interest receivable	4	2,005	3,084
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,366	6,939
TAXATION	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		17,366	6,939
RETAINED LOSS BROUGHT FORWARD		(31,557)	(38,496)
RETAINED LOSS CARRIED FORWARD		£ (14,191)	£ (31,557)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit loss for the above two financial years.

INCOMEGAIN LIMITED
BALANCE SHEET
AT 30th APRIL, 1996

	Notes	£	<u>1996</u>	£	£	<u>1995</u>	£
FIXED ASSETS							
Investments	6			2			2
CURRENT ASSETS							
Debtors	7	440,944			393,031		
Cash at bank and in hand		17,328			36,894		
		<u>458,272</u>			<u>429,925</u>		
CREDITORS - amounts falling due within one year	8	22,465			11,484		
NET CURRENT ASSETS				435,807			418,441
TOTAL NET ASSETS				<u>£ 435,809</u>			<u>£ 418,443</u>
Financed by:							
CAPITAL AND RESERVES							
Called up share capital	9		450,000			450,000	
Profit and loss account			(14,191)			(31,557)	
	10		<u>£ 435,809</u>			<u>£ 418,443</u>	

These financial statements were approved by the Board of Directors on 2nd July 1996.

Signed on behalf of the Board of Directors

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Directors

INCOMEGAIN LIMITED
NOTES TO THE ACCOUNTS
AT 30th APRIL, 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover relates to management charges received from a subsidiary company.

Cash Flow Statement

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

Investments

Investments held as fixed assets are stated at cost less any provision required for a permanent diminution in value.

Basis of consolidation

Group financial statements have not been prepared as the group qualifies as a small group under Section 248 of the Companies Act 1985.

2. INFORMATION REGARDING EMPLOYEES AND DIRECTORS

Directors' emoluments	<u>1996</u>	<u>1995</u>
Salaries	£ 12,750	£ 12,750

Details of the directors are shown in the directors report. The company has no other employees.

In addition to the directors remuneration the company paid fees to companies controlled by directors of this company of £21,000 (1995 - £21,000).

3. OPERATING PROFIT

This is stated after charging:	<u>1996</u>	<u>1995</u>
	£	£
Auditors' remuneration	790	750

4. INTEREST RECEIVABLE

	<u>1996</u>	<u>1995</u>
	£	£
Bank interest	2,005	3,084
	<u>£ 2,005</u>	<u>£ 3,084</u>

5. TAXATION

No charge to Corporation Tax arises due to the availability of losses brought forward. In the opinion of the directors there are corporation tax losses at 30th April 1996 of £4,671 available for use in future years.

INCOMEGAIN LIMITED
NOTES TO THE ACCOUNTS
AT 30th APRIL, 1996

6. INVESTMENTS HELD AS FIXED ASSETS

The company has an investment of £2 in 100% of the issued share capital of Strivesign Limited, a company registered in England and Wales. Strivesign Limited is a property investment company. The net assets of the subsidiary company at 30th April 1996 amounted to £190,872 and it made a profit for the year after taxation of £10,520.

7. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts owed by Subsidiary Company	440,612	391,842
VAT Recoverable	236	964
Accrued income	96	225
	<u>£ 440,944</u>	<u>£393,031</u>

No date has been fixed for the repayment of the loan to the subsidiary.

8. CREDITORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors	2,570	6,169
Other taxes and social security	3,348	1,094
Accruals	16,547	4,221
	<u>£ 22,465</u>	<u>£ 11,484</u>

9. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised		
Ordinary shares of £1 each	<u>£ 500,000</u>	<u>£500,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>£ 450,000</u>	<u>£450,000</u>