

Dunstall Park Stables Limited

Directors' report and financial statements

31 December 1998

Registered number 2751773



Financial statements

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Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 1998.

Principal activity

The principal activity of the company was the training of racehorses and student trainers. All assets and liabilities were either sold to a third party or transferred to group undertakings at 30 April 1997 and the company ceased to trade at that date.

Review of the business operations and results

The company did not trade during the year.

Directors

The directors who served during the year and their holdings in the shares of the company were as follows:

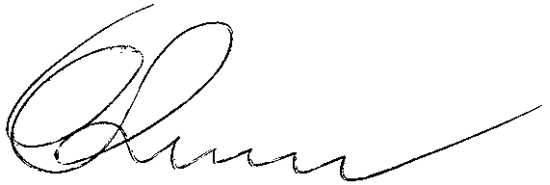
	Ordinary shares	
	1998	1997
RJ Muddle	1	1
WA Parker	-	-

The interests of the directors in the shares of the parent company are shown in the directors' report of that company.

Auditors

In accordance with section 384 of the Companies Act 1984, a resolution for the re-appointment of KPMG as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



WA Parker
Director

Registered office:

Dunstall Park
Gorsebrook Road
Wolverhampton
WV6 0PE

29 April 1999

Statement of 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Park Row
Nottingham
NG1 6FQ

Report of the auditors to the members of Dunstall Park Stables Limited

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

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 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'M. J. ...'.

*Chartered Accountants
Registered Auditors*

29 April 1999

Profit and loss account
for the year ended 31 December 1998

	<i>Notes</i>	Discontinued operations	
		1998	1997
		£	£
Turnover			
Cost of sales	1	-	38,374
		-	(13,626)
Gross profit			
Administrative expenses		-	24,748
Other operating income		-	(27,882)
		-	-
Loss on ordinary activities before taxation	2	-	(3,134)
Tax on loss on ordinary activities	4	-	-
Retained loss for the year	9	-	(3,134)

In both the current and preceding years, the company made no material acquisitions. All operations in both the current and preceding years are now discontinued.

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account and there was no material difference between the loss reported in the profit and loss account and loss on an unmodified historical cost basis.

Balance sheet
at 31 December 1998

	<i>Notes</i>	1998 £	1997 £
Current assets			
Debtors	5	6,099	6,099
Creditors: amounts falling due within one year	6	(49,557)	(49,557)
Net liabilities		<u>(43,458)</u>	<u>(43,458)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	(43,460)	(43,460)
Equity shareholders' funds	9	<u>(43,458)</u>	<u>(43,458)</u>

These financial statements were approved by the board of directors on 29 April 1999 and were signed on its behalf by:



WA Parker
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's financial statements.

Basis of accounting

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

Going concern

The financial statements have been prepared on a going concern basis, which assumes the ongoing support of the parent undertaking.

Cash flow statement

Under Financial Reporting Standard Number 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Tangible fixed assets

Depreciation is provided by the company to write off the cost of the tangible fixed assets over their estimated useful economic lives as follows:

Plant and equipment, fixtures and fittings - 15% on the reducing balance basis

Turnover

Turnover represents the amounts received by the company for goods and services provided during the year from its racing and related activities, excluding value added tax.

Deferred taxation

Deferred tax is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

2 Loss on ordinary activities before taxation

	1998	1997
	£	£
<i>Loss on ordinary activities before taxation is stated after charging the following:</i>		
Depreciation on tangible fixed assets	-	571
Auditors' remuneration - audit fees	-	-
	<hr/>	<hr/>

Auditors' remuneration is met by another member of the group.

Notes *(continued)*

3 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year, analysed by category, was as follows:

	1998 Number	1997 Number
Office and management	-	1
Stable staff	-	2
	-	3
	£	£
<i>The aggregate payroll costs of these persons were as follows:</i>		
Wages and salaries	-	18,613
Social security costs	-	1,327
	-	19,940

No directors received any emoluments during the current or prior year.

4 Taxation

There is no charge to taxation in the year ended 31 December 1998 (1997: *£nil*).

5 Debtors

	£	£
Amounts owed by group companies	6,097	6,097
Called up share capital not paid	2	2
	6,099	6,099

6 Creditors: amounts falling due within one year

	£	£
Amounts owed to group undertakings	49,557	49,557

Notes (continued)

7 Share capital

	1998 £	1997 £
<i>Authorised:</i>		
50,000 ordinary shares of £1 each	50,000	50,000
<i>Allotted, called up and not paid:</i>		
2 ordinary shares of £1 each	2	2

8 Profit and loss account

	£	£
At 1 January	(43,460)	(40,326)
Loss for the year	-	(3,134)
At 31 December	(43,460)	(43,460)

9 Reconciliation of movements on shareholders' funds

	1998 £	1997 £
Loss for the financial year	-	(3,134)
Net reduction in shareholders' funds	-	(3,134)
Opening shareholders' funds	(43,458)	(40,324)
Closing shareholders' funds	(43,458)	(43,458)

10 Deferred tax

There is no deferred tax to provide for.

11 Capital commitments

There were no capital commitments at 31 December 1998 (1997: £nil).

12 Contingent liabilities

The company has guaranteed the bank borrowings of its parent company and fellow subsidiary undertakings.

Notes *(continued)*

13 Related party transactions

As the company is a wholly owned subsidiary of R.A.M. Racing Leisure Limited the company has taken advantage of the exemption contained within Financial Reporting Standard Number 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of R.A.M. Racing Leisure Limited, within which this company is included can be obtained from the address given in note 14.

14 Ultimate holding company

The ultimate holding company is R.A.M. Racing Leisure Limited which is incorporated in Great Britain and registered in England and Wales. A copy of the financial statements can be obtained from the company's registered office, Dunstall Park, Gorsebrook Road, Wolverhampton WV6 0PE.