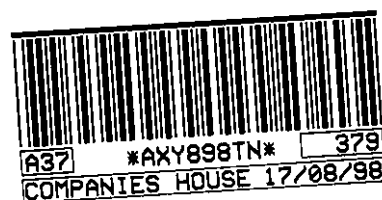


THE ASSOCIATION OF BALLOON OPERATORS LIMITED
(Limited by Guarantee)

(Company Number 2814627)

ACCOUNTS

31ST OCTOBER, 1997



DIRECTORS

M.L. Gabb	
P.C.C. Clark	(resigned 23.2.98)
A. Street	(appointed 23.2.98)

SECRETARY

M.L. Gabb

REGISTERED OFFICE

Cross Lanes Farm
Walcote
Nr. Alcester
Warwickshire
B49 6NA

REPORT OF THE DIRECTORS

31ST OCTOBER, 1997

The Directors submit their Report, together with the Accounts for the year ended 31st October, 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company throughout the year was the representation and promotion of professional ballooning activities.

The state of affairs of the Company is considered by the Directors to be satisfactory.

RESULTS

The results for the year are shown in the attached Profit and Loss Account. No dividend is recommended in respect of the year.

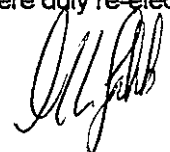
MEMBERS

There were 67 members at 31st October, 1997.

DIRECTORS

The names of the Directors who served during the year are shown on page 1.

In accordance with the Articles of Association, all Directors in office at 4th November 1997, the date of the Annual General Meeting, being eligible offered themselves for re-election and were duly re-elected.



On behalf of the Board

M.L. GABB
Director and Secretary

BALANCE SHEET

31ST OCTOBER, 1997

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
CURRENT ASSETS			
Building Society		7,669	8,015
CREDITORS: Amounts falling due within one year	2	732	272
NET CURRENT ASSETS		6,937	7,743
TOTAL ASSETS LESS CURRENT LIABILITIES		6,937	7,743
Represented by:			
Share Capital	5	6,937	7,743
Profit and Loss Account		6,937	7,743

We confirm that:

- i) the company was entitled for the year ended 31st October, 1997 to audit exemption under S249A(1) of the Companies Act 1985
- ii) no notice has been deposited under S249B(2) of the Companies Act 1985 requiring an audit of the accounts for the year.

We acknowledge our responsibilities for:

- i) ensuring that the company keeps accounting records which comply with S221 of the Companies Act 1985
- ii) preparing Accounts which give a true and fair view of the state of the Company's affairs at the end of the year and its results for the period in accordance with S226 of the Companies Act 1985 and which otherwise comply with the requirements of the Companies Act 1985 relating to Accounts, so far as applicable to the Company.

M.L. Gabb

A. Street

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER, 1997

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
TURNOVER	1	3,890	3,300
Administrative Expenses		4,934	2,670
		(1,044)	630
Other Interest Receivable and Similar Income	3	305	370
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(739)	1,000
Tax on Profit on Ordinary Activities	6	67	91
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAX		(806)	909
Balance Brought Forward		7,743	6,834
Balance Carried Forward		6,937	7,743

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 for the above years.

NOTES TO THE ACCOUNTS

31ST OCTOBER, 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985 and applicable accounting standards.

(b) Cash Flow Statement

The Company qualifies as a small company under the Companies Act 1985. The Directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

(c) Post Balance Sheet Events

Events relating to the year ended 31st October, 1997 which occurred before 20th July, 1998 the date of approval of the Accounts by the Board of Directors have been included in the Accounts to the extent required by Statement of Standard Accounting Practice No. 17.

(d) Turnover

Turnover represents subscription income receivable from Association members during the year.

2. CREDITORS: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Accruals	719	265
Corporation Tax	13	7
	<u>732</u>	<u>272</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Interest Received:

Building Society Interest

	<u>305</u>	<u>370</u>
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4. EMPLOYEES

The Company has no employees other than the two Directors.

5. SHARE CAPITAL

The Company has no Share Capital and is limited by Guarantee. All members of the Company undertake to contribute to the Company's assets if it should be wound up while they are existing members or within one year after they cease to be a member, for payment of the company's debts and liabilities contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount being required but not exceeding £1.

6. TAXATION

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
The Taxation charge is based on interest received in the year.		
Corporation Tax at 21/24%	<u>67</u>	<u>91</u>