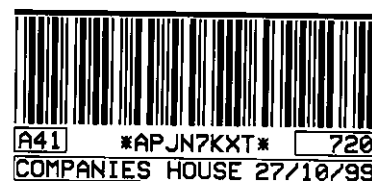


Report of the Directors and
Financial Statements for the Year Ended 31 December 1998
for
Waycrest Services Limited



Waycrest Services Limited

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for the Year Ended 31 December 1998

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Waycrest Services Limited

Company Information

for the Year Ended 31 December 1998

SECRETARY: Aceline Services Limited

REGISTERED OFFICE: 381 Kingsway
Hove
East Sussex
BN3 4QD

REGISTERED NUMBER: 2987025 (England and Wales)

WAYCREST SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements for the period 1st January 1998 to 31 December 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of consultancy.

DIRECTORS

The Directors who served during the period were:

	Appointed	Resigned
Aceline Ventures Limited	01.01.98	01.01.99
Stephanie Allen	30.12.96	01.10.98
Sue Fenby	03.01.97	02.11.98
Julie Hurdle	03.01.97	22.04.98
Andrew Holmes	01.04.97	21.09.98
Derval O'Sullivan	22.09.97	12.06.98
Morne De Villiers	01.09.97	17.09.98
Anna Ross	01.09.97	09.09.98
Nicolas Landolt	05.05.97	02.07.98
Matt Colins	06.10.97	01.11.98
Michael Hannan	10.11.98	
Leon Frank	16.11.98	
Melanie Kwok	08.12.98	

DIRECTORS' INTERESTS

Interests of the Directors in the Share Capital were as follows:

	At 01.01.98 or later appointment		At 31.12.98	
	'A' Shares	'B' Shares	'A' Shares	'B' Shares
Aceline Ventures Limited	Nil	Nil	Nil	Nil
Stephanie Allen	1	Nil	Nil	Nil
Sue Fenby	1	Nil	Nil	Nil
Julie Hurdle	1	Nil	1	Nil
Andrew Holmes	1	Nil	1	Nil
Derval O'Sullivan	1	Nil	Nil	Nil
Morne De Villiers	1	Nil	1	Nil
Anna Ross	1	Nil	1	Nil
Nicolas Landolt	1	Nil	Nil	Nil
Matt Colins	1	Nil	Nil	Nil
Michael Hannan	1	Nil	1	Nil
Leon Frank	Nil	Nil	Nil	Nil
Melanie Kwok	Nil	Nil	Nil	Nil

This Report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on 26 Oct 99



Aceline Services Limited - Secretary

Waycrest Services Limited

Profit and Loss Account
for the Year Ended 31 December 1998

		31.12.98	31.12.97
	Notes	£	£
TURNOVER		324,971	368,563
GROSS PROFIT		324,971	368,563
Administrative expenses		70,078	72,669
OPERATING PROFIT	2	254,893	295,894
Interest receivable and similar income		1,274	1,239
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		256,167	297,133
Tax on profit on ordinary activities	3	53,795	64,596
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		202,372	232,537
Dividends	4	207,750	224,700
		(5,378)	7,837
Retained profit brought forward		7,879	42
RETAINED PROFIT CARRIED FORWARD		£2,501	£7,879

The notes form part of these financial statements

Balance Sheet

31 December 1998

		31.12.98	31.12.97
	Notes	£	£
CURRENT ASSETS:			
Stocks		-	2,309
Debtors	5	3,512	6,749
Cash at bank		17,807	40,452
		<hr/>	<hr/>
		21,319	49,510
CREDITORS: Amounts falling due within one year	6	18,754	41,567
		<hr/>	<hr/>
NET CURRENT ASSETS:		2,565	7,943
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES:		£2,565	£7,943
		<hr/>	<hr/>
CAPITAL AND RESERVES:			
Called up share capital	7	64	64
Profit and loss account		2,501	7,879
		<hr/>	<hr/>
Shareholders' funds		£2,565	£7,943
		<hr/>	<hr/>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 December 1998.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

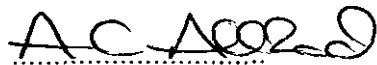
Waycrest Services Limited

Balance Sheet

31 December 1998

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:



Aceline Ventures Limited - DIRECTOR

Approved by the Board on 26/10/99

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.98	31.12.97
	£	£
Directors' emoluments and other benefits etc	<u>12,379</u>	<u>16,913</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.98	31.12.97
	£	£
UK corporation tax	<u>53,795</u>	<u>64,596</u>

UK corporation tax has been charged at 0% (1997 - 0%).

4. DIVIDENDS

	31.12.98	31.12.97
	£	£
32 A shares of 1 each		
Interim - share type 1	<u>207,750</u>	<u>224,700</u>

Notes to the Financial Statements
for the Year Ended 31 December 1998

5. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.98	31.12.97
	£	£
Trade debtors	3,430	6,685
Other debtors	82	64
	<hr/>	<hr/>
	3,512	6,749
	<hr/>	<hr/>

6. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.98	31.12.97
	£	£
Trade creditors	1,200	1,200
Other creditors	1,009	3,227
Social security & other taxes	3,297	5,812
Taxation	12,054	28,804
Accrued expenses	1,194	2,524
	<hr/>	<hr/>
	18,754	41,567
	<hr/>	<hr/>

7. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.12.98	31.12.97
			£	£
500	A	1	500	500
500	B	1	500	500
			<hr/>	<hr/>
			1,000	1,000
			<hr/>	<hr/>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.98	31.12.97
			£	£
32	A	1	32	32
32	B	1	32	32
			<hr/>	<hr/>
			64	64
			<hr/>	<hr/>

Waycrest Services Limited

Profit and Loss Account

for the Year Ended 31 December 1998

	31.12.98		31.12.97	
	£	£	£	£
Sales		324,971		368,563
Other income:				
Deposit account interest		1,274		1,239
		<u>326,245</u>		<u>369,802</u>
Expenditure:				
Directors' remuneration	12,379		16,913	
Wages	27,147		29,064	
Social security	49		17	
Office Expenses	304		326	
Travelling	7,833		3,908	
Training	3,560		2,905	
Hire of equipment	817		-	
Sundry expenses	120		498	
Accountancy	-		1,100	
Fees and commissions payable	13,276		12,904	
Rent	4,067		4,434	
		<u>69,552</u>		<u>72,069</u>
		<u>256,693</u>		<u>297,733</u>
Finance costs:				
Bank charges		526		600
NET PROFIT		<u><u>£256,167</u></u>		<u><u>£297,133</u></u>

Waycrest Services Limited

Tax District:333 HOVE
Tax Reference:91598 81446

CORPORATION TAX COMPUTATION
For the corporation tax accounting period
from 1 January 1998 to 31 December 1998

	£	£	£
SCHEDULE D CASE I COMPUTATION			
(Sec. 2, boxes 1 to 4)			
Profit per financial statements		256,167	
Less: Deposit account interest		1,274	
		<hr/>	
Net trading profit			254,893
PROFITS AND GAINS FROM NON-TRADING LOAN RELATIONSHIPS			
(Sec. 2, box 6)			
Deposit account interest			1,274
			<hr/>
PROFITS CHARGEABLE TO CORPORATION TAX			£256,167
(Sec. 2, box 30)			<hr/>
MEMO: No franked investment income			
MEMO: There are no associated companies			
CORPORATION TAX CHARGEABLE			
(Sec. 2, boxes 36 to 50)			
256,167 @ 21%			53,795.07
Advance corporation tax utilized			(51,233.40)
(Sec. 2, box 54)			<hr/>
CORPORATION TAX OUTSTANDING			£2,561.67
(Sec. 2, box 65)			<hr/>
MEMO: Summary of Advance Corporation Tax			
ACT on dividends paid in year			51,937.75
ACT utilized:			
Apportioned Days	90/ 365		
Maximum set off 20.0% of profit for apportioned days	12,632.89		
Apportioned Days		275/ 365	
Maximum set off 20.0% of profit for apportioned days		38,600.51	
			<hr/>
			51,233.40
			<hr/>
Surplus ACT available			£704.35
			<hr/>