

HILLSIDE MANAGEMENT SERVICES LIMITED

ABBREVIATED BALANCE SHEET

AT 30 NOVEMBER, 1998

COMPANY REGISTRATION NO. 2996886



HILLSIDE MANAGEMENT SERVICES LIMITED
ABBREVIATED BALANCE SHEET AS AT 30 NOVEMBER, 1998

| | Note | 1998 | 1997 |
|--|------|-----------------------|----------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible assets | 2 | 5,393 | 5,571 |
| Investments | | 51,254 | 25,000 |
| | | <u>56,647</u> | <u>30,571</u> |
| Current Assets | | | |
| Debtors | | 12,548 | 35,612 |
| Cash at Bank and in hand | | 239,472 | 27,441 |
| | | <u>252,020</u> | <u>63,053</u> |
| Current Liabilities | | | |
| Creditors falling due within one year | | (99,538) | (20,494) |
| Net Current Assets | | <u>152,482</u> | <u>42,559</u> |
| Total Assets less Current Liabilities | | <u><u>209,129</u></u> | <u><u>73,130</u></u> |
| Share Capital and Reserves | | | |
| Called up Share Capital | 3 | 50 | 50 |
| Retained Reserves | | 209,079 | 73,080 |
| Equity Shareholders' Funds | | <u><u>209,129</u></u> | <u><u>73,130</u></u> |

Statement by the director :

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding more than 10% or more of the company's share capital have not issued a notice requiring an audit under Section 249(B)(2) of the Companies Act 1985. The director acknowledges her responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

In preparing these Abbreviated financial statements: (1) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985; (2) Advantage has been taken, in the preparation of the financial statements, of special exemptions applicable to small companies; (3) In the opinion of the director the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247 of the Companies Act 1985.

The financial statements were approved by the Board on 23 December, 1998 and signed on behalf of the Board by:



P. Sandhu, Director

The notes on pages 2 to 3 form part of these abbreviated financial statements.

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1 ACCOUNTING POLICIES & NOTES

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

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards.

Turnover

Turnover represents amounts receivable, excluding VAT, for goods and services invoiced during the year. Turnover excludes deferred income of £30,500.

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|---------------------------------|--------------|
| Fixtures, fitting and equipment | - 25% of NBV |
|---------------------------------|--------------|

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Related Party Transactions

The company is required to disclose related company transactions in accordance with FRS 8. During the year the company earned £Nil (1998:£15,000) in management fees from B&P Investments Limited, a company for which Mrs Sandhu is Company Secretary and £316,200 (1997:£31,750) in management fees from the Raven Group of companies of which Mr Sandhu, the Company Secretary, is director and a minority shareholder. The director also provided office space to the company for the year for an amount of £1,980 (1998:£1,920). The company advanced £10,000 to MG Patisserie, a business connected with the father of the company secretary, bearing interest at a rate equivalent to the Inland Revenue interest rate on beneficial loans. The balance outstanding at the year end was £10,000 plus accrued interest.

Cash Flow Statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a 'small company' as defined under sections 246 to 249 of the Companies Act.

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2 FIXED ASSETS

| | £ | £ | £ |
|--------------------------------------|-------------|--------|----------|
| | Investments | F,F &E | Total |
| Cost | | | |
| Balance at beginning | 25,000 | 10,404 | 35,404 |
| Additions during the year | 36,254 | 1,619 | 37,873 |
| Write-down during the year | (10,000) | - | (10,000) |
| | ----- | ----- | ----- |
| | 51,254 | 12,023 | 63,277 |
| | ===== | ===== | ===== |
| Depreciation and Amortisation | | | |
| Balance at beginning | - | 4,833 | 4,833 |
| Charge for the year | - | 1,797 | 1,797 |
| | ----- | ----- | ----- |
| | - | 6,630 | 6,630 |
| | ===== | ===== | ===== |
| Net Book Value at 30 November, 1998 | £51,254 | £5,393 | £56,647 |
| | ===== | ===== | ===== |
| Net Book Value at 30 November, 1997 | £25,000 | £5,571 | £30,571 |
| | ===== | ===== | ===== |

Investments comprise shareholdings in an AIM listed company and shares listed on the Australian Stock Exchange.

3 CALLED UP SHARE CAPITAL

| | 1998 | 1997 |
|---|--------|--------|
| | | £ |
| Authorised - Ordinary shares of £1 each | £1,000 | £1,000 |
| | ===== | ===== |
| Issued and fully paid up - Ordinary shares of £1 each | £50 | £50 |
| | ===== | ===== |