

REPORT AND ACCOUNTS  
YEAR ENDED 31 AUGUST 1998

DIRECTOR

MR N A MCLOUGHLIN

SECRETARY

SP SECRETARIAL SERVICES LIMITED

REGISTERED OFFICE

62 NEW CAVENDISH STREET  
LONDON W1M 7LD

ACCOUNTANTS

SINGER HOME DESAI  
62 NEW CAVENDISH STREET  
LONDON W1M 7LD



ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
YEAR ENDED 31 AUGUST 1998

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DIRECTOR REPORT  
FOR THE YEAR ENDED 31 AUGUST 1998

The Director presents his Annual Report to the members together with the Accounts and Notes thereto.

PRINCIPAL ACTIVITY

The Principal Activity of the company in the year under review as that of Bloodstock Commission Agents and Brokers.

REVIEW OF BUSINESS

The Director reports the results shown in the accounts for the year under review and anticipates improved results for the current year.

DIVIDEND

The Director recommends that a dividend of £2,250 per Ordinary Share be declared for the year under review.

RESERVES

The Director propose that no formal transfer be made to or from reserves for the year.

DIRECTOR

The constitution of the Board, his interests (and those of his immediate families) in the Capital of the company were as follows:

	<u>Beneficial Holdings</u>	
	<u>Shares of £1 Each</u>	
	<u>1998</u>	<u>1997</u>
Mr N A McLoughlin	1	1
	--	--
	1	1
	==	==

No changes in the constitution of the Board has taken place during the year.

FIXED ASSETS

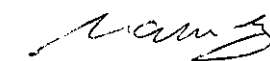
Details of Fixed Assets are shown in the Notes to the Accounts.

DIRECTOR REPORT  
FOR THE YEAR ENDED 31 AUGUST 1998 (CONTINUED)

TAXATION

So far as the Director is aware the company falls within the meaning of a "Close Company" as defined by the Income and Corporation Taxes Act 1988.

BY ORDER OF THE BOARD

  
.....  
CHAIRMAN

X

  
.....  
DATE

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the Director 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 YEAR . In preparing those financial statements, the Director are required to:

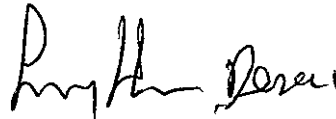
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director 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.

ACCOUNTANT'S REPORT  
YEAR ENDED 31 AUGUST 1998

The Director has taken advantage of the total exemption from audit conferred by Section 249A(1) of Companies Act 1985 and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

In accordance with instructions given to us we have prepared, without carrying out an audit, the attached accounts from the accounting records and information and explanations supplied to us by the Directors.



SINGER HOME DESAI

62 NEW CAVENDISH STREET

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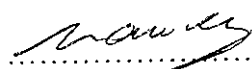

DATE: 8/4/99

BALANCE SHEET AS AT 31 AUGUST 1998

<u>FIXED ASSETS</u>	<u>NOTES</u>	<u>1998</u>	<u>1997</u>
Tangible Assets	2	£ 1,041	£ 1,041
<u>CURRENT ASSETS</u>			
Debtors	3	£ 1,400	£ 11,750
Cash at Bank and in Hand		190	4,247
		-----	-----
		£ 1,590	£ 15,997
		=====	=====
<u>CREDITORS</u>			
Amounts falling due within One Year	4	£ 1,494	£ 13,014
		-----	-----
<u>NET CURRENT ASSETS</u>		96	2,983
		-----	-----
<u>TOTAL ASSETS LESS</u>			
<u>CURRENT (LIABILITIES)</u>		£ 1,139	£ 4,024
		=====	=====
<u>CAPITAL AND RESERVES</u>			
<u>CALLED UP SHARE CAPITAL</u>	5	£ 2	£ 2
<u>PROFIT AND LOSS ACCOUNT</u>		1,137	4,022
		-----	-----
		£ 1,139	£ 4,024
		=====	=====

The Director has taken advantage of the total exemption from audit conferred by Section 249A(1) of Companies Act 1985 and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985. The Director acknowledges his responsibilities for ensuring that:

1. The company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
2. The financial statements give a true and fair view of the state of affairs of the company as at 31 August 1998 and of its loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

 DIRECTOR 

Approved by the Board on  1999. 

To be read in conjunction with the Notes on pages 9 to 11.

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 1998

	<u>NOTES</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1998</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1997</u>
<u>TURNOVER</u>	6	£ 37,145	£ 346,237
<u>LESS: DIRECT COSTS</u>		28,448	313,407
		-----	-----
<u>GROSS PROFIT</u>		8,697	32,830
<u>OPERATING EXPENSES</u>			
Administration Expenses	£ 6,880		£ 13,290
Other Operating Expenses	1,222	8,102	1,635
	-----	-----	-----
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>	7	595	17,905
<u>TAXATION</u>	8	( 1,020)	3,980
		-----	-----
<u>PROFIT FOR THE YEAR</u>		1,615	13,925
<u>DIVIDEND</u>		4,500	10,000
		-----	-----
<u>PROFIT AND LOSS ACCOUNT</u> <u>BALANCE BROUGHT FORWARD</u>		( 2,885)	3,925
<u>PROFIT AND LOSS ACCOUNT</u> <u>BALANCE CARRIED FORWARD</u>		4,022	97
		-----	-----
		£ 1,137	£ 4,022
		=====	=====

There are no recognised Gains and Losses for the year ended 31 August 1998, and the period ended 31 August 1997.

The Notes on pages 9 to 11 form part of these Accounts..



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 1998

NOTE: 1

ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a 'Small Company'.

1.2 TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful working life less its residual value.

Furniture, Fittings and Equipment      25% p.a on reducing balance.

1.3 TURNOVER

Turnover represents the total income receivable by the company (exclusive of Value Added Tax) in respect of services rendered.

NOTE: 2

<u>TANGIBLE FIXED ASSETS</u>		<u>FIXTURES</u> <u>FITTINGS &amp;</u> <u>EQUIPMENT</u>	<u>TOTAL</u>
<u>Cost:</u>	1 September 1997	£ 1,463	£ 1,463
Additions		341	341
Disposals		-	-
		-----	-----
<u>Balance:</u>	31 August 1998	£ 1,804	£ 1,804
		=====	=====
<u>Depreciation:</u>	1 September 1997	£ 422	£ 422
Provided in the Year		345	345
Disposals		-	-
		-----	-----
<u>Balance:</u>	31 August 1998	£ 767	£ 767
		=====	=====
<u>NET BOOK VALUE:</u>	31 August 1998	£ 1,037	£ 1,037
		=====	=====
<u>NET BOOK VALUE:</u>	31 August 1997	£ 1,041	£ 1,041
		=====	=====

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 1998 (CONTINUED)

NOTE: 3

<u>DEBTORS</u>	<u>1998</u>	<u>1997</u>
Trade Debtors	£ 1,000	£ 11.750
Sundry Debtors	400	-
	-----	-----
	£ 1,400	£ 11.750
	=====	=====

NOTE: 4

<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1998</u>	<u>1997</u>
Sundry Creditors and Accruals	£ 1,000	£ 8.663
Directors Current Account	31	368
Corporation Tax	463	3.983
	-----	-----
	£ 1,494	£ 13.014
	=====	=====

NOTE: 5

<u>CALLED UP SHARE CAPITAL</u>	<u>1998</u>	<u>1997</u>
<u>Authorised</u>		
1,000 Ordinary Shares of £1 Each	£ 1,000	£ 1,000
	=====	=====
<u>Issued and Fully Paid</u>		
2 Ordinary Shares of £1 Each	£ 2	£ 2
	=====	=====

NOTE: 6

TURNOVER

The Turnover is attributable to the one Principal Activity of the company, carried on wholly in the United Kingdom.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 1998 (CONTINUED)

NOTE: 7

OPERATING RESULTS

The Operating Results are stated after charging:

	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1998</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1997</u>
Staff Costs (Note: 7.1)	£ 3,180	£ 3,100
Depreciation	345	347
	=====	=====

NOTE: 7.1

	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1998</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1997</u>
<u>STAFF COSTS</u>		
Social Security Costs	£ -	£ -
Wages and Salaries	3,180	3,100
	-----	-----
	£ 3,180	£ 3,100
	=====	=====

The average weekly number of employees including Director during the year was as follows:

	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1998</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1997</u>
Office and Administration	1	1
	==	==

NOTE:8

TAXATION

A provision for Corporation Tax on the results shown for the period is as follows:

	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1998</u>	<u>YEAR</u> <u>ENDED</u> <u>31 AUGUST</u> <u>1997</u>
Corporation Tax due at 21% (1997 21/23%)	£ 105	£ 3,983
Overprovision of Corporation Tax for previous Year	( 1,125)	( 3)
	-----	-----
	£(1,020)	£ 3,980
	=====	=====

ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
YEAR ENDED 31 AUGUST 1998

THE INFORMATION WHICH APPEARS ON THE FOLLOWING PAGES HAS BEEN  
PREPARED AT THE REQUEST OF THE COMPANY'S MANAGEMENT AND FOR  
MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE  
STATUTORY ACCOUNTS AND IS SUBMITTED TO THE INLAND REVENUE  
AND TO OTHER THIRD PARTIES AS INSTRUCTED BY THE DIRECTOR.