

JOSS CONTRACTING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

15999-A-1998

Registered Office
60 Welbeck Street
London
W1M 8BH



JOSS CONTRACTING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1998**

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

Principal activities and review of the business

The principal activity of the company is that of an investment company.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 1998:

L.R. Taylor

A.M. Taylor

K Yates

(Appointed 29 January 1999)

D. Rudge

(Resigned 29 January 1999)

The directors have no interest in the issued share capital of the company.

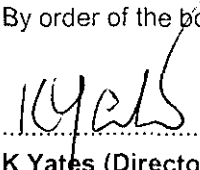
Directors' responsibilities

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 of the company 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;
- prepare the financial statements on the 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 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.

By order of the board


K Yates (Director)

Date : 24 JAN 2001

MATTHEW EDWARDS & CO

CHARTERED ACCOUNTANTS

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ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE ACCOUNTS OF JOSS CONTRACTING LIMITED

We report on the accounts for the year ended 31 December 1998.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 1998, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

MATTHEW EDWARDS & CO
Matthew Edwards & Co.

24/01/2001

Chartered Accountants

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

JOSS CONTRACTING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	Year ended 31 December 1998 £	Period ended 31 December 1997 £
Administrative expenses		(4,941)	(12,265)
Operating loss	2	(4,941)	(12,265)
Interest payable and similar charges	3	(8,053)	-
Loss on ordinary activities before taxation		(12,994)	(12,265)
<i>Tax on loss on ordinary activities</i>	4	-	-
Loss on ordinary activities after taxation	9	(12,994)	(12,265)
(Loss)/profit brought forward at 1 January 1998		(12,265)	-
Loss carried forward at 31 December 1998		(25,259)	(12,265)

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

JOSS CONTRACTING LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1998**

		1998		1997 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		23,636		143,763
Current assets					
Investments	6	120,127		-	
Cash at bank and in hand		2,185		10,648	
		<u>122,312</u>		<u>10,648</u>	
Creditors: amounts falling due within one year	7	<u>(170,207)</u>		<u>(165,676)</u>	
Net current liabilities			<u>(47,895)</u>		<u>(155,028)</u>
Total assets less current liabilities			<u>(24,259)</u>		<u>(11,265)</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		<u>(25,259)</u>		<u>(12,265)</u>
Shareholders' funds - equity interests	10		<u>(24,259)</u>		<u>(11,265)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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 profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

24 JAN 2001

The financial statements were approved by the Board on


K Yates
Director

JOSS CONTRACTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1 Accounting policies

1.1 Accounting convention

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

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Investment properties are included in the balance sheet at their acquisition cost. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this depreciation policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.3 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.4 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Cash Flow

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.

1.6 Comparatives

Comparatives have been re-stated to include an investment property and an associated increase in creditors. There was no effect on the profit and loss account.

2 Operating loss

	1998	1997
	£	£
Operating loss is stated after charging:		
Audit and accountancy fees	588	450

JOSS CONTRACTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1998**

3 Interest payable and similar expenses	1998	1997
	£	£
Loss on foreign exchange	8,053	-
	<u>8,053</u>	<u>-</u>

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

	Investment properties £
Cost	
At 1 January 1998	143,763
Transfer to current asset investment	(120,127)
At 31 December 1998	<u>23,636</u>
At 31 December 1997	<u>143,763</u>

The investment consisted of two properties in Italy and were stated at cost. One property has been transferred to current asset investment as it has been disposed of in 1999. In the opinion of the directors' market value approximates to cost.

6 Current asset investments	1998	1997
	£	£
Investment property	<u>120,127</u>	<u>-</u>

The above investment represents an investment property in Italy. The property has been disposed of in 1999.

7 Creditors: amounts falling due within one year	1998	1997
	£	£
Other creditors	169,169	165,226
Accruals and deferred income	1,038	450
	<u>170,207</u>	<u>165,676</u>

8 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares of which 1000 have been issued and are fully paid up (1997 - 1000).

JOSS CONTRACTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1998****9 Statement of movements on profit and loss account**

	Profit and loss account £
Balance at 1 January 1998	(12,265)
Retained loss for the period	(12,994)
	<hr/>
Balance at 31 December 1998	(25,259)
	<hr/>

10 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Loss for the financial year	(12,994)	(12,265)
Proceeds from issue of shares	-	1,000
	<hr/>	<hr/>
Net depletion in shareholders' funds	(12,994)	(11,265)
Opening shareholders' funds	(11,265)	-
	<hr/>	<hr/>
Closing shareholders' funds	(24,259)	(11,265)
	<hr/>	<hr/>

11 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

12 Capital commitments

There were no major capital commitments at the balance sheet date.

13 Employees**Number of employees**

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

14 Ultimate Controlling Party and Related party transactions

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.