

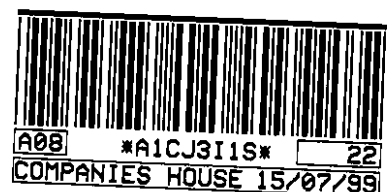
**REGISTRAR OF
COMPANIES**

**Link Asset and Securities Company
Limited**

Report and Financial Statements

Period Ended

31 December 1998



BDO

BDO Stoy Hayward
Chartered Accountants

LINK ASSET AND SECURITIES COMPANY LIMITED

Report and financial statements for the period ended 31 December 1998

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Directors

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Directors

C H Davies
J Booth

Secretary and registered office

C H Davies, 3rd Floor, 30-34 Langham Street, London, W1N 5LB.

Company number

3454743

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

LINK ASSET AND SECURITIES COMPANY LIMITED

Report of the directors for the period ended 31 December 1998

The directors present their report together with the audited financial statements for the period ended 31 December 1998. The company was incorporated on 23 October 1997 and changed its name from Refal 522 Limited on 31 December 1997.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The company brokers deals in European equity derivatives between merchant banks and Natural Gas between suppliers and retailers. The directors consider the result for the period to be satisfactory and are optimistic about the future profitability of the company.

Year 2000

The directors have reviewed their operations and consider the systems to be year 2000 compliant.

Directors

The directors of the company during the period and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each
C H Davies	90,000
J Booth	10,000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

LINK ASSET AND SECURITIES COMPANY LIMITED

Report of the directors for the period ended 31 December 1998 *(Continued)*

Auditors

BDO Stoy Hayward, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

C H Davies

Charles H Davies
Davies

Secretary

29 March 1999

LINK ASSET AND SECURITIES COMPANY LIMITED

Report of the auditors

To the shareholders of Link Asset and Securities Company Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

29 March 1999

LINK ASSET AND SECURITIES COMPANY LIMITED**Profit and loss account for the period ended 31 December 1998**

	Note	£
Turnover	2	1,147,128
Cost of sales		803,606
		<hr/>
Gross profit		343,522
Administrative expenses		175,861
		<hr/>
Operating profit		167,661
Interest receivable		3,749
		<hr/>
Profit on ordinary activities before taxation	4	171,410
Taxation on profit from ordinary activities	6	36,177
		<hr/>
Profit on ordinary activities after taxation		135,233
		<hr/> <hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

LINK ASSET AND SECURITIES COMPANY LIMITED

Reconciliation of movements in shareholders' funds for the period ended 31 December 1998

	£
Profit for the financial period	135,233
Dividends	-
	<hr/>
	135,233
New share capital subscribed	100,000
	<hr/>
Shareholders' funds at 31 December 1998	235,233
	<hr/> <hr/>

The notes on pages 7 to 10 form part of these financial statements.

LINK ASSET AND SECURITIES COMPANY LIMITED

Balance sheet at 31 December 1998

	Note	£	£
Fixed assets			
Tangible assets	7		49,331
Current assets			
Debtors	8	454,085	
Cash at bank and in hand		377,515	
		<hr/>	
		831,600	
Creditors: amounts falling due within one year	9	(645,698)	
		<hr/>	
Net current assets			185,902
			<hr/>
Net assets			235,233
			<hr/> <hr/>
Capital and reserves			
Called up share capital	10		100,000
Profit and loss account			135,233
			<hr/>
Shareholders' funds - equity			235,233
			<hr/> <hr/>

The financial statements were approved by the Board on 29 March 1999

Charles Herbert Davies

C H Davies
Director

The notes on pages 7 to 10 form part of these financial statements.

LINK ASSET AND SECURITIES COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 1998

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Office equipment	- 20% p.a. straight line
Computer equipment	- 20% p.a. straight line
Furniture and fittings	- 20% p.a. straight line

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

Leased asset

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

LINK ASSET AND SECURITIES COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 1998 (*Continued*)

3	Employees	£
	Staff costs consist of:	
	Wages and salaries	744,219
	Social security costs	49,878
		<hr/>
		794,097
		<hr/>
	The average number of employees during the period was 7.	
4	Profit on ordinary activities before taxation	
	This is arrived at after charging:	
	Depreciation	4,282
	Auditors' remuneration	11,608
	Operating lease rentals	26,315
		<hr/>
5	Directors' emoluments	
	Emoluments	299,952
		<hr/>
6	Taxation on profits from ordinary activities	
	U.K. corporation tax	36,177
		<hr/>

LINK ASSET AND SECURITIES COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 1998 *(Continued)*

7 Tangible assets

	Office equipment £	Computer equipment £	Furniture and fittings £	Total £
<i>Cost</i>				
Additions and at end of period	22,925	20,054	10,634	53,613
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
Provided for the period and at end of period	1,921	1,732	629	4,282
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 1998	21,004	18,322	10,005	49,331
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Debtors

	£
Trade debtors	421,751
Prepayments and accrued income	32,334
	<hr/>
	454,085
	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

9 Creditors: amounts falling due within one year

Trade creditors	25,326
Other creditors	57,762
Taxation and social security	21,579
Corporation tax	36,177
Accruals	504,854
	<hr/>
	645,698
	<hr/> <hr/>

LINK ASSET AND SECURITIES COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 1998 *(Continued)*

10 Share capital

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>

11 Commitments under operating leases

As at 31 December 1998, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings £
Operating leases which expire:	
In two to five years	40,040
	<u> </u>

12 Ultimate controlling party

The ultimate controlling party of the company is considered to be Mr Charles Davies, a director and majority shareholder of the company.