

YARD SECURITIES LIMITED

FINANCIAL STATEMENTS

for the fifty-two weeks ended

31st August, 1997



Kidsons Impey

Chartered Accountants

HULL

YARD SECURITIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 1997

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YARD SECURITIES LIMITED**Directors**

N. R. Carrick
A. B. Clark

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the fifty-two weeks ended 31st August, 1997 ("the year").

Business review

As the company has not traded during the year, there is no movement on the profit and loss account.

Directors

The membership of the Board is shown above. Both directors served on the Board for the whole of the financial year.

Directors' shareholdings

Neither of the directors has any beneficial interest in the share capital of the company. The interest of Mr. N.R. Carrick in the share capital of Cosalt plc, the ultimate parent company, is disclosed by that company.

Mr. A.B. Clark had a beneficial interest in 2,235 ordinary shares of Cosalt plc at 31st August, 1997 (1996 - 725) including shares issued under the Cosalt plc Employees' Profit Sharing Scheme.

Auditors

The auditors, Messrs. Kidsons Impey, Chartered Accountants, have intimated their willingness to continue in office.

By Order of the Board



A.B. Clark

Secretary

Fish Dock Road,
Grimsby.

24th November, 1997.

YARD SECURITIES LIMITED**STATEMENT OF 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 at the end of the year, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 of fraud and other irregularities.

YARD SECURITIES LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the financial statements on pages 4 and 5 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

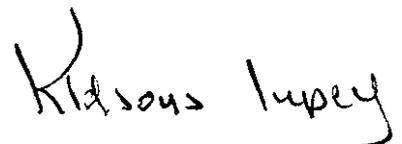
Basis of opinion

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 31st August, 1997 and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey

Registered Auditors
Chartered Accountants

Hull: 24th November, 1997

YARD SECURITIES LIMITED
BALANCE SHEET - 31ST AUGUST, 1997

| | Note | 31st August, 1997 £ | 1st September, 1996 £ |
|-------------------------------------|------|---------------------------|-----------------------------|
| Current assets | | | |
| Debtors | 2 | 112,844 | 112,844 |
| Creditors | | | |
| Amounts falling due within one year | 3 | <u>1,260</u> | <u>1,260</u> |
| Net assets | | <u>111,584</u> | <u>111,584</u> |
| Capital and reserves | | | |
| Called up share capital | 4 | 100,000 | 100,000 |
| Profit and loss account | 5 | <u>11,584</u> | <u>11,584</u> |
| Equity shareholders' funds | | <u>111,584</u> | <u>111,584</u> |

Approved by the Board on 24th November, 1997.


N.R. Carrick - Director

The notes on page 5 form part of these financial statements.

YARD SECURITIES LIMITED

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

1 Accounting policies

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. A profit and loss account is not included in these financial statements as the company has not traded during the year and has made neither profits nor losses. Accordingly, a statement of total recognised gains and losses and a reconciliation of movements in shareholders' funds required by Financial Reporting Standard 3 are not included in these financial statements.

2 Debtors

| | 1997 | 1996 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amount due from parent company | <u>112,844</u> | <u>112,844</u> |

3 Creditors

| | 1997 | 1996 |
|--|--------------|--------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amount owed to ultimate parent company | <u>1,260</u> | <u>1,260</u> |

4 Called up share capital

| | 1997 | 1996 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Authorised, issued and fully paid: | | |
| 100,000 ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |

5 Profit and loss account

| | £ |
|--|---------------|
| Balance at 2nd September, 1996 and 31st August, 1997 | <u>11,584</u> |

6 Ultimate parent company

The immediate parent company is Orbit Holdings Limited, which is incorporated in England.

The ultimate parent company is Cosalt plc, which is incorporated in England.