

YARD SECURITIES LIMITED

FINANCIAL STATEMENTS

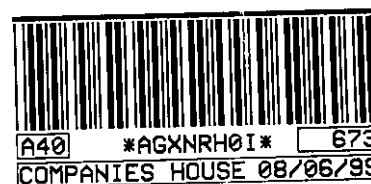
for the fifty-two weeks ended

30 August 1998

Kidsons Impey

Chartered Accountants

HULL



YARD SECURITIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 AUGUST 1998

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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 30 August 1998 ("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 2,503 ordinary shares of Cosalt plc at 30 August 1998 (1997 - 2,235) 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.

23 November 1998.

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 30 August 1998 and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey

Registered Auditors
Chartered Accountants

Hull: 23 November 1998.

YARD SECURITIES LIMITED
BALANCE SHEET - 30 AUGUST 1998

	Note	30 August 1998 £	31 August 1997 £
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 23 November 1998.



N.R. Carrick - Director

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

YARD SECURITIES LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

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

	1998 £	1997 £
Amounts falling due within one year:		
Amount due from parent company	<u>112,844</u>	<u>112,844</u>

3 Creditors

	1998 £	1997 £
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

	1998 £	1997 £
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 1 September 1997 and 30 August 1998	<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.