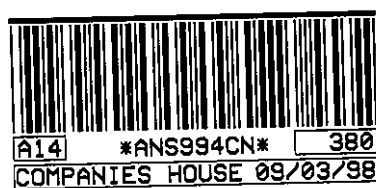


BADDILEY AND COOPER LIMITED

FINANCIAL STATEMENTS

1ST JANUARY 1997 TO 31ST DECEMBER 1997

COMPANY NUMBER. 896387



BADDILEY AND COOPER LIMITED
YEAR ENDED 31ST DECEMBER 1997
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BADDILEY AND COOPER LIMITED
YEAR ENDED 31ST DECEMBER 1997

DIRECTORS:

R.T.Hollingdale
D.A. Shoebridge

SECRETARY:

R.T. Hollingdale

REGISTERED OFFICE:

5th Floor,
Davina House,
137-149 Goswell Road
London
EC1V 7ET

REGISTERED AUDITORS:

S J Wright & Co.
Certified Accountants,
336 Hackney Road,
London.
E2 7AX.

BADDILEY AND COOPER LIMITED**DIRECTORS REPORT****YEAR ENDED 31ST DECEMBER 1997**

The directors present their annual report and the audited financial statements for the year ended 31st December 1997.

ACTIVITIES

The principal activities of the company during the year were those of stocktakers and appraisers.

DIRECTORS AND THEIR INTEREST IN THE SHARES OF THE COMPANY

The directors of the company at 31st December 1997 and their interest in the share capital of the company according to the register required to be kept by section 325 of the Companies Act 1985 were as follows:-

	<u>Number of shares</u>
	<u>At 31st December 1997 and 31st December 1996</u>
D.A. Shoebridge	50
R.T. Hollingdale	50
	<hr/>
	100
	<hr/>

DIRECTORS' RESPONSIBILITIES

Company law requires 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;
- * comply with applicable accounting standards 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 presume that the company will continue in business.

The directors are responsible for maintaining 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.

BADDILEY AND COOPER LIMITED**DIRECTORS REPORT****YEAR ENDED 31ST DECEMBER 1997****REGISTERED AUDITORS**

The registered auditors S J Wright & Co. have signified their willingness to continue in office and a resolution proposing their reappointment will be put to the forthcoming Annual General Meeting.

SMALL COMPANY EXEMPTIONS

The report has been prepared in accordance with the special provisions of part vii of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

.....
R.T. Hollingdale
(Secretary)

27 February 1998

AUDITORS REPORT TO THE MEMBERS OF**BADDILEY AND COOPER LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 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 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 December, 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

S J Wright & Co.

S J Wright & Co.,
Registered Auditors,
Certified Accountants,

336 Hackney Road,
London E2 7AX

27th February 1998

BADDILEY AND COOPER LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
Turnover	1(b)	318,395	310,700
Administrative Expenses		(246,402)	(259,339)
Distribution Costs		(61,775)	(52,777)
OPERATING PROFIT/LOSS		10,218	(1,416)
Interest Payable and Similar Charges		(1,052)	(1,981)
PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION.	2	9,166	(3,397)
TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES	3	(1,960)	901
PROFIT/LOSS ON ORDINARY ACTIVITIES AFTER TAXATION.		7,206	(2,496)
RETAINED PROFIT BROUGHT FORWARD		8,419	10,915
RETAINED PROFIT CARRIED FORWARD		15,625	8,419

All of the operations undertaken by the company during the current and preceding periods are continuing operations.

The company has no recognised gains other than the profit for the period.

The notes on pages 7 to 9 form an integral part of these accounts.

BADDILEY AND COOPER LIMITED**BALANCE SHEET AT 31ST DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	4	<u>17,997</u>	<u>22,887</u>
<u>CURRENT ASSETS</u>			
Debtors	5	70,172	88,792
Cash in Hand		43	90
		<u>70,215</u>	<u>88,882</u>
<u>CREDITORS: AMOUNTS FALLING DUE</u>			
<u>WITHIN ONE YEAR.</u>	6	<u>(71,377)</u>	<u>(101,736)</u>
NET CURRENT LIABILITIES		<u>(1,162)</u>	<u>(12,854)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,835	10,033
PROVISION FOR LIABILITIES AND CHARGES	7	<u>(1,110)</u>	<u>(1,514)</u>
NET ASSETS		<u><u>15,725</u></u>	<u><u>8,519</u></u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	8	100	100
Profit and Loss Account		<u>15,625</u>	<u>8,419</u>
		<u><u>15,725</u></u>	<u><u>8,519</u></u>

The accounts have been prepared in accordance with the special provision of part vii of the Companies Act, 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 27 February 1998.

Signed on behalf of the Board of Directors.

.....
D.A. SHOEBRIDGE (Director)

The notes on pages 7 to 9 form an integral part of these accounts.

BADDILEY AND COOPER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1997****1. ACCOUNTING POLICIES****a) Accounting Convention**

The accounts have been prepared under the historical cost convention.

b) Turnover

Turnover is stated net of Value Added Tax.

c) Depreciation

Depreciation has been provided to write off the cost of fixed assets over their estimated economic lives under the reducing balance method at the following annual rates:

Motor Vehicles	-	20%
Computers	-	20%
Furniture & Fittings	-	15%

d) Cashflow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption available under FRS1 not to prepare a cashflow statement.

e) Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

f) Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

BADDILEY AND COOPER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1997**

	<u>1997</u> £	<u>1996</u> £
2. <u>PROFIT/LOSS ON ORDINARY ACTIVITIES</u>		
<u>BEFORE TAXATION AFTER CHARGING</u>		
Directors' Remuneration	-	10,650
Loss on sale of Motor Vehicles	1,468	11,898
Depreciation	4,294	5,480
Auditors Remuneration	900	900
Equipment Hire and Rental	133	130
Interest on Loans payable within 5 years	1,052	1,981
Pension Cost	2,750	4,199
	<u> </u>	<u> </u>
3. <u>TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES</u>		
U.K Corporation Tax at 21%/24% (1996-24%/25)	2,364	104
Deferred Taxation (Note 7)	(404)	(1,005)
	<u>1,960</u>	<u>(901)</u>

4. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £	<u>Fittings & Equipment</u> £	<u>Computers</u> £	<u>Total</u> £
COST				
At 1 January 1997	10,680	8,838	54,136	73,654
Additions	-	-	4,872	4,873
Disposals	(10,680)	-	-	(10,680)
At 31 December 1997	<u>-</u>	<u>8,838</u>	<u>59,008</u>	<u>67,846</u>
ACCUMULATED DEPRECIATION				
At 1 January 1997	5,212	5,556	39,999	50,767
Charge for the year	-	492	3,802	4,294
Released on Disposal	(5,212)	-	-	(5,212)
At 31 December 1997	<u>-</u>	<u>6,048</u>	<u>43,801</u>	<u>49,849</u>
NET BOOK VALUES				
At 31 December 1997	<u>-</u>	<u>2,790</u>	<u>15,207</u>	<u>17,997</u>
At 31 December 1996	<u>5,468</u>	<u>3,282</u>	<u>14,137</u>	<u>22,887</u>

BADDILEY AND COOPER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1997**

	<u>1997</u> £	<u>1996</u> £
5. <u>DEBTORS</u>		
Trade Debtors	49,429	65,817
Prepayments	4,110	5,098
Other Debtors	16,633	17,877
	<u>70,172</u>	<u>88,792</u>
6. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Taxation and Social Security Costs	22,691	22,080
Bank Overdraft	204	18,141
Current Taxation	2,361	101
Accruals	5,958	5,210
Other Creditors	40,163	56,204
	<u>71,377</u>	<u>101,736</u>
7. <u>PROVISION FOR LIABILITIES AND CHARGES</u>		
<u>Deferred Taxation</u>		
Excess of capital allowances over depreciation.		
Balance 1 January 1997	1,514	2,519
Amount Released	(404)	(1,005)
Balance 31 December 1997	<u>1,110</u>	<u>1,514</u>
8. <u>CALLED UP SHARE CAPITAL</u>		
	<u>Authorised</u>	<u>Issued and Fully Paid</u>
	<u>1997 and 1996</u>	<u>1997 and 1996</u>
Ordinary shares of £1 each	10,000	100
'A' Ordinary Share of £1 each	10,000	-
	<u>20,000</u>	<u>100</u>