

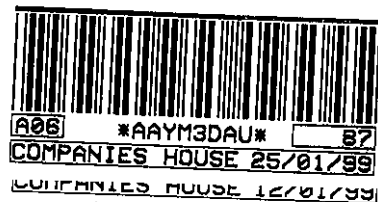
GRANTLEY COMMODITIES LIMITED

FINANCIAL STATEMENTS

- for the year ended -

31ST MARCH 1998

Company No: 1802015



MORISON STONEHAM
Chartered Accountants
Prudential Buildings
Epsom Road Guildford Surrey GU1 3JW

GRANTLEY COMMODITIES LIMITED

DIRECTORS

M D Knowles
E M Cheevers

SECRETARY

J Knowles

BUSINESS ADDRESS

Grantley House
The Common
Cranleigh
Surrey GU6 84Z

REGISTERED OFFICE

Grantley House
The Common
Cranleigh
Surrey GU6 84Z

ACCOUNTANTS

Morison Stoneham
Chartered Accountants
Prudential Buildings
Epsom Road
Guildford Surrey GU1 3JW

GRANTLEY COMMODITIES LIMITED

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GRANTLEY COMMODITIES LIMITED

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of commodity brokers.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

		<u>Number of shares</u>	
		<u>1998</u>	<u>1997</u>
M D Knowles	Ordinary shares	1	1
E M Cheevers	Ordinary shares	1	1

YEAR 2000 AND INTRODUCTION OF SINGLE EUROPEAN CURRENCY

Many computer and digital systems express dates using only the last two digits of the year. These systems will require modification or replacement to accommodate the year 2000 and beyond, in order to avoid malfunctions resulting in commercial disruption. The operation of our business depends not only on our computer systems but also to some degree on those of our suppliers and customers. As a result there is a risk of exposure in the event that there is a failure by other parties to remedy their own year 2000 issues.

We have reviewed our own systems and have developed plans to address the key risks both internally and externally. However, given the complexity and event of this problem it is not possible for any organisation to guarantee that no year 2000 problems will remain.

The introduction of the single European Currency on 1st January 1999 is not expected to have any material impact on the business.

SMALL COMPANY DISCLOSURE

The accounts have 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

J. Knowles

Secretary

Date: 8 January 1999

GRANTLEY COMMODITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998

	Notes	1998 £	1997 £
TURNOVER		249,592	261,674
Administrative expenses		(196,889)	(194,605)
OPERATING PROFIT	2	52,703	67,069
Interest payable		(3,258)	(6,388)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,445	60,681
Tax on profit on ordinary activities		(12,273)	(17,504)
PROFIT FOR THE FINANCIAL YEAR		37,172	43,177
Dividends		(40,000)	(34,400)
LOSS FOR THE YEAR	9	(2,828)	8,777

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

BALANCE SHEET AT 31ST MARCH 1998

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible assets	4		115,054		115,181
CURRENT ASSETS					
Debtors	5	42,800		44,580	
Cash at bank and in hand		127		717	
			42,927		45,297
CREDITORS: Amounts falling due within one year	6	(97,490)		(93,208)	
NET CURRENT LIABILITIES			(54,563)		(47,911)
TOTAL ASSETS LESS CURRENT LIABILITIES			60,491		67,270
CREDITORS: Amounts falling due after more than one year	7		(33,174)		(37,125)
			27,317		30,145
CAPITAL AND RESERVES					
Called up share capital	8		2		2
Profit and loss account	9		27,315		30,143
			27,317		30,145

The statements required to be made by the company's directors and the signatures required by the Companies Act 1985 are given on the following page.

The notes on pages 5 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

BALANCE SHEET AT 31ST MARCH 1998 (Continued)

Mh
249A (i) ~~249A (2)~~ The directors have taken advantage of the exemption conferred by section ~~249A~~ not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 March 1998 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

The financial statements were approved
by the board on 8 January 1999 and
signed on its behalf by

[Signature]
Eugene Owens

)
) Directors
)

The notes on pages 5 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents net commission invoiced excluding value added tax.

1.3 DEPRECIATION

Depreciation is provided on all tangible fixed assets to write off the cost less residual value of each asset over their estimated useful lives as follows:

Motor vehicles	- straight line basis over 3 years
Office equipment	- 15 - 25% straight line
Computer equipment	- 25% straight line

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.6 PENSIONS

Contributions in respect of the company's defined contribution pension scheme are charged to profit and loss in the year in which they are paid.

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

2.	OPERATING PROFIT	1998 £	1997 £
	The operating profit is stated after charging:-		
	Depreciation	17,022	12,845
	Finance charges	1,172	1,479
		<u> </u>	<u> </u>
3.	DIRECTORS	1998 £	1997 £
	Directors' emoluments	53,085	53,161
		<u> </u>	<u> </u>

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

4. TANGIBLE ASSETS

	Land and buildings £	Plant and machinery etc. £	Total £
<u>Cost</u>			
At 1 April 1997	86,372	77,493	163,865
Additions	-	16,896	16,896
Disposals	-	(13,325)	(13,325)
At 31 March 1998	86,372	81,064	167,436
<u>Depreciation</u>			
At 1 April 1997	-	48,684	48,684
Charge for year	-	17,022	17,022
On disposals	-	(13,324)	(13,324)
At 31 March 1998	-	52,382	52,382
<u>Net book value at 31 March 1998</u>	86,372	28,682	115,054
<u>Net book value at 31 March 1997</u>	86,372	28,809	115,181

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1998 £	1997 £
Net book value	23,879	22,076
Depreciation charge for the year	9,879	10,569

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

5. DEBTORS

	1998 £	1997 £
Trade debtors	39,180	41,115
Others	3,620	3,465
	42,800	44,580

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

6.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998 £	1997 £
	Bank loans and overdrafts	29,193	25,386
	Other creditors	68,297	67,822
		<u>97,490</u>	<u>93,208</u>
7.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1998 £	1997 £
	Bank loans and overdrafts	-	11,665
	Other creditors	33,174	25,460
		<u>33,174</u>	<u>37,125</u>
	<u>Net obligations under finance leases and hire purchase contracts</u>		
	Repayable within one year	4,697	5,125
	Repayable between one and five years	9,173	1,460
		<u>13,870</u>	<u>6,585</u>

The other loans due within five years not repayable by instalments represents a loan from The Grantley Executive Pension Scheme totalling £24,000 and is repayable by 7th September 1999. The rate of interest on the loan is 3% above base rate and the company has the option to either partially repay the loan or repay in full together with interest before that date.

The bank loan which totals £10,866 (1997 £21,942) is repayable in annual instalments of £12,696. The rate of interest on the loan is 3% over the base rate. The loan is secured by a fixed floating charge over all the assets of the company.

8.	SHARE CAPITAL	1998 £	1997 £
	<u>Authorised</u> 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>Allotted, called up and fully paid</u> 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

9. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Retained profits at 1 April 1997	30,143	21,366
Loss for the year	(2,828)	8,777
Retained profits at 31 March 1998	<u>27,315</u>	<u>30,143</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
PROFIT FOR THE FINANCIAL YEAR	37,172	43,177
Dividends	(40,000)	(34,400)
	<u>(2,828)</u>	<u>8,777</u>
Opening shareholders' funds	30,145	21,368
CLOSING SHAREHOLDERS' FUNDS	<u>27,317</u>	<u>30,145</u>

11. RELATED PARTY TRANSACTIONS

Transactions and balances between the company and related parties are as follows:

At 1 April 1997 the company owed both M D Knowles and E M Cheevers £2,788. During the year the company paid expenses on behalf of them amounting to £570 resulting in a balance owed to each of them at 31 March 1998 of £2,503.

M D Knowles and E M Cheevers are related parties as they are both directors and shareholders of the company.