

GAVILL LIMITED

Company Number 01988159 (England and Wales)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1998



JOHN WHITEHOUSE & CO.
Chartered Accountant
The Brambles
Slough Road,
IVER HEATH, BUCKS SLO ODZ

GAVILL LIMITED
DIRECTORS REPORT
For the year ended 31 August, 1998

Activities of the Company

The principle activities of the company are that of an export commission agents and investing in stocks and shares.

Review and Developments

The Directors do recommend the payment of a dividend of £ 32,000 for the year under review.

Directors' interests in share capital

Interests in
Ordinary Shares of Gavill Limited-

	<u>1997</u> <u>£</u>	<u>1998</u> <u>£</u>
Mr. B. V. Poojara	1,775	1,775

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 and 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;
- prepare the financial statements on a 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.

GAVILL LIMITED
DIRECTOR'S REPORT - continued
For the Year ended 31 August, 1998

Taxation

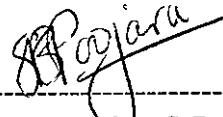
The company is a close company for taxation purposes, as far as the directors are aware.

Auditors

The present Auditors, JOHN WHITEHOUSE & CO., Chartered Accountants, have expressed their willingness to continue as Auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

14 June, 1999
Registered Office
7 Georgian Close,
Stanmore,
Middlesex.

BY ORDER OF THE BOARD



Secretary- Mrs. S.B. Poojara

GAVILL LIMITED

ACCOUNTANTS' REPORT TO THE MEMBERS **YEAR ENDED 31 AUGUST, 1998**

We have examined, without carrying out an audit, the accounts for the year ended 31 August, 1998 set out on pages 4 to 8. These have been prepared under the historical cost convention as modified by certain revaluation of assets and accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's Directors are responsible for the preparation of the accounts and they believe that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries with the officers of the company as we considered necessary for the purposes of this report.

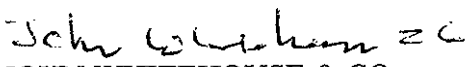
These procedures provide only the assurances expressed in our opinion.

Opinion

In our opinion:

- a) The accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act, 1985;
- b) Having regard only to, and on the basis of the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirement specified in Section 249C(6) of the Act; and
- c) Having regard only to, and on the basis of the information contained in accounting records kept by the company under Section 221 of the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249a (4) of the Act and did not, at any time within that year, fall within any of the categories of the companies not entitled to the exemptions specified in Section 249B (1).

14 June, 1999
Iver Heath,
Buckinghamshire SLO ODZ.


JOHN WHITEHOUSE & CO.
Chartered Accountants
Registered Auditor.

GAVILL LIMITED
PROFIT AND LOSS ACCOUNTS
for the year ended 31 August, 1998

	£	£
	<u>Notes</u> <u>31.8.1997.</u>	<u>31.8.1998</u>
Operating Gross Profit	Nil	50,484
Operating Expenses	(1,373)	(1,515)
Profit on ordinary activities	<u>(1,373)</u>	<u>48,969</u>
Investment Income	2,002	2,852
Interest Receivable	9,193	8,230
Profit on sale of fixtures	2,500	-
Profit on ordinary activities before taxation	<u>12,322</u>	<u>60,051</u>
Taxation on profit on Ordinary activities –Current Prior Year	(3,000) -	(12,000) (1,376)
Profit for the financial year	<u>9,322</u>	<u>46,675</u>
Dividend	-	(32,000)
Retained profit transferred to reserves	<u>£ 9,322</u>	<u>£ 14,675</u>

GAVILL LIMITED
BALANCE SHEET AS AT 31 AUGUST, 1998

	Notes	£ 1997	£ 1998
<u>Fixed Assets</u>			
Investments	1b	62,268	99,786
		<u>£ 62,268</u>	<u>£ 99,786</u>
<u>Current Assets</u>			
Sundry Debtors	5	1,499	8,836
Cash at Bank		180,393	152,362
		<u>£ 181,892</u>	<u>£ 161,198</u>
<u>Creditors due within one year</u>			
Sundry Creditors	6	(60,574)	(28,057)
		<u>(60,574)</u>	<u>(28,057)</u>
<u>Net current Assets</u>		<u>121,318</u>	<u>133,141</u>
<u>Total net Assets</u>		<u>£ 183,586</u>	<u>£ 232,927</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	7	11,275	11,275
Share Premium Account		32,725	32,725
Revaluation Reserve	2	52,101	86,767
Profit and loss account	8	87,485	102,160
Shareholder' Funds	9	<u>£ 183,586</u>	<u>£ 232,927</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act, 1985 for the year ending 31 August, 1998.

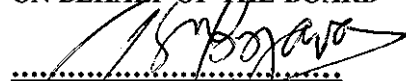
No Notice has been deposited under Section 249B(2) of the Companies Act, 1985 in relation to its financial statements for the financial year.

The Director acknowledges his responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial years and its profit or loss in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act, 1985 relating to financial statements, as far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of the part VII of the Companies Act, 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD



Mr. B. V. Poojara

Approved by the Board on 14 June, 1999.

GAVILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1998

1. ACCOUNTING POLICIES

a. **Basis of Accounting**

These accounts have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

b. **Investment**

The investment in stock shares are stated at the market value as at the Balance Sheet date. The surplus or deficiency in valuation over the previous valuation is transferred to Revaluation Reserve. The valuation exceeds the cost.

c. **Taxation.**

The liability to Corporation Tax for the year under review is provided at the rate ruling for the year.

2. REVALUATION RESERVE

	<u>1997</u>	<u>1998</u>
	£	£
Balance as at 1.9.1997	42,398	52,101
Increase in value	9,703	34,666
At 31 August 1998	<u>£ 52,101</u>	<u>£ 86,767</u>

3. INTEREST PAYABLE LESS RECEIVABLE

	<u>1997</u>	<u>1998</u>
	£	£
Bank overdrafts Interest payable	Nil	Nil
Bank Deposit Interest Receivable	9,193	8,230
	<u>£ 9,193</u>	<u>£ 8,230</u>

GAVILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1998

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

Profit for the year	9,322	14,675
Increase in valuation	<u>9,703</u>	<u>34,666</u>
	19,025	49,341
Shareholders fund at 31 Aug. 1997	£ 164,561	£ 183,586
Shareholders fund at 31 Aug. 1998	<u>£ 183,586</u>	<u>£ 232,927</u>