

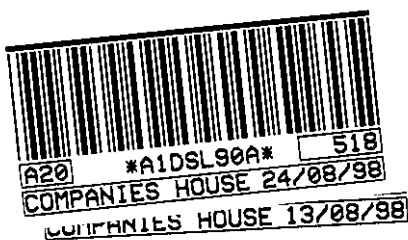
CRESTLANCELOT LIMITED

DIRECTORS	Mr. D.H. Mole Mr. J. Mole Mr. D. Kennett
SECRETARY	Mr. D.H. Mole
REGISTERED OFFICE	428a Limpsfield Road, Warlingham. Surrey. CR6 9LA
COMPANY NUMBER	1994435

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REPORT AND FINANCIAL STATEMENTS  
PERIOD ENDED 31ST OCTOBER, 1997

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CRESTLANCELOT LIMITED  
REPORT OF THE DIRECTORS

The directors present their report with the unaudited financial statements for the period to 31st October, 1997.

#### ACTIVITIES

The principal activities of the company continued to be the provision of factoring services, loan and leasing finance and ancillary financial services and there has been no material changes in these activities since 1st September, 1996. The company's main business now is that of debt collection/factoring.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £2,862. A net dividend of £6,840 was declared in the year.

#### DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out below with their interests in the issued shares of the Company.

	<u>Number of Ordinary Shares of £1 each</u> <u>31 October 1997    1st September, 1996</u>	
Mr. D.H. Mole	-	100
Mrs. D.H. Mole	100	-
Mr. J.D. Mole	20	20

#### SMALL COMPANY EXEMPTION

Advantage is taken in the Directors' Report of the special exemptions from disclosure applicable to small companies conferred by Part VII of the Companies Act 1985.

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CRESTLANCELOT LIMITED  
REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES

In respect of the preparation of financial statements the directors are required by company law:

(i) to prepare financial statements 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, and total recognised gains and losses for the period to that date;

(ii) to ensure that suitable accounting policies, consistently applied and supported by judgements and estimates that are reasonable and prudent, have been used in the preparation of the financial statements;

(iii) to ensure that applicable accounting standards have been followed;  
and

(iv) to 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.

The directors confirm that the financial statements comply with the above requirements.

By Order of the Board



Secretary

Date: 20. Aug 98

CRESTLANCELOT LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED  
31ST OCTOBER, 1997

	<u>1997</u>	<u>1996</u>
TURNOVER - Services	35,936	30,728
- Bank Charges Recovered	1,360	-
	<u>37,296</u>	<u>30,728</u>
EXPENDITURE		
Sales Administration and Computer Consultancy	26,382	21,511
Bank Charges and Interest Payable	1,696	-
Professional Fees	2,000	2,400
Telephone, Printing and Stationery	1,083	980
Use of Home as Office	350	360
Motor, Travel and Sundries	945	202
Provision for Bad and Doubtful Client Loans	-	2,500
Vehicle Depreciation	700	1,700
Fixtures and Fittings Depreciation	640	140
	<u>33,796</u>	<u>29,793</u>
Trading Profit before Taxation	<u>3,500</u>	<u>935</u>
Taxation on Profit	638	(503)
Profit after Taxation	<u>2,862</u>	<u>1,438</u>
Dividends	(6,840)	-
Surplus/(Deficit) for the Financial Year	<u>(3,978)</u>	<u>1,438</u>
Balance Brought Forward	18,794	17,356
Balance Carried Forward - Retained Earnings	<u>£14,816</u> =====	<u>£18,794</u> =====

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 5 to 7 form part of these financial statements.

CRESTLANCELOT LIMITED

BALANCE SHEET

AS AT 31ST OCTOBER, 1997

	<u>1997</u>	<u>1996</u>
FIXED ASSETS AND INVESTMENTS		
Motor Vehicle	2,700	3,400
Equipment, Fixtures and Fittings	1,402	177
	<u>4,102</u>	<u>3,577</u>
CURRENT ASSETS		
Loans to Clients	19,676	13,942
Clients Trade Debtors	143,240	172,471
Sundry Debtors	500	294
Cash at Bank and in Hand	6,554	11,492
	<u>169,970</u>	<u>198,199</u>
CREDITORS: Amounts falling due within one year		
Clients Current Inter-business Accounts	128,712	123,832
Clients Bank Overdrafts	14,528	48,638
Bank Overdraft	-	-
Taxation and V.A.T.	1,220	1,559
Sundry Creditors and Accruals	8,959	2,460
Aaroc Limited	4,219	4,219
Loans from Shareholders	-	-
Loans from Directors	1,447	2,103
	<u>159,085</u>	<u>182,811</u>
	10,885	15,388
NET ASSETS	<u>£14,987</u>	<u>£18,965</u>
Represented by:		
CAPITAL AND RESERVES		
Called Up Share Capital	171	171
Profit and Loss Account	14,816	18,794
	<u>£14,987</u>	<u>£18,965</u>

Cont/d....

CRESTLANCELOT LIMITED

BALANCE SHEET

AS AT 31ST OCTOBER, 1997

(Continued)

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on

..... 20 August 1998 .

  
D.H. MOLE  
Director

The notes on pages 6-8 form part of these financial statements.

## CRESTLANCELOT LIMITED

### NOTES TO FINANCIAL STATEMENTS - PERIOD ENDED 31ST OCTOBER, 1997

#### 1. ACCOUNTING POLICIES

##### CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, as by the Companies Act 1989, and the Accounting Standards issued by the Accounting Standards Board. The following paragraphs describe the main policies.

##### (a) Income

Income is derived from factoring, loan interest, leasing and ancillary financial services provided by the company exclusive of value added tax and arising wholly in the United Kingdom.

##### (b) Taxation

The charge for taxation is based on the results for the period and would take into account any material amounts of taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future, as is the case.

##### (c) No cash flow statement has been prepared as the company complies with the definition of a small company under the Financial Reporting Standards No 1.

#### 2. STATEMENT OF DIRECTORS' RESPONSIBILITIES - See Page 2.

#### 3. LOSS BEFORE TAXATION

Loss on ordinary activities before  
taxation is arrived at after charging:

	<u>1997</u>	<u>1996</u>
Directors' Remuneration	£ -	£ -
Auditors' Remuneration	£ -	£ -
	==	==

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CRESTLANCELOT LIMITED  
NOTES TO FINANCIAL STATEMENTS - PERIOD ENDED 31ST OCTOBER, 1997  
(Continued)

4. TAXATION

Charge for Taxation Based on the Profit  
for the year

	<u>1997</u>	<u>1996</u>
Corporation Tax at small company rates	£600	£503
	=====	=====

The Company is a Close Company as defined by the Income and Corporation Taxes Act 1988. No provision for an anticipated recovery of tax has been made.

5. EMPLOYEE COSTS/DIRECTORS  
REMUNERATION

The average number of people, including the  
directors, employed by the company during the  
year was made up as follows:

	<u>1997</u>	<u>1996</u>
Number of Employees	-	-
Directors Emoluments	-	-
Wages and Salaries	-	-
Social Security Costs	-	-
	£ -	£ -
	=====	=====

6. DEPRECIATION

The Motor Vehicles are depreciated at 25% of cost on a straight line basis and computer at 33%; furniture is written off at 10% p.a. on a reducing basis.

7. TANGIBLE FIXED ASSETS AND INVESTMENTS

<u>Motor Vehicle</u>	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>
At 1st September, 1996	6,800	3,400	3,400
Additions	-	-	-
Charge for Year	-	700	(700)
At 31st October, 1997	£6,800	£4,100	£2,700
	=====	=====	=====
<u>Computer Equipment and Furniture</u>			
At 1st September, 1996	457	280	177
Additions	1,865	-	1,865
Charge for Year	-	640	(640)
At 31st October, 1997	£2,322	£920	£1,402
	=====	=====	=====

Cont/d....



CRESTLANCELOT LIMITED

NOTES TO FINANCIAL STATEMENTS - PERIOD ENDED 31ST OCTOBER, 1997

(Continued)

8. DEBTORS

Clients trade debtors represents amounts due from accepted debts factored by the company and which are fully offset by the clients current inter-business account and clients cash at bank.

9. CALLED UP SHARE CAPITAL	<u>1997</u>	<u>1996</u>
Ordinary Shares of £1 each		
Authorised	£1,000	£1,000
	=====	=====
 Allotted, Issued and Fully Paid		
	£171	£171
	=====	=====

10. DIRECTOR'S INTERESTS/RELATED TRANSACTION

Mr. D. Kennett a director of the company operates a sales ledger consultancy/accounting service with his wife and charges the company for such services.

Mr. D. Mole a director of the company charges the company for accounting and administrative services provided by Barber & Company - a firm in which he is a partner.

11. COMMITMENTS

There was neither capital expenditure contracted for but not provided for in the financial statements nor capital expenditure authorised but not contracted for at the balance sheet date.

12. CONTINGENT LIABILITIES

There were no known contingent liabilities at the balance sheet date.

13. EVENTS SINCE THE BALANCE SHEET DATE

There have been no material post balance sheet date events which would affect these financial statements.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Deficit for the Financial Period	3,978
Opening Shareholders' Equity Funds	18,794
 Closing Shareholders' Equity Funds	 £14,816
	=====