

Company number
2595309

INCOMEGAIN LIMITED

REPORT AND FINANCIAL STATEMENTS

30 APRIL 1998



INCOMEGAIN LIMITED

REPORT AND FINANCIAL STATEMENTS

AT 30 APRIL 1998

DIRECTORS

A C Field
A W Scott - Harden
B H Hord
D E Albert
L J Rumjahn
Mrs A L Blackmore
A Ellis
J E A Statham

SECRETARY

Bury Company Services Limited

SOLICITORS

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London EC2A 2HA

BANK

The Royal Bank of Scotland Plc
48 Haymarket
London SW1Y 4SE

AUDITORS

Peter Seaton & Co
118 / 119 Newgate Street
London EC1A 7AE

REGISTERED OFFICE

80, Guildhall Street
Bury St Edmunds
Suffolk
IP33 1QB

INCOMEGAIN LIMITED

REPORT OF THE DIRECTORS

The directors present herewith their report, together with the audited financial statements of the company for the year to 30 April 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

RESULTS

The profit for the year, after taxation was £ nil.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company intends to continue to develop its principal activity.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year were as follows:-

A C Field
B H Hord
L J Rumjahn
D E Albert
A W Scott - Harden
A Ellis
Mrs A L Blackmore
J E A Statham

None of the directors held any shares in the company in the year.

The interests of the directors in the shares of the parent company, Goodweight Limited, are disclosed in the financial statements of that company.

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 of the profit and 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 ;
- * follow 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 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.


AUDITORS

As the company has dispensed with the annual obligation to re-appoint auditors, Peter Seaton & Co, will continue to act as auditors to the company.

**Approved by the Board of Directors
and signed on behalf of the Board**

15 September 1998

Director



AUDITORS REPORT TO THE SHAREHOLDERS OF
INCOMEGAIN LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the 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 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 April 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Peter Seaton & Co

PETER SEATON & CO.
Chartered Certified Accountants
Registered Auditors

118 / 119 Newgate Street
London
EC1A 7AE

15th September 1998

INCOMEGAIN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR TO 30 APRIL 1998

	<u>Notes</u>	£	<u>1998</u> £	£	<u>1997</u> £
TURNOVER	1		45,096		60,000
Administrative expenses			<u>45,232</u>		<u>40,743</u>
OPERATING (LOSS) / PROFIT	3		(136)		19,257
Interest receivable	4		111		684
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(25)</u>		<u>19,941</u>
TAXATION	5		<u>(25)</u>		<u>3,674</u>
			-		16,267
RETAINED LOSS BROUGHT FORWARD			2,076		(14,191)
RETAINED PROFIT / LOSS CARRIED FORWARD			<u>2,076</u>		<u>2,076</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the profit shown for the above two financial years.

INCOMEGAIN LIMITED

BALANCE SHEET

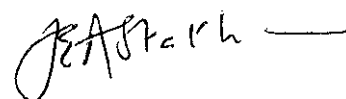
AT 30 APRIL 1998

	<u>Notes</u>	£	<u>1998</u> £	£	<u>1997</u> £
FIXED ASSETS					
Investments	6		2		2
CURRENT ASSETS					
Debtors	7	502,030		517,934	
Cash at bank		<u>2,188</u>		<u>5,158</u>	
		504,218		523,092	
CREDITORS					
Amounts falling due within one year	8	<u>52,144</u>		<u>71,018</u>	
NET CURRENT ASSETS			452,074		452,074
TOTAL NET ASSETS			452,076		452,076
Financed by :					
CAPITAL AND RESERVES					
Called up share capital	9		450,000		450,000
Profit and loss account			2,076		2,076
SHAREHOLDERS' FUNDS	10		452,076		452,076

These financial statements were approved by the board of directors on 15 September 1998.

Signed on behalf of the board of directors

Directors



INCOMEGAIN LIMITED

NOTES TO THE ACCOUNTS

AT 30 APRIL 1998

1 ACCOUNTING POLICIES

a) Accounting conventions

The financial statements are prepared under the historical cost convention.

b) Cashflow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from preparing a cashflow statement on the grounds that it is a small company.

c) Turnover

Turnover relates to management charges received from a subsidiary company.

d) Investments

Investments held as fixed assets are stated at cost less any provision required for a permanent diminution in value.

e) Basis of consolidation

Group financial statements have not been prepared as the group qualifies as a small group under Section 248 of the Companies Act 1985.

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1998</u> £	<u>1997</u> £
Directors' emoluments		
Salaries	13,748	13,154

Details of the directors are shown in the directors report. The company has no other employees. In addition to the directors remuneration the company paid fees to businesses controlled by directors of this company totalling £30,532. (1997 - £22,001)

3 OPERATING PROFIT

This is stated after charging :-

	<u>1998</u> £	<u>1997</u> £
Auditors' remuneration	642	650

4 INTEREST RECEIVABLE

	<u>1998</u> £	<u>1997</u> £
Bank deposit interest	111	684

5 TAXATION

	<u>1998</u> £	<u>1997</u> £
United Kingdom corporation tax at 23% / 21% (1997 24% / 23%)	-	3674
Overprovision in previous year	(25)	-
	(25)	3,674

The rate of small company corporation tax was reduced from 23% to 21% effective from 5 April 1998.

INCOMEGAIN LIMITED

NOTES TO THE ACCOUNTS (continued)

AT 30 APRIL 1998

6 INVESTMENTS HELD AS FIXED ASSETS

The company has an investment of £2 in 100 % of the issued share capital of Strivesign Limited, a company registered in England and Wales. Strivesign is a property investment company. The net assets of the subsidiary company at 30 April 1998 amounted to £206,064 and it made a profit for the year after taxation of £21,529.

7 DEBTORS	<u>1998</u> £	<u>1997</u> £
Amounts owed by subsidiary company	500,715	517,582
V A T recoverable	1,313	262
Accrued income	2	90
	502,030	517,934

No date has been fixed for the repayment of the loan from the subsidiary.

8 CREDITORS - amounts falling due within one year	<u>1998</u> £	<u>1997</u> £
Trade creditors	8,810	1,763
Amounts owing to parent company	39,212	39,212
Corporation tax	-	3,674
Other taxes and social security	1,125	4,783
Accruals	2,997	21,586
	52,144	71,018

9 CALLED UP SHARE CAPITAL	<u>1998</u> £	<u>1997</u> £
Authorised		
Ordinary shares of £1 each	500,000	500,000
Allotted and fully paid		
Ordinary shares of £1 each	450,000	450,000

10 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS	<u>1998</u> £	<u>1997</u> £
Shareholders' funds , 1 May 1997	452,076	435,809
Profit for the financial year on ordinary activities after taxation	-	16,267
Shareholders' funds, 30 April 1998	452,076	452,076

11 PARENT COMPANY

The company's parent company is Goodweight Limited, a company registered in England and Wales.

12 CONTINGENT LIABILITIES

The company has given an unlimited guarantee to the providers of loan finance to its subsidiary company. Further details of the subsidiary company are set out in note 6.

INCOMEGAIN LIMITED

ANALYSIS OF EXPENSES

FOR THE YEAR ENDED 30 APRIL 1998

	<u>1998</u>	<u>1997</u>
ADMINISTRATIVE EXPENSES		
Directors remuneration	13,748	13,154
Consultancy fees	24,532	21,689
Professional fees	145	875
Audit	642	650
Accountancy	6,000	4,167
Bank Charges	165	208
	45,232	40,743