

Registered Number:
2706069
(England and Wales)

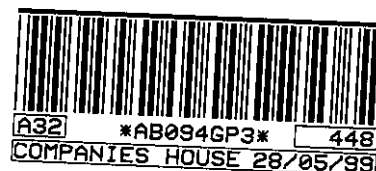
DURWESTON MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 1998



DURWESTON MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and financial statements of the Company for the year ended 30 April 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review continues to be that of business management and consultancy.

DIRECTORS

The Directors of the company in office during the year and their beneficial interests in the issued share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>30 April 1998</u>	<u>30 April 1997</u>
MR. PAUL L SIMON	50	50
MR. MICHAEL J SIMON	50	50

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable,
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- * prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business

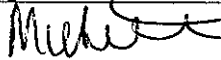
The directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The company is exempt from audit under the provisions of Section 249 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies under Schedule 8 CA 1985

By Order of the Board


Mr M J Simon

SECRETARY

27th May 1999

DURWESTON MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH APRIL 1998

			<u>1998</u>	<u>1997</u>
	<u>Notes</u>	£	£	£
<u>TURNOVER</u>	1/		115,451	82,462
<u>COST OF SALES</u>			15,152	-
<u>GROSS PROFIT</u>			100,299	82,462
Establishment costs		36,623		36,468
Administrative expenses		71,310		48,048
			107,933	84,516
<u>OPERATING (LOSS)</u>	2/		(7,634)	(2,054)
Interest receivable		605		133
Interest payable		(218)		(12)
			387	121
<u>(LOSS) ON ORDINARY</u>				
<u>ACTIVITIES BEFORE TAXATION</u>			(7,247)	(1,933)
Tax on ordinary activities	1/		-	-
<u>(LOSS) ON ORDINARY</u>				
<u>ACTIVITIES</u>			(7,247)	(1,933)
Retained (deficit)				
brought forward			(7,606)	(5,673)
<u>RETAINED (DEFICIT)</u>				
<u>CARRIED FORWARD</u>			£ (14,853)	£ (7,606)

The notes on pages 4 to 6 form an integral part of
these financial statements.

DURWESTON MANAGEMENT SERVICES LIMITED

BALANCE SHEET AT 30 APRIL 1998

	Notes	£	1998 £	£	1997 £
<u>FIXED ASSETS</u>					
Tangible assets	1/		1,050		939
<u>CURRENT ASSETS</u>					
Debtors	4	15,704		23,161	
Cash at bank and in hand		4,481		6,088	
		20,185		29,249	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	5	35,988		37,694	
<u>NET CURRENT (LIABILITIES)</u>			(15,803)		(8,445)
<u>NET (LIABILITIES)</u>			£ (14,753)		£ (7,506)

Represented by:

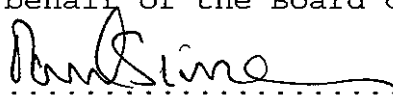
CAPITAL AND RESERVES

Called up share capital	6		100		100
Profit and loss account			(14,853)		(7,606)
			£ (14,753)		£ (7,506)

The Directors have taken advantage of special exemptions conferred by Parts I & II of Schedule 8 to the Companies Act 1985 as follows:

- (a) for the year in question the company was entitled to the exemption conferred by subsection (1) of section 249A,
- (b) no notice has been deposited under subsection (2) of section 249B in relation to its accounts for the financial year,
- (c) the directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, 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 for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company,
- (d) advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8, and
- (e) in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

Signed on behalf of the Board on the 27th May 1999


 Director
 MR. PAUL L SIMON

The notes on pages 4 to 6 form an integral part of these financial statements.

DURWESTON MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30TH APRIL 1998

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and statements of standard accounting practice as recommended by the Institute of Chartered Accountants in England and Wales and are on a basis consistent with previous years.

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents receipts for services rendered exclusive of VAT.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Plant and equipment - 33.33% per annum on cost

1.4 Deferred taxation

Provision is made by the liability method for all timing differences at current taxation rates which are expected to be reversed in the foreseeable future.

2. OPERATING (LOSS)

	<u>1998</u> £	<u>1997</u> £
This is stated after charging (crediting):		
Staff costs	76,889	36,060
Depreciation of owned assets	1,461	1,152
	<u> </u>	<u> </u>

DURWESTON MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30TH APRIL 1998

3. TANGIBLE FIXED ASSETS

	<u>Plant and equipment</u> £
<u>Cost:</u>	
At 1 May 1997	3,455
Additions in year	1,572
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At 30 April 1998	5,027
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<u>Depreciation:</u>	
At 1 May 1997	2,516
Charge for year	1,461
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At 30 April 1998	3,977
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<u>Net book value:</u>	
At 30 April 1998	£ 1,050
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<u>Net book value:</u>	
At 30 April 1997	£ 939
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4. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Trade debtors	6,149	12,791
Prepayments and accrued income	9,555	10,370
	<hr/>	<hr/>
	£ 15,704	£ 23,161
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DURWESTON MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30TH APRIL 1998

5. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	£	£
Trade creditors	6,921	9,779
Amounts owed to related companies	12,761	5,012
Other taxes and social security costs	4,954	10,842
Accruals	1,000	1,013
Other creditors	10,352	11,048
	<u>£ 35,988£</u>	<u>37,694</u>

Included in other creditors are amounts in the sum of £7,981 which are owed to the directors and are technically repayable on demand. No interest attaches to these balances.

6. CALLED UP SHARE CAPITAL

	<u>Alloted Issued</u> <u>and fully paid</u>	
	<u>1998</u>	<u>1997</u>
	£	£
Ordinary shares £1 each	<u>100</u>	<u>100</u>

The authorised share capital comprised
1,000 shares of £1 each.