

ACCOUNTS FOR THE YEAR

ENDED

31ST OCTOBER 1995

ACCOUNTANTS REPORT



R K LAWRENCE AND CO
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS

94 BROOK STREET
ERITH KENT
DA8 1JF

REPORT OF THE AUDITORS TO THE DIRECTORS OF

UMM QARN MANAGEMENT COMPANY LIMITED

For the Year to 31st October 1995

We have examined the abbreviated accounts together with the annual accounts for the year. The scope of our work for the purpose of this report was limited to confirming the company is entitled to the exemptions claimed in the Directors' statement and that the abbreviated accounts have been properly prepared from the Annual Accounts. In our opinion the Directors are entitled under Sections 246 & 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year and the abbreviated accounts have been properly prepared in accordance with Schedule 8 to that Act.

As Auditors of the company we reported to the members on the annual accounts prepared under Section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year, and our audit report was as follows:

We have audited the financial statements which have been prepared under the historical cost convention and the accounting policies as set out.

As described, the Company's Directors are responsible for the preparation of 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.

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 accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

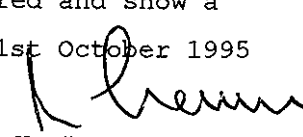
We planned and performed our Audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion the financial statements have been properly prepared and show a true and fair view of the state of the Company's affairs as at 31st October 1995 and its loss for the year then ended.

94 Brook Street

ERITH Kent DA8 1JF

Dated: 20th July 1996

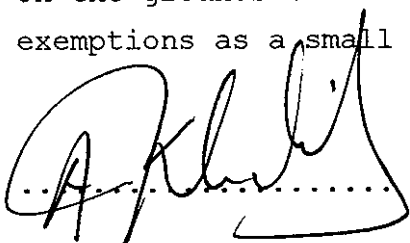

R K Lawrence & Co
CHARTERED ACCOUNTANT
& REGISTERED AUDITOR

UMM QARN MANAGEMENT COMPANY LIMITED

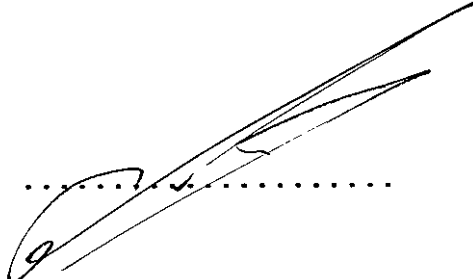
Abbreviated Balance Sheet as at 31st October 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
<u>Fixed Assets</u>			
Tangible Assets	1	1589157	1480237
<u>Current Assets</u>			
Horses Retained	400874	220374	
Cash at Bank	2990	69895	
Sundry Debtors & Prepayments	<u>171161</u>	<u>575025</u>	<u>154774</u>
		2164182	1925280
<u>Less: Current Liabilities</u>			
Trade Creditors		<u>227779</u>	<u>98109</u>
Net Current Assets		£ 1936403	£ 1827171
<u>Represented by</u>			
Share Capital: Authorised	£ 1000		
Issued & Fully Paid		100	100
Profit & Loss Account		-1030191	-357912
Directors Loan		<u>2966494</u>	<u>2184983</u>
		£ 1936403	£ 1827171

The Directors have taken advantage of the exemptions conferred by Part I and Section A of Part III of Schedule 8 to the Companies Act 1988 on the grounds that the Company is entitled to the benefit of those exemptions as a small company.



..... Directors



Approved by the Board: 20th July 1996

UMM QARN MANAGEMENT COMPANY LIMITED

Trading Account for the Year Ended

31st October 1995

		<u>1995</u>	<u>1994</u>
Revenue ✓ Horse Winnings		92233	43075
✓ Horse Sale		32074	
✓ Breeding		18072	
Other Revenue		13728	
Interest Received		2082	804
Insurance Claim		<u>68754</u>	
Total Income	£	<u>226943</u>	£ <u>43879</u>
<u>Direct Costs</u>			
Wages	222791	181520	
Feed & Bedding	92517	33124	
Breeding	2384	--	
Farrier	15742	5526	
Outlivery	106093	60094	
Veterinary Costs	67740	28783	
General	16028	--	
Racing Expenses	61154	--	
Transportation	<u>45811</u>	630260 <u>31550</u>	340597
<u>Farm Costs</u>			
Rent & Rates	30659	7358	
Maintenance - Building	39736	493	
- Grounds	11243	--	
- Equipment	15517	2128	
Light & Heat	<u>12892</u>	110047 <u>6172</u>	16151
<u>Administration</u>			
Advertising	22650	4000	
Motor & Travel Expenses	41636	--	
Motor Lease	6834	--	
Subscription	6748	--	
Accommodation	1130	--	
General	15853	11787	
Post & Stationery	7687	2597	
Telephone	<u>12392</u>	<u>114930</u> <u>4603</u>	<u>22987</u>
Total Expenditure Carried Forward	£	855237	£ 379735
Deficit Carried Forward		-628294	-335856

UMM QARN MANAGEMENT COMPANY LIMITED

Profit & Loss Account for the year ended

31st October 1995 - continued

	<u>1995</u>	<u>1994</u>
Deficit Carried Forward	-628294	-335856
<u>Finance</u>		
Bank Charges	4649	870
Insurance	11532	4054
Audit	800	800
Accounting	2000	920
Legal	3144	--
Other Professional Expenses	1990	
Depreciation: P M	10443	11037
M V	1659	2212
F F	1294	--
O E	<u>2384</u>	<u>2163</u>
	39895	22056
	<hr/>	<hr/>
Deficit for year	-668189	-357912
Deficit Brought Forward	-357912	--
	<hr/>	<hr/>
Deficit Carried Forward	£ -1026101	£ -357912
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UMM QARN MANAGEMENT COMPANY LIMITED

Notes to the Accounts

For the Year Ended 31st October 1995

Note 1

Fixed Assets

	Freehold	Improvements	F.F/O.E	P.M.	M.V.	Total	
B/F	1166850	260793	15003	44153	8850	1495649	
Additions	--	<u>102761</u>	<u>3170</u>	<u>18769</u>	--	<u>124700</u>	
£	<u>1166850</u>	<u>363554</u>	<u>18173</u>	<u>62922</u>	<u>8850</u>	<u>1620349</u>	
Depreciation							
B/F	--	--	2163	11037	2212	15412	
Charge in year	--	--	<u>3678</u>	<u>10443</u>	<u>1659</u>	<u>15780</u>	
Depreciation							
C/F	<u>0</u>	<u>0</u>	<u>5841</u>	<u>21480</u>	<u>3871</u>	<u>31192</u>	
Net 1995	£	<u>1166850</u>	<u>363554</u>	<u>12332</u>	<u>41442</u>	<u>4979</u>	<u>1589157</u>
Net 1994	£	1166850	260793	12840	33116	6638	1480237