

GARNETT (HOLDINGS) LIMITED
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1997

Company No. 02913650



GARNETT (HOLDINGS) LIMITED

REPORT OF THE DIRECTOR

For the year ended 31st July 1997

The director submits his report and accounts for the year ended 31st July 1997 which present information about the company and not the group (see note 1d).

PRINCIPAL ACTIVITY

The company's principal activity during the year was as investors.

RESULTS

The profit for the year, after taxation, was £960.

DIRECTOR AND HIS INTEREST

The director during the year ended 31st July 1997 and his beneficial interest in the share capital of the company at the beginning and end of the financial year was as follows:-

	<u>£1 Ordinary shares</u>	
	<u>31.7.1997</u>	<u>31.7.1996</u>
D. E. Cutler	2	2

The directors are not required to retire by rotation.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with 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 director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

GARNETT (HOLDINGS) LIMITED

REPORT OF THE DIRECTOR

For the year ended 31st July 1997

(continued)

AUDITORS

A resolution to re-appoint Day, Smith & Hunter as auditors will be proposed at the forthcoming Annual General Meeting.

CLOSE COMPANY

Garnett (Holdings) Limited is a close company within the terms of the Income and Corporation Taxes Act 1988.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



A. J. G. BELL
Secretary

REGISTERED OFFICE

Star House,
Pudding Lane,
Maidstone,
Kent.
ME14 1LT

17th March 1998

GARNETT (HOLDINGS) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
GARNETT (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared following the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's director is 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.

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 31st July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Day, Smith & Hunter
DAY, SMITH & HUNTER
Chartered Accountants
Registered Auditors

24 Church Street,
Rickmansworth,
Hertfordshire.
WD3 1DD

17th March 1998

GARNETT (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st July 1997

	<u>Notes</u>		<u>31.7.1996</u>
Administrative expenses		<u>19,716</u>	<u>10,074</u>
OPERATING LOSS	2	<u>(19,716)</u>	<u>(10,074)</u>
Management fees receivable		<u>21,109</u>	<u>10,775</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,393	701
Taxation	3	<u>433</u>	<u>270</u>
PROFIT FOR THE YEAR	6	<u>£960</u>	<u>£431</u>

The company has no recognised gains or losses other than those shown in the profit and loss account.

The notes on pages 6 to 8 form part of these accounts.

GARNETT (HOLDINGS) LIMITED

BALANCE SHEET

As at 31st July 1997

	<u>Notes</u>		<u>31.7.1996</u>
FIXED ASSETS			
Investments	4	4	4
CURRENT ASSETS			
Debtors	640	599	
Cash at bank	2,902	570	
	<u>3,542</u>	<u>1,169</u>	
CURRENT LIABILITIES			
Corporation tax	433	270	
Other creditors	2,250	1,000	
	<u>2,683</u>	<u>1,270</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>859</u>	<u>(101)</u>
NET ASSETS/(LIABILITIES)		<u>£863</u>	<u>£(97)</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account	6	861	(99)
SHAREHOLDERS' FUNDS/(DEFICIT)	7	<u>£863</u>	<u>£(97)</u>

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 17th Nov 1998.


D. E. CUTLER

The notes on pages 6 to 8 form part of these accounts.

GARNETT (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

31st July 1997

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention and incorporate the results of the activity described in the director's report which is continuing.

b) Turnover

Turnover represents the amount of income received from the sale of investments.

c) Going Concern

In the director's opinion the accounts are prepared on a going concern basis on the grounds that the director and group companies will continue to provide financial support to the company.

d) Consolidation

The company has taken advantage of the exemption granted under Section 248 of the Companies Act 1985 not to prepare group accounts, as the company and its subsidiaries qualify as a small group.

2. OPERATING LOSS

This is stated after charging the following:-

	<u>31.7.1997</u>	<u>31.7.1996</u>
Auditors' remuneration	<u>1,200</u>	<u>200</u>

3. TAXATION

	<u>31.7.1997</u>	<u>31.7.1996</u>
Corporation tax based on the result for the year	<u>£433</u>	<u>£270</u>

GARNETT (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

31st July 1997

(continued)

4. INVESTMENTS

The investments represent the cost of acquiring the entire share capital of Westmount Properties Limited and Elm Park Estates Limited, two companies registered in England and Wales.

	<u>31.7.1997</u>	<u>31.7.1996</u>
Aggregate capital and reserves		
Westmount Properties Limited	<u>£109</u>	<u>£(10)</u>
Elm Park Estates Limited	<u>£26</u>	<u>£(19)</u>
Profit for the year ended 31st July 1997		
Westmount Properties Limited	<u>£119</u>	<u>£170</u>
Elm Park Estates Limited	<u>£45</u>	<u>£164</u>

5. CALLED UP SHARE CAPITAL

	<u>31.7.1997</u>	<u>31.7.1996</u>
Authorised:		
10,000 'A' ordinary shares of £1 each	10,000	10,000
50,000 'B' non-voting ordinary shares of 20p each	10,000	10,000
	<u>£20,000</u>	<u>£20,000</u>
Allotted, issued and fully paid up:		
2 'A' ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

GARNETT (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

31st July 1997

(continued)

6. PROFIT AND LOSS ACCOUNT

	<u>31.7.1997</u>	<u>31.7.1996</u>
Balance at 1st August 1996	(99)	(530)
Profit for the year	<u>960</u>	<u>431</u>
Balance at 31st July 1997	<u><u>£861</u></u>	<u><u>£(99)</u></u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	<u>31.7.1997</u>	<u>31.7.1996</u>
Profit for the year	960	431
Opening shareholders' deficit	<u>(97)</u>	<u>(528)</u>
Closing shareholders' funds/(deficit)	<u><u>£863</u></u>	<u><u>£(97)</u></u>