

GRAHAM PORTER AND COMPANY (RUGBY) LIMITED

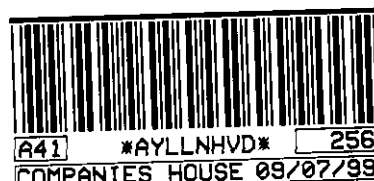
Directors : G.S.C. Porter Esq.  
M. Lewis Esq.

Secretary : G.S.C. Porter Esq.

Registered Office : 265 Stratford Road  
Shirley  
Solihull  
West Midlands  
B90 3AL

Registered Number : 2995092      England and Wales

Accountants : R.K. Thomas & Co.  
Chartered Accountants  
259a Stratford Road  
Shirley  
SOLIHULL  
West Midlands  
B90 3AL



REPORT OF THE DIRECTORS

The directors submit their Annual Report and Financial Statements for the year ended 30th June 1998.,

PRINCIPAL ACTIVITIES AND EXPORTS

The company recommenced to trade as a Shoe Repairer in September 1997.

PROFITS AND APPROPRIATIONS

	<u>£</u>
Profit for the Year; after Taxation	664
Adverse Balance brought forward	( 16,090)
	<hr/>
Adverse Balance carried forward	( 15,426)
	=====

The directors recommend that this balance should be carried forward and that no dividend should be paid.

SUBSCRIPTIONS

No charitable or political donations were made during the year.

FIXED ASSETS

Details of the changes are shown in the notes forming part of these Financial Statements.

DIRECTORS

The following were directors throughout the financial year. Their shareholdings in the company are shown at the beginning and ending of the year.

	<u>Interest in Shares</u>	
	<u>1998</u>	<u>1997</u>
G.S.C. Porter ESq. - Ordinary Shares of £1 each	99	99

In accordance with the Articles of Association, none of the company's directors retire.

Mr. M. Lewis was appointed a director of the company on 19th October 1997.

CLOSE COMPANY PROVISION

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

Continued/... ..

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 or loss of the Company for that period. In preparing these 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.

ACCOUNTANTS

The Accountants, R.K. Thomas & Co., Chartered Accountants have indicated their willingness to continue to act for the Company. Accordingly, a resolution will be proposed at the forthcoming Annual General Meeting.

BASIS OF PREPARATION

In preparing the above report, the Directors have taken advantage of the special exemptions provided by Part II of Schedule 8 applicable to small companies under Section 246(1B) of the Companies Act 1985.

Approved by the Board on 9th June 1999

Signed :



G.S.C. PORTER ESQ.  
CHAIRMAN

<u>BALANCE SHEET</u>		<u>30TH JUNE 1998</u>		<u>30TH JUNE 1997</u>	
	<u>NOTE</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>CAPITAL AND RESERVES :-</u>			<u>ISSUED AND</u>		<u>ISSUED AND</u>
<u>CALLED-UP SHARE CAPITAL :-</u>		<u>AUTHORISED</u>	<u>FULLY PAID</u>	<u>AUTHORISED</u>	<u>FULLY PAID</u>
Ordinary Shares of £1 each		100.00 =====	100.00	100 =====	100
<u>REVENUE RESERVE :-</u>					
Adverse Balance			( 15,425.94)		( 16,090)
			( 15,325.94) =====		( 15,990) =====
<u>REPRESENTED BY :-</u>					
<u>FIXED ASSETS :-</u>					
Tangible Assets	5		6,265.00		8,775
<u>CURRENT ASSETS :-</u>					
Stock on Hand		2,863.00		-	
Debtors		117.43		-	
Related Company Balances		744.50		-	
		3,724.93 =====		- =====	
<u>CREDITORS FALLING DUE</u>					
<u>WITHIN ONE YEAR :-</u>					
Trade Creditors		6,339.00		6,339	
Other Creditors and					
Accrued Charges		2,495.87		1,862	
Directors Loan Account		16,481.00		16,481	
Related Company Balances		- -		83	
		25,315.87 =====		24,765 =====	
<u>NET CURRENT LIABILITIES</u>		( 21,590.94)	( 21,590.94)	( 24,765)	( 24,765)
<u>TOTAL ASSETS LESS</u>					
<u>CURRENT LIABILITIES</u>			( 15,325.94)		( 15,990)
			=====		=====

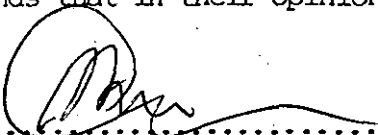
Exemptions from audit

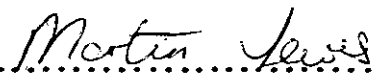
The Directors confirm

- (a) The Company is entitled to exemption under Section 249A(1) of the Companies Act 1985 from the requirement to have its financial statements audited.
- (b) No notice has been deposited under Section 249B(2) by holders of 10% or more of the company's shares.
- (c) and acknowledge their responsibilities for :-
  - (i) Ensuring that the company keeps proper accounting records which comply with Section 221 of the Act.
  - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the year end date above and of its profit or loss for the year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of the Act, so far as applicable to the company.

Reduced disclosure allowed for small companies

The Directors have taken advantage of special exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion, the company qualifies as a small company.

  
.....  
G.S.C. PORTER ESQ. - DIRECTOR

  
.....  
M. LEWIS ESQ. - DIRECTOR

Approved on 9th June 1999

<u>PROFIT AND LOSS ACCOUNT</u>	<u>NOTE</u>	<u>YEAR ENDED</u> <u>30TH JUNE 1998</u>	<u>YEAR ENDED</u> <u>30TH JUNE 1997</u>
		<u>£</u>	<u>£</u>
Sales for the Year	2	17,388.71	-
Cost of Sales		<u>4,074.55</u>	<u>-</u>
Gross Profit		13,314.16	-
Administrative Expenses	3	<u>12,650.10</u>	<u>2,472</u>
Operating Profit/Loss		664.06	( 2,472)
Interest Paid		<u>- -</u>	<u>-</u>
Net Profit/Loss for the Year, before Taxation		664.06	( 2,472)
Provision for Corporation Tax		<u>- -</u>	<u>-</u>
Net Profit/Loss for the Year, after Taxation		664.06	( 2,472)
Adverse Balance brought forward		<u>( 16,090.00)</u>	<u>( 13,618)</u>
Adverse Balance carried forward		( 15,425.94)	( 16,090)
		=====	=====

The results are derived from continuing operations.

The Profit and Loss Account reflects all recognised gains and losses during the year.

The notes on pages 4 and 5 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 1998

1. ACCOUNTING POLICIES

(a) The financial statements have been prepared under the Historical Cost Convention.

(b) Depreciation.

Depreciation of fixed assets has been provided for on a written down value basis at the following annual rates :-

Motor Vehicle	25%
Plant and Machinery	20%
Fixtures and Fittings	20%

(c) The company has taken advantage of the exemptions in Reporting Statement No.1 from the requirement to produce a Cashflow Statement on the grounds that it is a small company.

2. TURNOVER

Turnover is the value of work executed and invoiced to clients during the year.

3. ADMINISTRATIVE EXPENSES INCLUDE :-

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Depreciation of Fixed Assets	1,565	2,272
	=====	=====

4. DIRECTORS

	<u>1998</u>	<u>1997</u>
Number of directors employed during the year	2	2
	=====	=====

No directors remuneration was paid during the year.

5. FIXED ASSETS (TANGIBLE)

	<u>Plant and Machinery</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost at 30th June, 1997	8,049	3,890	1,530	13,469
Disposals during the year	-	-	(1,530)	( 1,530)
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Cost at 30th June 1998	8,049	3,890	-	11,939
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Depreciation				
Depreciation at 30th June 1997	2,806	1,303	585	4,694
Depreciation on Disposals	-	-	( 585)	( 585)
Depreciation on provision	1,048	517	-	1,565
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Depreciation at 30th June 1998	3,854	1,820	-	5,674
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Net Book Values :-				
at 30th June 1998	4,195	2,070	-	6,265
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
at 30th June 1997	5,243	2,587	945	8,775
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

6. CONTINGENT LIABILITIES

There were no contingent liabilities known to the directors at 30th June 1998.

7. CAPITAL COMMITMENTS

There were no capital commitments outstanding at 30th June 1998 (1997-Nil).



ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS

(6)

TO THE SHAREHOLDERS OF  
GRAHAM PORTER AND COMPANY (RUGBY) LIMITED

In accordance with instructions received, we have prepared without carrying out an audit the financial statements set out on pages 4 and 5 for the year ended 30th June 1998.

These financial statements were prepared from the accounting records of the Company and information and explanations supplied to us.

Our review was limited primarily to enquiries of the directors and their staff and analytical procedures applied to financial data.

Since we have not carried out an audit, we do not express an audit opinion of the attached financial statements.



SHIRLEY

WEST MIDLANDS

DATE 25 06 1998

R.K. THOMAS & CO.

CHARTERED ACCOUNTANTS