

SPACEHOLD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 1997

CHHAYA & CO
CHARTERED CERTIFIED ACCOUNTANTS
CARRADINE HOUSE
237 REGENTS PARK ROAD
LONDON
N3 3LF



SPACEHOLD LIMITED

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SPACEHOLD LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 March 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

PRINCIPAL ACTIVITY

The principal activities of the company continues to be that of travel agents.

DIRECTORS AND THEIR INTERESTS

The directors in office in the period and their beneficial interests in the share capital of the company were as follows:

	ORDINARY SHARES OF £1 EACH	
	1997	1996
Ms A Hasham	19,999	1
Ms H Banu Hasham	1	1

CLOSE COMPANY

The company is a 'close company' within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

The Company's auditors, Messrs. Chhaya & Co. have indicated their willingness to continue in office and will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BOARD APPROVAL

This report which has been prepared taking advantage of special exemptions applicable to small companies was approved by the board and signed on their behalf.


.....

Ms A Hasham
Secretary

26 September 1997

Date

SPACEHOLD LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY FOR THE PERIOD ENDED 31 MARCH 1997

We have audited the financial statements on pages 3 to 7 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 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.

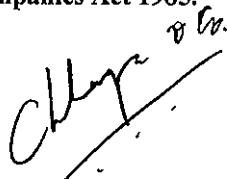
Basis of opinion

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 31 March 1997 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Chhaya & Co
Registered Auditors
Carradine House
237 Regents Park Road
London N3 3LF

26 September 1997

SPACEHOLD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 1997

	NOTE	1997 £	1996 £
Turnover	1(b)	169,520	-
Cost of sales		159,068	-
GROSS PROFIT		10,452	-
Administration expenses		9,318	-
		1,134	-
Other Operating Income		615	-
Interest payable		1,749	-
		-	-
Profit / (loss) on ordinary activities before taxation	2	1,749	-
Taxation	3	-	-
Profit for the financial year after taxation		1,749	-
Accumulated profit brought forward		-	-
Accumulated profit carried forward		1,749	-

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 has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 5 to 7 form an integral part of these financial statements.

SPACEHOLD LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	NOTE	1997 £	1996 £
TANGIBLE FIXED ASSETS	4	1,164	-
CURRENT ASSETS			
Debtors	5	4,920	-
Cash at bank and in hand		18,714	2
		<u>23,634</u>	<u>2</u>
CREDITORS: Amounts falling- due within one year	6	3,049	-
NET CURRENT ASSETS		<u>20,585</u>	<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,749</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	8	20,000	2
Profit and loss account		1,749	-
Shareholders Funds	10	<u>21,749</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 26 September 1997.



 Ms H Banu Hasham - Director

The notes on pages 5 to 7 form an integral part of these financial statements.

SPACEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) Accounting Convention

The financial statements are prepared under the historical cost convention on a going concern basis with the written undertaking of the shareholders that the loan from them will not be demanded until the company is in a much more stable position to repay it.

b) Turnover

Turnover is the total amount receivable by the company in the ordinary course of business, excluding VAT.

c) Depreciation

Depreciation has been calculated to write off the cost of tangible fixed assets over their expected useful lives at the following rates based on reduced values:

Office equipment	25% per annum
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d) Deferred Tax

No provision has been made for deferred tax in these financial statements as there are unlikely to be reversals of timing differences in the foreseeable future.

e) Cashflow statement

The company is a small company as defined by S247 of the Companies Act 1985 and therefore in accordance with the provisions of Financial Reporting Standards No.1 is exempt from presenting a cashflow statement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	1997 £	1996 £
Depreciation of :-		
- Tangible fixed assets - owned	388	-
Auditors' remuneration	750	-
	<u> </u>	<u> </u>

3. TAXATION

No provision has been made for UK Corporation Tax for the period.

SPACEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 1997

4. TANGIBLE FIXED ASSETS

	EQUIPMENT FIXTURES & FITTINGS	TOTAL
	£	£
COST		
Additions	1,551	1,551
At 31 March 1997	<u>1,551</u>	<u>1,551</u>
DEPRECIATION		
Charge for the period	387	387
At 31 March 1997	<u>387</u>	<u>387</u>
NET BOOK VALUE		
At 31 March 1997	<u>1,164</u>	<u>1,164</u>
At 28 February 1996	<u>-</u>	<u>-</u>

5. DEBTORS

	1997	1996
	£	£
Trade debtors	4,576	-
Other debtors	69	-
Prepayments	275	-
	<u>4,920</u>	<u>-</u>

SPACEHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 1997

6.	CREDITORS: Amounts falling due within one year	1997	1996
		£	£
	Other creditors	1,649	-
	Accruals	1,400	-
		<u>3,049</u>	<u>-</u>

7. The directors have given personal guarantees in respect of the ATOL bond issued by the bank.

8.	CALLED UP SHARE CAPITAL	1997	1996
		£	£
	Authorised ordinary shares of £1 each	50,000	1,000
		<u>50,000</u>	<u>1,000</u>
	Allotted issued and fully paid ordinary shares of £1 each	20,000	2
		<u>20,000</u>	<u>2</u>

9. Provision for Liabilities and Charges

No provision has been made for deferred taxation as there are unlikely to be reversals of timing differences in the foreseeable future. The full potential liability not provided in these accounts is negligible.

10.	Shareholders Funds	1997	1996
		£	£
	Opening shareholders funds	2	2
	Issue of shares	19,998	-
	Retained profit for the financial year	1,749	-
		<u>21,749</u>	<u>2</u>