

Company Registration No. 3172232 (England and Wales)

ABROS ENTERPRISE LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998



ABROS ENTERPRISE LTD

COMPANY INFORMATION

Directors	R L John C A Booy I E Ruddock (Appointed 10 July 1998) B D Denton (Appointed 10 July 1998)
Secretary	R M Stanley
Company number	3172232
Registered office	Cheapside House 138 Cheapside London EC2V 6BB
Auditors	Fraser Russell 4 London Wall Buildings Blomfield Street London EC2M 5UQ
Business address	2nd Floor Buchanan House 24 - 30 Holborn London EC1N 2LX
Bankers	National Westminster Bank PO Box 12258 1 Prince's Street London EC2R 8PA
Solicitors	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB

ABROS ENTERPRISE LTD

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

ABROS ENTERPRISE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and financial statements for the year ended 31 December 1998.

Principal activities

The principal activity of the company continued to be that of financial consultants.

Year 2000

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

Directors

The following directors have held office since 1 January 1998:

R L John	
C A Booy	
I E Ruddock	(Appointed 10 July 1998)
B D Denton	(Appointed 10 July 1998)
T J Piper	(Resigned 10 July 1998)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

A ordinary shares of £1 each

	31 December 1998	1 January 1998
--	------------------	----------------

R L John	500	-
C A Booy	-	-
I E Ruddock	3,500	-
B D Denton	3,500	-

B ordinary shares of £1 each

	31 December 1998	1 January 1998
--	------------------	----------------

R L John	-	3,000
C A Booy	-	-
I E Ruddock	-	-
B D Denton	-	-

8.5% cumulative preference shares of £1 each

	31 December 1998	1 January 1998
--	------------------	----------------

R L John	13,500	27,000
C A Booy	-	-
I E Ruddock	-	-
B D Denton	-	-

ABROS ENTERPRISE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

Charitable contributions

During the year the company made charitable donations of £2647 (1997 : £243).

Auditors

Fraser Russell were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

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 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.

This 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



I E Ruddock

Director

28 October 1999

ABROS ENTERPRISE LTD

AUDITORS' REPORT TO THE SHAREHOLDERS OF ABROS ENTERPRISE LTD

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fraser Russell



Chartered Accountants
Registered Auditor

23 October 1999

4 London Wall Buildings
Blomfield Street
London
EC2M 5UQ

ABROS ENTERPRISE LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Turnover		602,958	392,612
Administrative expenses		(413,821)	(331,811)
Operating profit	2	189,137	60,801
Other interest receivable and similar income	3	5,908	2,531
Profit on ordinary activities before taxation		195,045	63,332
Tax on profit on ordinary activities	4	(60,740)	(24,000)
Profit on ordinary activities after taxation		134,305	39,332
Dividends (including those in respect of non-equity shares)		(6,694)	(5,947)
Retained profit for the year	9	127,611	33,385

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ABROS ENTERPRISE LTD

BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	5		13,754		12,335
Current assets					
Debtors	6	138,571		149,096	
Cash at bank and in hand		192,937		71,769	
		<u>331,508</u>		<u>220,865</u>	
Creditors: amounts falling due within one year	7	<u>(146,595)</u>		<u>(117,144)</u>	
Net current assets			184,913		103,721
Total assets less current liabilities			<u>198,667</u>		<u>116,056</u>
Capital and reserves					
Called up share capital	8	55,000		100,000	
Profit and loss account	9	143,667		16,056	
Shareholders' funds	10	<u>198,667</u>		<u>116,056</u>	
Equity interests		153,667		26,056	
Non-equity interests		45,000		90,000	
		<u>198,667</u>		<u>116,056</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 28 October 1999


I E Ruddock
Director

ABROS ENTERPRISE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% per annum
--------------------------------	---------------

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,811	4,343
Operating lease rentals	293	518
Auditors' remuneration	2,500	2,000
Directors' emoluments	94,215	6,500
	<hr/>	<hr/>
3 Other interest receivable and similar income	1998	1997
	£	£
Bank interest	5,908	2,531
	<hr/>	<hr/>
4 Taxation	1998	1997
	£	£
U.K. current year taxation		
U.K. corporation tax at 31% (1997 - 32%)	60,740	24,000
	<hr/>	<hr/>

ABROS ENTERPRISE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 1998	19,632
Additions	7,230
	<hr/>
At 31 December 1998	26,862
	<hr/>
Depreciation	
At 1 January 1998	7,297
Charge for the year	5,811
	<hr/>
At 31 December 1998	13,108
	<hr/>
Net book value	
At 31 December 1998	13,754
	<hr/>
At 31 December 1997	12,335
	<hr/>

6 Debtors

	1998 £	1997 £
Trade debtors	137,181	147,618
Amounts owed by group undertakings and undertakings in which the company has a participating interest	100	1,478
Other debtors	1,290	-
	<hr/>	<hr/>
	138,571	149,096
	<hr/>	<hr/>

ABROS ENTERPRISE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

7	Creditors: amounts falling due within one year	1998	1997
		£	£
	Trade creditors	13,227	16,972
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	39,636	84,172
	Taxation and social security	87,787	16,000
	Other creditors	5,945	-
		<u>146,595</u>	<u>117,144</u>
8	Share capital	1998	1997
		£	£
	Authorised		
	7,000 A ordinary shares of £1 each	7,000	7,000
	3,000 B ordinary shares of £1 each	3,000	3,000
	90,000 8.5% cumulative preference shares of £1 each	90,000	90,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	7,000 A ordinary shares of £1 each	7,000	7,000
	3,000 B ordinary shares of £1 each	3,000	3,000
	45,000 8.5% cumulative preference shares of £1 each	45,000	90,000
		<u>55,000</u>	<u>100,000</u>

A and B ordinary shares have the same rights except for the fact that the A shares can be transferred to other group companies and that the holders of the A shares are entitled to appoint two directors and the holders of the B shares are entitled to appoint one director. A sale notice is assumed if the holders of the B shares cease to be Directors or employees of the company.

9 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 1998	16,056
Retained profit for the year	127,611
	<u>143,667</u>
Balance at 31 December 1998	

ABROS ENTERPRISE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

10 Reconciliation of movements in shareholders' funds	1998 £	1997 £
Profit for the financial year	134,305	39,332
Dividends	(6,694)	(5,947)
	<hr/> 127,611	<hr/> 33,385
Purchase of own shares	(45,000)	-
	<hr/> 82,611	<hr/> 33,385
Net addition to shareholders' funds	116,056	82,671
Opening shareholders' funds	<hr/> 198,667	<hr/> 116,056
Closing shareholders' funds	<hr/> <hr/>	<hr/> <hr/>

11 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	1998 Number	1997 Number
Professional	6	5
Administration	1	1
	<hr/> 7	<hr/> 6
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	£	£
Wages and salaries	267,067	236,332
Social security costs	26,484	19,225
Other pension costs	2,508	2,311
	<hr/> 296,059	<hr/> 257,868
	<hr/> <hr/>	<hr/> <hr/>

12 Related party transactions

25% of the issued share capital is owned by Symonds Group Limited. During the year the company supplied financial services to Symonds Group Ltd of £8,000 (1997 - £20,237). At 31 December 1998 the company had a net liability to Symonds Group of £39,535 (1997 - net debt £82,694). C Booy is a director of Symonds Group Limited.