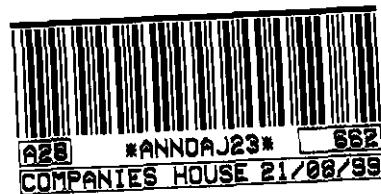


Reg.no. 1147001

TEDPORT LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST OCTOBER 1998



**TEDPORT LIMITED**  
**DIRECTORS' REPORT**

The directors present herewith their annual report, together with the financial statements of the company for the year ended 31st October 1998.

**PRINCIPAL ACTIVITY**

The company's principal activities during the year were those of property investment and vehicle hiring.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company at 31st October 1998 and their interests in the share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>31st October 1998</u>	<u>1st November 1997 or subsequent date of appointment</u>
D. F. Latchford	52	52
Mrs. J. Curtis	16	16
Mrs. J. E. O'Donnell	16	16

**STATEMENT OF 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:

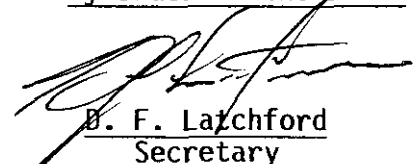
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

**SMALL COMPANY EXEMPTIONS**

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

  
D. F. Latchford  
Secretary

20th August 1999

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF  
TEDPORT LIMITED

In accordance with instructions given to us, we have prepared the the financial statements set out on pages 3 to 10 from the accounting records of Tedport Limited, and from the information and explanations supplied to us by the management of the company. We have not audited the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



HARTLEY FOWLER  
Chartered Accountants

Pavilion View  
19 New Road  
Brighton  
BN1 1EY

20th August 1999

**TEDPORT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

	<u>Notes</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
<b>TURNOVER</b>	2	31,922	25,150
Cost of sales		(5,405)	(6,678)
<b>GROSS PROFIT</b>		<u>26,517</u>	<u>18,472</u>
Distribution costs		(23,222)	(20,563)
<b>OPERATING PROFIT/(LOSS)</b>	3	3,295	(2,091)
Profit on disposal of fixed assets		2,001	-
Interest receivable	5	206	-
Interest payable	6	(2,465)	(2,485)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>3,037</u>	<u>(4,576)</u>
Tax on profit/(loss) on ordinary activities	7	(369)	-
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>		<u>2,668</u>	<u>(4,576)</u>
<b>RETAINED (LOSS)/PROFIT BROUGHT FORWARD</b>		(2,162)	2,414
<b>RETAINED PROFIT/(LOSS) CARRIED FORWARD</b>		<u><u>506</u></u>	<u><u>(2,162)</u></u>

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit or loss as shown above.

**CONTINUING OPERATIONS**

None of the company's activities was acquired or discontinued during the accounting periods shown above.

**TEDPORT LIMITED**  
**BALANCE SHEET**  
**AS AT 31ST OCTOBER 1998**

	Notes	£	1998	£	£	1997	£
<b>FIXED ASSETS</b>							
Tangible assets	8			226,748			218,247
<b>CURRENT ASSETS</b>							
Debtors	9		328			531	
Cash at bank			558			5,956	
			<u>886</u>			<u>6,487</u>	
CREDITORS - amounts falling due within one year	10		35,378			37,445	
<b>NET CURRENT LIABILITIES</b>				<b>(34,492)</b>			<b>(30,958)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<b>192,256</b>			<b>187,289</b>
CREDITORS - amounts falling due after more than one year	11			17,495			15,196
<b>TOTAL NET ASSETS</b>				<b>174,761</b>			<b>172,093</b>

Financed by:

**CAPITAL AND RESERVES**

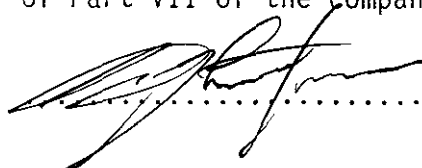
Called up share capital	13		100			100	
Revaluation reserve	14		174,155			174,155	
Profit and loss account			506			(2,162)	
<b>SHAREHOLDERS' FUNDS</b>			<b>174,761</b>			<b>172,093</b>	

The financial statements were approved by the Board of Directors on 20th August 1999

For the year in question, the company was entitled to exemption from an audit under section 249A(1) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

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



D. F. Latchford (Director)

**TEDPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**1. ACCOUNTING POLICIES**

**1.1 Accounting conventions**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

**1.2 Turnover**

Turnover represents the invoiced amounts of goods sold and services provided, net of value added tax, and rents receivable from investment properties.

**1.3 Depreciation of tangible assets**

Depreciation is provided on all tangible assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value of each asset over its expected useful life as follows:

Office equipment	- 25% per annum on reducing balance
Motor vehicles:	- 25% per annum on reducing balance

**1.4 Hire purchase commitments**

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful lives.

**1.5 Investment properties**

Investment properties are subject to annual valuations and are stated at their open market value based on such valuations. Changes in the value of the investment properties are disclosed as movements on revaluation reserve. In accordance with Statement of Standard Accounting Practice No. 19, investment properties are not depreciated; the directors consider that this accounting policy, which represents a departure from the statutory accounting principles, is necessary to provide a true and fair view.

**2. TURNOVER**

	<u>Turnover</u>		<u>Pre-tax profit/(loss)</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Vehicle hire	5,553	7,097	(8,559)	(7,289)
Rents receivable	26,369	18,053	11,596	2,713
	<u>31,922</u>	<u>25,150</u>	<u>3,037</u>	<u>(4,576)</u>

The turnover and pre-tax profit/(loss) are wholly attributable to the company's main activity.

The turnover arises entirely in the United Kingdom.

**TEDPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**3. OPERATING PROFIT/(LOSS)**

	<u>1998</u> £	<u>1997</u> £
3.1 This is stated after charging:		
Depreciation	<u>8,916</u>	<u>6,079</u>

**4. EMPLOYEE INFORMATION**

4.1 There were no employees other than the directors.

4.2 Directors' emoluments:  
No remuneration was paid during the year.

**5. INTEREST RECEIVABLE**

	<u>1998</u> £	<u>1997</u> £
Bank deposit interest	<u>206</u>	<u>-</u>

**6. INTEREST PAYABLE**

	<u>1998</u> £	<u>1997</u> £
Bank overdraft wholly repayable within 5 years	-	8
Bank loans wholly repayable within 5 years	1,592	1,616
Hire purchase contracts	873	142
Interest on overdue tax	-	142
	<u>2,465</u>	<u>2,485</u>

**TEDPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	<u>1998</u> £	<u>1997</u> £
7.1 Based on the results of the year:		
U.K. corporation tax at 21% (1997 - 21%)	370	-
7.2 Adjustments relating to previous years:		
Corporation tax	(1)	-
	<u>369</u>	<u>-</u>
7.3 The company is a close company within the terms of section 414 of the Income and Corporation Taxes Act 1988.		

**8. TANGIBLE FIXED ASSETS**

	Freehold investment properties £	Office equipment £	Motor vehicles £	Total £
Cost or valuation:				
At 1st November 1997	200,000	1,818	48,898	250,716
Additions	-	-	21,476	21,476
Disposals	-	-	(23,174)	(23,174)
At 31st October 1998	<u>200,000</u>	<u>1,818</u>	<u>47,200</u>	<u>249,018</u>
Depreciation:				
At 1st November 1997	-	1,285	31,184	32,469
Charge for year	-	133	8,783	8,916
Disposals	-	-	(19,115)	(19,115)
At 31st October 1998	<u>-</u>	<u>1,418</u>	<u>20,852</u>	<u>22,270</u>
Net book value at 31st October 1998	<u>200,000</u>	<u>400</u>	<u>26,348</u>	<u>226,748</u>
Net book value at 31st October 1997	<u>200,000</u>	<u>533</u>	<u>17,714</u>	<u>218,247</u>
Cost or valuation at 31st October 1998 comprises:				
Valuation	200,000	-	-	200,000
At cost	-	1,818	47,200	49,018
	<u>200,000</u>	<u>1,818</u>	<u>47,200</u>	<u>249,018</u>



TEDPORT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31ST OCTOBER 1998

The freehold investment properties were valued at the 31st October 1998 by the directors on an open market value basis.

Included in the amounts for motor vehicles above are the following amounts relating to assets which are subject to hire purchase contracts.

Cost:	
At 1st November 1997	25,724
At 31st October 1998	21,476
Accumulated depreciation:	
At 1st November 1997	12,069
At 31st October 1998	5,369
Depreciation charged during year	5,369
Net book value:	
At 31st October 1998	16,107
At 31st October 1997	13,655

9. DEBTORS	<u>1998</u>	<u>1997</u>
	£	£
Value Added Tax recoverable	328	314
Other debtors	-	217
	<u>328</u>	<u>531</u>

10. CREDITORS - amounts falling due within one year	<u>1998</u>	<u>1997</u>
	£	£
Bank overdraft	146	108
Bank loans wholly repayable within five years	4,000	4,000
Obligations under hire purchase contracts (note 12)	4,000	3,764
Corporation tax	370	282
Directors' current accounts	21,328	24,876
Other creditors	5,534	4,415
	<u>35,378</u>	<u>37,445</u>

**TEDPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

11.	CREDITORS - amounts falling due after more than one year	<u>1998</u> £	<u>1997</u> £
	Bank loans	10,232	13,818
	Obligations under hire purchase contracts (note 12)	7,263	1,378
		<u>17,495</u>	<u>15,196</u>
12.	OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS	<u>1998</u> £	<u>1997</u> £
	Within one year	4,468	4,327
	Between one and five years	8,121	1,610
		<u>12,589</u>	<u>5,937</u>
	Less: finance charges allocated to future periods	1,326	795
		<u>11,263</u>	<u>5,142</u>
	Shown in note 10	4,000	3,764
	Shown in note 11	7,263	1,378
		<u>11,263</u>	<u>5,142</u>
13.	SHARE CAPITAL		
		<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
		<u>1998</u> No.	<u>1997</u> No.
	Ordinary shares of £1 each	<u>100</u>	<u>100</u>
14.	REVALUATION RESERVE	<u>1998</u> £	<u>1997</u> £
	At 1st November 1997 and		
	At 31st October 1998	174,155	174,155

TEDPORT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31ST OCTOBER 1998

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Profit/(Loss) for the year after taxation	2,668	(4,576)
Opening shareholders' funds at 1st November 1997	172,093	172,093
Closing shareholders' funds at 31st October 1998	<u>174,761</u>	<u>172,093</u>

15. RELATED PARTY DISCLOSURE

By virtue of his shareholding, the company is controlled by Mr D F Latchford.