

PLEASE RETURN
AFTER SIGNATURE

DAVID HOBBS ASSOCIATES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1998**

Company Number: 1564296

Barnes Roffe, Chartered Accountants,
16-19 Copperfields, Spital Street, Dartford, Kent, DA1 2DE.
AH: 14 May 1999



DAVID HOBBS ASSOCIATES LIMITED

Company Information

Directors	D A Hobbs Esq Mrs J L Hobbs
Secretary	Mrs J L Hobbs
Company Number	1564296
Registered Office	62 Mottingham Lane London SE12 9AW
Accountants	Barnes Roffe 16-19 Copperfields Spital Street Dartford Kent DA1 2DE
Bankers	National Westminster Bank Plc South Kensington Station Branch 18 Cromwell Place London SW7 2LB

DAVID HOBBS ASSOCIATES LIMITED

Contents

	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3
Notes to the Financial Statements	4 - 6

DAVID HOBBS ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

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

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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 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 activities

The company's principal activity during the period was that of a public relations agency.

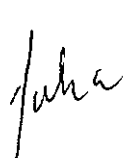

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were :

	Ordinary shares of £1 each	
	1998	1997
D A Hobbs Esq	75	75
Mrs J L Hobbs	25	25

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

This report was approved by the Board and signed on its behalf:

 
Mrs J L Hobbs
Secretary

Date: 28/5/99

DAVID HOBBS ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1998

	Note	1998 £	1997 £
TURNOVER	1	117,437	104,114
Cost of sales		(51,180)	(38,483)
GROSS PROFIT		66,257	65,631
Administrative expenses		(60,530)	(53,589)
OPERATING PROFIT	2	5,727	12,042
Interest payable and similar charges		(623)	(1,051)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,104	10,991
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	3	697	(2,476)
RETAINED PROFIT FOR THE YEAR		5,801	8,515
DEFICIT BROUGHT FORWARD		(32,008)	(40,523)
DEFICIT CARRIED FORWARD		(26,207)	(32,008)

DAVID HOBBS ASSOCIATES LIMITED

BALANCE SHEET
As at 31 December 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	4		822		317
CURRENT ASSETS					
Debtors	5	18,794		19,693	
		<u>18,794</u>		<u>19,693</u>	
CREDITORS: amounts falling due within one year	6	(45,723)		(51,918)	
NET CURRENT LIABILITIES			<u>(26,929)</u>		<u>(32,225)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(26,107)</u>		<u>(31,908)</u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account			<u>(26,207)</u>		<u>(32,008)</u>
SHAREHOLDERS' FUNDS			<u>(26,107)</u>		<u>(31,908)</u>

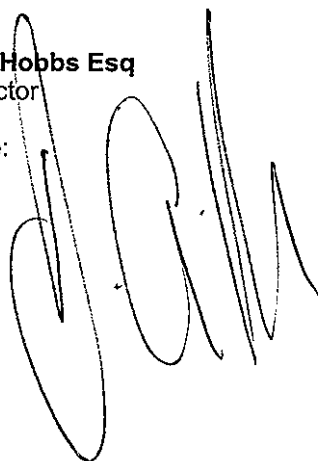
The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board and signed on its behalf:

D A Hobbs Esq
Director

Date:



28/5/99

The notes on pages 4 to 6 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

1. ACCOUNTING POLICIES

1.1A Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the directors' report.

1.1B Going concern

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The directors consider the company will continue to operate within the bank facility currently agreed. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery etc.	-	10%/25%	straight line
------------------------	---	---------	---------------

1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	95	284
Directors' emoluments	30,118	21,800

DAVID HOBBS ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

3. TAXATION

	1998 £	1997 £
Current year taxation		
UK Corporation Tax	1,139	2,476
Prior years		
UK corporation tax	(1,836)	-
	<u>(697)</u>	<u>2,476</u>

4. TANGIBLE FIXED ASSETS

	Plant and Machinery etc. £	Total £
Cost or valuation		
At 1 January 1998	26,729	26,729
Additions	600	600
At 31 December 1998	<u>27,329</u>	<u>27,329</u>
Depreciation		
At 1 January 1998	26,412	26,412
Charge for year	95	95
At 31 December 1998	<u>26,507</u>	<u>26,507</u>
Net Book Value		
At 31 December 1998	<u>822</u>	<u>822</u>
At 31 December 1997	<u>317</u>	<u>317</u>

5. DEBTORS

	1998 £	1997 £
Due within one year		
Trade debtors	18,732	19,671
Other debtors	62	22
	<u>18,794</u>	<u>19,693</u>

DAVID HOBBS ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

6. CREDITORS:

Amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	10,585	6,440
Trade creditors	1,462	3,577
Corporation tax	4,381	7,416
Social security and other taxes	9,351	15,315
Directors' current accounts	210	46
Other creditors and accruals	19,734	19,124
	<u>45,723</u>	<u>51,918</u>

7. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D A Hobbs Esq.