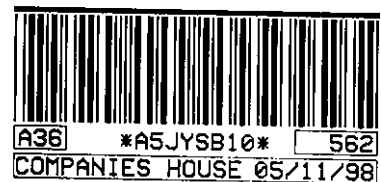


CARNICON LIMITED
FINANCIAL STATEMENTS
31ST MARCH 1998

Registered number: 00451495

ATKEY GOODMAN
CHARTERED ACCOUNTANTS
Plymouth



CARNICON LIMITED

FINANCIAL STATEMENTS

for the year ended 31st March 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

CARNICON LIMITED

COMPANY INFORMATION

31st March 1998

DIRECTORS	Mr R R Day Mrs S D Day
SECRETARY	Mrs S D Day
REGISTERED OFFICE	Panorama 15 Moor Lane Close Barton Torquay Devon
BANKERS	National Westminster Bank PLC 4 Fore Street St Marychurch Torquay Devon
ACCOUNTANTS	Atkey Goodman Chartered Accountants The Manor House Chapel Street Plymouth Devon

CARNICON LIMITED

DIRECTORS' REPORT

31st March 1998

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

Principal activity

The principal activity of the company continues to be that of the development and management of property.

Directors

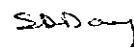
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st March 1998	1st April 1997
	Ordinary shares No	Ordinary shares No
Mr R R Day - A Ordinary 5p shares	60,000	60,000
- C Ordinary 10p shares	5	5
Mrs S D Day - A Ordinary 5p shares	60,000	60,000
- C Ordinary 10p shares	5	5

Small company exemptions

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.

By order of the board




Mrs S D Day
Secretary

CARNICON LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the directors of
Carnicon Limited

In accordance with instructions given to us we have prepared financial statements for the company for the year ended 31st March 1998 according to the accounting provisions of the Companies Act 1985. The directors of the company have confirmed that the company is totally exempt from the audit requirement under the provisions of subsection 1 of section 249A of the Companies Act 1985, and as a result we have not carried out an audit. The financial statements on pages 4 to 9 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the directors.



Atkey Goodman
Chartered Accountants
Plymouth

Date...3/11/98

CARNICON LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1998

	Note	1998 £	1997 £
Turnover	2	34,109	33,103
Distribution costs		(13,103)	(16,870)
Administrative expenses		(7,276)	(7,098)
Profit on ordinary activities before taxation		13,730	9,135
Taxation	5	(3,327)	(1,850)
Profit on ordinary activities after taxation		10,403	7,285
Dividends	6	(11,500)	-
Retained (loss)/profit for the year	12	(1,097)	7,285

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the year.

CARNICON LIMITED

BALANCE SHEET

at 31st March 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	27,358	30,802
Current assets			
Cash at bank and in hand		1,168	1,986
		<u>1,168</u>	<u>1,986</u>
Creditors: amounts falling due within one year	8	(1,583)	(4,748)
Net current liabilities		<u>(415)</u>	<u>(2,762)</u>
Net assets		<u>26,943</u>	<u>28,040</u>
Capital and reserves			
Called up share capital	11	6,001	6,001
Profit and loss account	12	20,942	22,039
Equity shareholders' funds	10	<u>26,943</u>	<u>28,040</u>

continued

CARNICON LIMITED

BALANCE SHEET

(continued)

at 31st March 1998

The directors consider that for the year ended 31st March 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B 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 preparing financial statements 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, and which otherwise comply with the requirements of the Act relating to 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.

The financial statements were approved by the board of directors on. 30/10/98



Mr R R Day
Director

CARNICON LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold property	2% straight line
Improvements to property	2% straight line
Office equipment	15% reducing balance
Fixtures and fittings	30% straight line

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

3 Operating profit

	1998 £	1997 £
Operating profit is stated after charging		
Depreciation of tangible fixed assets (note 7)		
owned assets	3,444	7,232
Director's salary	182	2,880
	<u> </u>	<u> </u>
and after crediting:		
Rent received	33,301	31,607
	<u> </u>	<u> </u>

CARNICON LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

4 Directors remuneration

	1998 £	1997 £
Salary	<u>182</u>	<u>2,880</u>

5 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 24%)	3,339	1,850
Corporation tax over provided	<u>(12)</u>	<u>-</u>
	<u>3,327</u>	<u>1,850</u>

6 Dividends

	1998 £	1997 £
Dividends	<u>11,500</u>	<u>-</u>

7 Tangible fixed assets

Cost	Office Equipment £	Fixtures and Fittings £	Freehold Property £	Improvements to property £	Total £
1st April 1997 and 31st March 1998	<u>1,143</u>	<u>25,776</u>	<u>24,521</u>	<u>7,402</u>	<u>58,842</u>
Depreciation					
1st April 1997	171	23,116	4,605	148	28,040
Charge for year	<u>146</u>	<u>2,660</u>	<u>490</u>	<u>148</u>	<u>3,444</u>
31st March 1998	<u>317</u>	<u>25,776</u>	<u>5,095</u>	<u>296</u>	<u>31,484</u>
Net book amount					
31st March 1998	<u>826</u>	<u>-</u>	<u>19,426</u>	<u>7,106</u>	<u>27,358</u>
1st April 1997	<u>972</u>	<u>2,660</u>	<u>19,916</u>	<u>7,254</u>	<u>30,802</u>

CARNICON LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

- 8 Creditors: amounts falling due within one year

	1998 £	1997 £
Payments received on account	400	200
Taxation and social security	131	-
Corporation tax	464	1,850
Accruals and deferred income	588	588
Directors current account	-	2,110
	<u>1,583</u>	<u>4,748</u>

- 9 Deferred taxation

	1998		1997	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Capital allowances in excess of depreciation	<u>38</u>	<u>-</u>	<u>30</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 21% (1997 24%).

- 10 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	10,403	7,285
Dividends	<u>(11,500)</u>	<u>-</u>
Net (subtraction from)/addition to shareholders' funds	(1,097)	7,285
Opening shareholders' funds	<u>28,040</u>	<u>20,755</u>
Closing shareholders' funds	<u>26,943</u>	<u>28,040</u>

CARNICON LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

11 Share capital

	Authorised		Issued and fully paid	
	Number of shares	£	Number of shares	£
A ordinary shares of 5p each	120,000	6,000	120,000	6,000
B ordinary shares of 5p each	80,000	4,000	-	-
C ordinary shares of 10p each	10	1	10	1
6% cumulative preference shares of £1 each	39,999	39,999	-	-
	<u>240,009</u>	<u>50,000</u>	<u>120,010</u>	<u>6,001</u>

There have been no changes during year.

12 Profit and loss account

	1998 £
1st April 1997	22,039
Retained loss for the year	(1,097)
31st March 1998	<u>20,942</u>

13 Control and related party transactions/transactions with directors

Mr R R Day and Mrs S D Day, both directors of the company, own 100% of the issued share capital and therefore control the company.

Mr and Mrs Day's directors' loan account at the beginning of the year amounted to £2,110 (due by the company to Mr & Mrs Day). This was also the maximum amount outstanding during the year and the balance at the end of the year was nil. No interest was paid on this loan.