

Registered Number: 3012763

**NATIONAL GOLD LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 1996**



NATIONAL GOLD LIMITED

ANNUAL REPORT

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**NATIONAL GOLD LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

The directors present their report and the financial statements for the year to 30 September 1996.

Principal activity

The principal objectives of the company are to provide goods and services in relation to lotteries and in particular to obtain a licence to promote lotteries under Section 6 of the National Lottery Act 1993 and/or a management or supply contract for lottery ticket vending machines from Camelot plc in connection with a Section 6 licence and subsequently to operate such licence or undertake the obligations set out in such management or supply contract.

Review of business

The profit and loss account for the period is set out on page 3.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

R S Smith	(Resigned 26 July 1996, Reappointed 27 December 1996)
C Daniels	(Resigned 26 July 1996, Reappointed 27 December 1996)
J G Jones	(Resigned 26 July 1996, Reappointed 27 December 1996)
A J Burgess	(Resigned 28 May 1996)
J W Redhead	(Resigned 3 July 1996)
C M Bate	(Resigned 30 July 1996, Reappointed 27 December 1996)
R Nielsen	(Appointed 27 December 1996)
SLM Eskill	(Appointed 27 December 1996)

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act 1985, no director at 30 September 1996 had any interest in shares of the company at either the beginning or end of the period ended on that date.

Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit and loss of the company for that period.

**NATIONAL GOLD LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 30 September 1996. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J. G. Jones', written over a horizontal line.

Company Secretary

LEEDS
16 July 1997

NATIONAL GOLD LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Notes	1996 £	1995 £
Turnover		4,437	-
Cost of Sales		-	-
Gross Profit		4,437	-
Research and development costs	1	(177,463)	(154,236)
Administrative expenses		(13,139)	(5,824)
Operating loss before taxation	2	(190,602)	(160,060)
Taxation		-	-
Retained loss for the period		<u>(190,602)</u>	<u>(160,060)</u>

The company has no recognised gains or losses other than those included in the losses above, and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the operating loss before taxation and the retained loss for the period stated above and their historical cost equivalents.

All items dealt with in arriving at the operating loss before taxation for the period relate to continuing operations.

The notes on pages 5 to 6 form part of these financial statements.

NATIONAL GOLD LIMITED
BALANCE SHEET
30 SEPTEMBER 1996

	Notes	1996 £	1995 £
Current Assets			
Debtors		1,026	-
Creditors: Amounts falling due within one year	5	(351,588)	(159,960)
		<u>(350,562)</u>	<u>(159,960)</u>
Capital and Reserves			
Called up share capital	6	100	100
Profit and loss account		(350,662)	(160,060)
Shareholders' funds		<u>(350,562)</u>	<u>(159,960)</u>

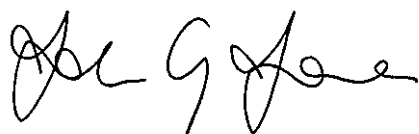
Advantage has been taken of the audit exemptions available for small companies conferred by Section 249A (1) of the Companies Act 1985 on the grounds:

- (a) that for the period ended 30 September 1996, the company was entitled to the exemption from the statutory audit under Section 249A (1) of the Companies Act 1985; and
- (b) that no notice has been deposited under Section 249 B (2) of the Companies Act 1985 in relation to the financial statements for the financial period.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 30 September 1996 and its profit or loss for the period then ended in accordance with the requirement of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements on pages 5 to 6 were approved by the board on 16 July 1997 and signed on their behalf by



Director

The notes on pages 5 to 6 form part of these financial statements.

NATIONAL GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 1996

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies is set out below.

(a) Turnover

Turnover, which excludes value added tax, represents the value of goods and services in relation to lotteries.

(b) Research and Development

Costs associated with the principal activity of the business are charged to the profit and loss account as they are incurred.

(c) Cash Flow

The company has adopted the provision of FRS1 which does not require a cash flow statement to be prepared, as in this instance, the company is small as defined by the Companies Act 1985.

2. Loss on ordinary activities

	1996	1995
	£	£
This is stated after charging:		
Research and development costs	177,463	154,236

3. Directors' emolument and employee information

The directors received no emoluments from the company in respect of the period ended 30 September 1996. However, J Redhead through his own company, Redhead Consulting, had a consultancy agreement with the company. During the period to 30 September 1996 Mr Redhead received £19,160 in consultancy fees and was reimbursed £183 in expenses.

The company has no employees.