THE ARGENTINE CLUB LIMITED

REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 1997

REGISTERED NUMBER: 109607

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THE ARGENTINE CLUB LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

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THE ARGENTINE CLUB LIMITED

COMPANY INFORMATION
AS AT 31 DECEMBER 1997

COMMITTEE OF MANAGEMENT

Mr. A. A. Tabbush, OBE
Mr. R. Emery, OBE
Mr. G. M. Gunson
Mr. P. W. Howard
Mr. M. B. Miller, OBE
Mr. C. A. Muller
Mr. K. Newlands, OBE
Mr. M. J. Nicholls
Sir Peter Macadam (deceased July 1997)

SECRETARY

Mr. T. M. Harrington

REGISTERED OFFICE

42 Half Moon Street
London W1Y 8DS

REGISTERED NUMBER

109607

AUDITORS

Learer Roberts
Chartered Accountants
Registered Auditors

26-28 Bartholomew Square
London EC1V 3QH

THE ARGENTINE CLUB LIMITED

DIRECTORS' REPORT

The Committee of Management present their annual report with the financial statements of the Company for the year ended 31st December 1997.

PRINCIPAL ACTIVITIES

The Company continues its function of providing social facilities for the members of The Canning Club.

COMMITTEE OF MANAGEMENT AND THEIR INTERESTS

The members in office in the year and their beneficial interests in the Company at the balance sheet date and the beginning of the year (or on appointmentif later) were as follows:

		Number of shares	
		1997	1996
Mr. A. A. Tabbush, OBE	Ordinary shares	20	20
Mr. R. Emery, OBE	Ordinary shares	20	20
Mr. G. M. Gunson	Ordinary shares	4	4
Mr. P. W. Howard	Ordinary shares	60	60
Mr. M. B. Miller, OBE	Ordinary shares	10	-
Mr. C. A. Muller	Ordinary shares	10	10
Mr. K. Newlands, OBE	Ordinary shares	15	-
Mr. M. J. Nicholls	Ordinary shares	5	5
Sir Peter Macadam (deceased July 1997)	Ordinary shares	-	-

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 as at the end of the financial year 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 statementson the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for maintaining 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.

THE ARGENTINE CLUB LIMITED

DIRECTORS' REPORT

AUDITORS

Learer Roberts, Chartered Accountants, were appointed auditors to the Company and in accordance with Section 385 of the Companies Act 1985 are willing to be reappointed.

SMALL COMPANY EXEMPTIONS

The above 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:

.....

T. M. Harrington
Secretary

Approved by the Board: 5th August 1998

THE ARGENTINE CLUB LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS
As described in the directors' report, 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 as to whether 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 affairs of the company as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Learer Roberts

.....

Learer Roberts
Chartered Accountants
Registered Auditors

26-28 Bartholomew Square
London EC1V 3QH

Date signed: 24/8/98

THE ARGENTINE CLUB LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER		6,936	6,736
Administrative expenses		33,489	37,054
OPERATING LOSS	2	(26,553)	(30,318)
Investment income and interest receivable		49,690	53,289
Amounts written off investments		-	12,505
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,137	35,476
Tax on profit on ordinary activities	4	3,693	(10,362)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		26,830	25,114

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

Total recognised gains and losses
The company has no recognised gains or losses other than the profit or loss for the above two financial years.

THE ARGENTINE CLUB LIMITED

BALANCE SHEET
AT 31 DECEMBER 1997

	Notes	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS					
Tangible assets	5		1,489		1,985
Investments	6		326,676		376,654
			328,165		378,639
CURRENT ASSETS					
Stocks		970		971	
Debtors	7	6,139		5,393	
Investments	8	75,000		-	
Cash at bank and in hand		45,498		42,451	
		127,607		48,815	
CREDITORS: amounts falling due within one year	9	(25,140)		(23,652)	
NET CURRENT ASSETS			102,467		25,163
TOTAL ASSETS LESS CURRENT LIABILITIES			430,632		403,802
CAPITAL AND RESERVES					
Called up share capital	10		26,830		26,830
Other reserves	11		208,280		208,280
Profit and loss account	12		195,522		168,692
TOTAL SHAREHOLDERS' FUNDS	13		430,632		403,802

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the board of directors on 5th August 1998 and signed on its behalf by:

.....

Mr A A Tabbush OBE
Director

The notes on pages 7 to 10 form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Cash flow
The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Depreciation of tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Equipment & fixtures 25% reducing balance

Stocks
Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investments
Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred taxation
Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Pension costs
The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. OPERATING LOSS

Operating loss	1997 £	1996 £
After charging:		
Depreciation of fixed assets	496	662
Auditors' remuneration	2,650	3,500

3. PENSION COSTS

Money purchase (defined contribution) pension scheme
The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,325 (1996:£4,799).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
The taxation credit comprises:		
UK Corporation tax at 21% (1996 25%)	(4,570)	10,362
Tax credit attributable to franked investment income	4,570	-
Adjustment in respect of prior years	(3,693)	-
	(3,693)	10,362

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
Cost:	
At 1 January 1997 and at 31 December 1997	19,223
Depreciation:	
At 1 January 1997	17,238
Charge for year	496
At 31 December 1997	17,734
Net book value:	
At 31 December 1997	1,489
At 31 December 1996	1,985

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

6. INVESTMENTS

Cost or valuation:	Beginning of year £	Additions £	Disposals £	End of year £
Other investments	376,654	77,138	(127,116)	326,676

Other investments other than loans

Shares:

	Book value 1997 £	Market value 1997 £	Book value 1996 £	Market value 1996 £
Listed:				
U.K. Stock Exchange	326,676	721,919	376,654	665,615

6. **INVESTMENTS - (continued)**

No provision has been made for the liability to corporation tax on chargeable gains that would arise if the above investments were disposed of at market value.

7. **DEBTORS**

	1997 £	1996 £
Trade debtors	705	4,891
Other debtors	5,434	502
	6,139	5,393

8. **LOAN**

	1997 £	1996 £
Other loan	75,000	-

The loan to In and Out Limited is interest free and will be repaid in five years from the 1st December 1997 and is secured against a freehold property.

9. **CREDITORS:** amounts falling due within one year

	1997 £	1996 £
Trade creditors	2,518	2,576
Corporation tax	-	4,780
Other taxes and social security costs	438	994
Other creditors	4,776	7,836
Accruals and deferred income	17,408	7,466
	25,140	23,652

10. **SHARE CAPITAL**

	1997 £	1996 £
Authorised:		
Equity interests:		
5000 Ordinary shares of £10 each	50,000	50,000
Allotted, called up and fully paid:		
Equity interests:		
4269 Ordinary shares of £10 each £5 paid	21,345	21,345
£5 per share in respect of 1097 shares received in advance	5,485	5,485
	26,830	26,830

11. OTHER RESERVES

	1997 £	1996 £
Other reserve		
Balance at beginning and end of year	208,280	208,280
Total other reserves	208,280	208,280

12. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Retained profit at 1 January 1997	168,692	143,578
Profit at 31 December 1997	26,830	25,114
Retained profit at 31 December 1997	195,522	168,692

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	26,830	25,114
Opening shareholders' funds	403,802	378,688
Closing shareholders' funds	430,632	403,802
Represented by:-		
Equity interests	430,632	403,802

14. RELATED PARTY DISCLOSURES

Argentine Club Limited has a related party transaction, as defined by Financial Reporting Standard 8, with In and Out Limited, its related company.
The transaction involved the loan of £75,000 to In and Out Limited, which is included in loan.