TAIKOO BOOKS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1998

Company no. 01396731

TELEPHONE: 01423 564446
FAX: 01423 504637

LITHGOW, PERKINS & CO.

CHARTERED ACCOUNTANTS

J. PERKINS F.C.A., A.T.I.I.
D. E. WATLER F.C.A.
M. R. BROADWAY F.C.A.
A. P. HALLINAN M.Inst.A.M.
R. J. HORNER B.A. Hons. A.C.A., A.T.I.I.

CROWN CHAMBERS
PRINCES STREET
HARROGATE
HG1 1NJ

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF

TAIKOO BOOKS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30th November 1998, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Lithgow, Perkins & Co.

Chartered Accountants

10th June 1999

TAIKOO BOOKS LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		10,545		12,191
CURRENT ASSETS					
Stocks		295,500		280,000	
Debtors	3	9,959		9,877	
Cash at bank and in hand		23		82	
		305,482		289,959	
CREDITORS: Amounts falling due within one year	4	(137,076)		(123,541)	
NET CURRENT ASSETS			168,406		166,418
TOTAL ASSETS LESS CURRENT LIABILITIES			178,951		178,609
CREDITORS: Amounts falling due after more than one year	5	(36,916)		(41,126)	
			(36,916)		(41,126)
			142,035		137,483
CAPITAL AND RESERVES					
Called-up share capital	6		100		100
Profit and loss account			141,935		137,383
SHAREHOLDERS' FUNDS			142,035		137,483

The balance sheet is continued on page 4

The notes set out on pages 5 to 7 form an integral part of these accounts

TAIKOO BOOKS LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1998 (cont'd)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit under Section 249B(2). 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 accounts which give a true and fair view of the state of affairs of the company as at 30th November 1998 and of its profit or loss 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 accounts so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (Effective March 1999).

Approved by the board:

D.A. Chilton - Director D.A. Chilton

10th June 1999

The notes set out on pages 5 to 7 form an integral part of these accounts

TAIKOO BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH NOVEMBER 1998

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on reducing balance method
Fixtures & fittings	- 10% on reducing balance method
Leasehold property	- over the life of the lease

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

(f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange gains and losses are taken to the profit and loss account.

TAIKOO BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH NOVEMBER 1998

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & fittings	Leasehold property	Total
COST	£	£	£	£
At 1st December 1997	9,000	16,458	3,333	28,791
At 30th November 1998	9,000	16,458	3,333	28,791
DEPRECIATION				
At 1st December 1997	6,153	7,114	3,333	16,600
Charge for the year	712	934	-	1,646
At 30th November 1998	6,865	8,048	3,333	18,246
NET BOOK VALUE				
At 30th November 1998	2,135	8,410	-	10,545
At 30th November 1997	2,847	9,344	-	12,191

3 DEBTORS

Debtors include a loan to a director of the company, D.A. Chilton, details of which are as follows:

	1998	1997
	£	£
Amount outstanding at beginning of year	3,233	-
Amount outstanding at end of year	4,593	3,233
Maximum outstanding during the year	6,201	3,233

4 CREDITORS: Amounts falling due within one year

	1998	1997
	£	£
The following secured amounts fall due within one year:		
Bank loans and overdrafts	116,175	106,242

	1998	1997
	£	£
Amounts payable by instalments due within one year hence:		
Bank loans	3,600	3,600

5 CREDITORS: Amounts falling due after more than one year

	1998	1997
	£	£
The following secured amounts fall due after more than one year:		
Bank loans	36,916	41,126

	1998 £	1997 £
Amounts payable by instalments more than five years hence:		
Bank loans	22,516	26,726

6 SHARE CAPITAL

	Number 1998	Value 1998 £	Number 1997	Value 1997 £
Authorised:				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Issued and fully paid:				
Ordinary shares of £1 each	100	100	100	100