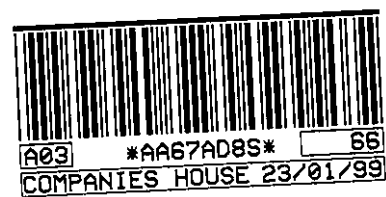


RUSHCATCH LIMITED
COMPANY NUMBER 02027692
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998



RUSHCATCH LIMITED

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RUSHCATCH LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	P.J. Wheatley R.I. Wells
Secretary	P.J. Wheatley
Registered Office	9 Bridle Close, Surbiton Road, Kingston Upon Thames, Surrey KT1 2JW
Auditors	James Worley & Sons 9 Bridle Close, Kingston Upon Thames, Surrey KT1 2JW
Bankers	National Westminster Bank Plc, 73 High Street Walton Upon Thames, Surrey, KT12 IDW

RUSHCATCH LIMITED

REPORT OF THE DIRECTORS

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

ACTIVITIES

The principal activities of the company during the period were property investment and property development.

RESULTS

	£
(Loss) for the year before taxation	(39,966)
Taxation	-
Loss retained	(39,966)

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the the property market has stabilised during the year under review, and that the current market values of the company's investment properties have not altered since the professional valuations carried out in 1994.

DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows :

	Ordinary shares of £1 each	
	31-3-98	31-3-97
P.J. Wheatley	1	1
R.I. Wells	1	1

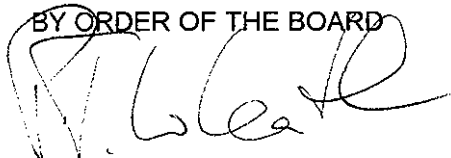
AUDITORS

A resolution to re-appoint James Worley & Sons as auditors of the company will be proposed at the next Annual General Meeting.

YEAR 2000 AND THE EURO

The officers have considered the implications of the year 2000 and are taking steps to ensure year 2000 compliance. The costs of compliance are not expected to be significant. The impact of the euro is not expected to have a significant effect on the company for the foreseeable future.

BY ORDER OF THE BOARD



P.J. Wheatley
Secretary

Dated : 15th January 1999

RUSHCATCH LIMITED

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 appropriate accounting records which disclose with reasonable accuracy 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.

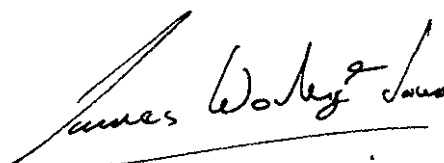
RUSHCATCH LIMITED

ACCOUNTANT'S REPORT

Accountant's report on the unaudited accounts to the directors of Rushcatch Limited.

As described on the balance sheet, you are responsible for the preparation of the accounts for the year ended 31st March 1998, set out on pages 5 to 11, 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.

Kingston upon Thames
Surrey
Date : 15th January 1999

A handwritten signature in dark ink, appearing to read 'James Worley & Sons', is written over a horizontal line.

James Worley & Sons
Chartered Accountants
Registered Auditors

RUSHCATCH LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	Note	1998 £	1997 £
Turnover	1	63,838	73,908
Cost of sales		41,492	40,239
Gross profit		<u>22,346</u>	<u>33,669</u>
Administration expenses		36,377	18,804
		<u>(14,031)</u>	<u>14,865</u>
Other income		-	-
		<u>(14,031)</u>	<u>14,865</u>
Interest payable	8	25,935	5,106
(Loss)/Profit on ordinary activities before taxation	9	(39,966)	9,759
Taxation	10	-	3,137
(Loss)/Profit on ordinary activities after taxation, transferred to reserves	7	<u>(39,966)</u>	<u>6,622</u>

All disclosures relate to continuing activities. There were no other recognised gains or losses other than the loss for the year and the profit of the previous year.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

(Loss)/Profit for the year	(39,966)	6,622
Dividend	<u>-</u>	<u>-</u>
Net (reduction in)/addition to shareholders' funds	(39,966)	6,622
Opening shareholders' funds	<u>264,879</u>	<u>258,257</u>
Closing shareholders' funds	<u>224,913</u>	<u>264,879</u>

RUSHCATCH LIMITED

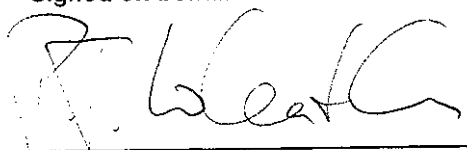
BALANCE SHEET AS AT 31ST MARCH 1998

	Note	1998		1997	
		£	£	£	£
FIXED ASSETS					
Investment property	2		428,000		428,500
Tangible	3		15,041		2,121
CURRENT ASSETS					
Cash at bank		1,609		1,575	
Debtors	4	6,142		4,382	
		<u>7,751</u>		<u>5,957</u>	
CREDITORS - AMOUNTS DUE WITHIN ONE YEAR	5	225,879		171,699	
NET CURRENT (LIABILITIES)			<u>(218,128)</u>		<u>(165,742)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			224,913		264,879
PROVISIONS FOR LIABILITIES AND CHARGES	11		-		-
NET ASSETS			<u>224,913</u>		<u>264,879</u>
CAPITAL AND RESERVES					
Called up share capital	6		2		2
Reserves	7		<u>224,911</u>		<u>264,877</u>
SHAREHOLDERS' FUNDS			<u>224,913</u>		<u>264,879</u>

For the financial year ended 31st March 1998, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 Companies Act 1985, so far as applicable to the company.

The financial statements were approved by the Board of Directors on the 15th January 1999.

Signed on behalf of the Board of Directors



P.J. Wheatley
Director

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1998

1. ACCOUNTING POLICIES

a) Accounting Policy

The financial statements are prepared under the historical cost convention except for certain investment properties which are included at directors' valuation.

b) Accounting Standards

The financial statements have been prepared under the applicable accounting standards.

c) Depreciation

In accordance with Statement of Standard Accounting Practice No. 19 :

- i) the investment properties are revalued periodically, and
- ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act 1985 would normally require the systematic annual depreciation of fixed assets, these properties are not held for consumption but for investment. The directors, therefore, believe that this accounting policy is necessary for the accounts to give a true and fair view.

The short leasehold property is also held for investment purposes and is amortised on a straight line basis over the remaining years of the lease.

Other tangible fixed assets are depreciated on a straight line basis at rates intended to write them off over their useful economic life.

Motor Vehicles	- 25%	per annum
Office Equipment	- 33 1/3%	per annum

d) Turnover

Turnover represents income receivable from rental properties and proceeds of property disposals.

e) Deferred taxation

Deferred taxation is provided at the latest known rate on the excess of the book values of fixed assets over their written down values for tax purposes, and on other timing differences.

f) Interest payable

Interest payable is written off to profit and loss account as it is incurred.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1998

2. FIXED ASSETS - INVESTMENT PROPERTY

	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £	Total £
Cost/valuation:				
At 1st April 1997	287,500	137,000	10,000	434,500
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31st March 1998	287,500	137,000	10,000	434,500
Accumulated depreciation :				
At 1st April 1997	-	-	6,000	6,000
Charge for the year	-	-	500	500
Disposal during year	-	-	-	-
At 31st March 1998	-	-	6,500	6,500
Net book value				
At 31st March 1998	287,500	137,000	3,500	428,000
Net book value				
At 31st March 1997	287,500	137,000	4,000	428,500

At 31st March 1994, the investment properties were valued on an open market value by the directors of the company. If the investment properties had not been revalued, they would have been included at cost of £860,569. No change has been made to these valuations for 1998.

If the investment properties had been sold at their 31st March 1998 value, taxation liabilities would crystallise as referred to in Note 11.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1998

3. FIXED ASSETS - TANGIBLE OTHER ASSETS

	Motor Vehicles £	Office Equipment £	Total £
Cost:			
At 1st April 1997	7,815	5,981	13,796
Additions	15,000	460	15,460
Disposals	(7,815)	-	(7,815)
At 31st March 1998	15,000	6,441	21,441
Accumulated depreciation :			
At 1st April 1997	5,859	5,816	11,675
Disposal in year	(7,649)	-	(7,649)
Charge for the year	2,103	271	2,374
At 31st March 1998	313	6,087	6,400
Net book value			
At 31st March 1998	14,687	354	15,041
<i>Net book value</i>			
<i>At 31st March 1997</i>	<i>1,956</i>	<i>165</i>	<i>2,121</i>

	1998 £	1997 £
4. DEBTORS		
Rent debtors	4,286	3,226
Other debtors	111	111
Prepayments	1,745	1,045
	6,142	4,382

5. CREDITORS - amounts falling due within one year

Bank overdraft (secured)	73,719	66,856
Trade creditors	6,006	4,301
Rents received in advance	4,020	-
Accruals	91,176	44,385
Director's loan account	50,961	53,023
Corporation tax	(3)	3,134
	225,879	171,699

The bank overdraft is secured by way of a fixed charge over certain of the company's investment properties.

The director's loan is from Mr P.J. Wheatley. There are no terms for repayment but the loan is interest bearing at market rates and provision has been made for such cost.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1998

	1998 £	1997 £
6. CALLED UP SHARE CAPITAL		
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
7. RESERVES	Profit & Loss	Profit & Loss
Balance at 1st April 1997	264,877	258,255
Retained (loss) / profit for the year	<u>(39,966)</u>	<u>6,622</u>
Balance at 31st March 1998	<u>224,911</u>	<u>264,877</u>
	1998 £	1997 £
8. INTEREST PAYABLE		
On bank overdraft	5,935	5,106
Interest on other loans	<u>20,000</u>	<u>-</u>
	<u>25,935</u>	<u>5,106</u>
9. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
(Loss) / Profit on ordinary activities before taxation has been arrived at after charging:		
Directors' Remuneration, including pension contributions	-	-
Depreciation	2,874	2,717
Wages and salaries	<u>3,100</u>	<u>3,120</u>
The average monthly number of employees, excluding directors, was 1 (1997:1).		
10. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES		
Corporation tax based on (loss) / profit for the year at 21% (1997 - 24%)	-	3,137
Corporation tax - prior year adjustment	-	-
Deferred Tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>3,137</u>

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1998

11. PROVISION FOR LIABILITIES AND CHARGES

	£
Deferred Tax	-
Balance at 31st March 1998	-

The major elements of deferred taxation are as follows:

Accelerated capital allowances	Other Timing Differences	-
Other timing differences		-

No provision is made in respect of the capital allowances claimed on one of the company's leasehold properties as it is held for investment purposes and the directors do not intend disposing of this property in the foreseeable future. The potential provision is £34,250 (1997 - £34,250).

12. FINANCIAL COMMITMENTS

Non-cancellable operating lease payments falling due within one year amount to £25,278 (1997 - £25,278) and relate to leases which expire:

	1998		1997	
	Land and Buildings	Other	Land and Buildings	Other
Within one year	-	-	-	-
Between two and five years	-	-	-	-
After five years	25,278	-	25,278	-

13. RELATED PARTY TRANSACTIONS

During the year the company made a loan of £2,175 to Surrey Real Estates Ltd (1997: £2,066). This is not expected to be recovered.

14. CONTROL OF THE COMPANY

The company was under the control of Mr P.J.Wheatley, a director, throughout the year. As last year and as disclosed in the Directors' Report, Mr Wheatley owns 50% of the company's issued share capital.