

AMENDING COPY

ASQUITH MOTOR CARRIAGE GROUP PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH. APRIL 1999

Company No. 3184978 (England and Wales)



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ASQUITH MOTOR CARRIAGE GROUP PLC

BOARD OF DIRECTORS AND ADVISERS

Directors	T. C. M. Reed J. C. Coad F.C.A.	Chairman Finance Director
Company Secretary	J. C. Coad F.C.A.	
Registered Office	Centurion House 37 Jewry Street London EC3N 2ER	
Auditors	Saffery Champness Chartered Accountants & Registered Auditors Fairfax House Fulwood Place Gray's Inn London WC1V 6UB	
Solicitors	Hardwick Stallards Centurion House 37 Jewry Street London EC3N 2ER	
Bankers	Barclays Bank plc Atlas House 1/7 King Street London EC2V 8AU	
Registrars	Neville Registrars Ltd. Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA	

ASQUITH MOTOR CARRIAGE GROUP PLC

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year-ended 30 April 1999.

PRINCIPAL ACTIVITY

The Group's principal activities of developing and marketing a new taxi and developing a bus distribution business were disposed of in late 1997; the Company has since refurbished a motor vehicle and is now dormant.

The Company is in discussion with another party with a view to completing a reverse takeover of its activities.

RESULTS AND STATE OF AFFAIRS

The financial statements on pages 5 to 9 set out the results of the group for the year ended 30 April 1999 and reflect the state of the company's and the group's affairs at that date.

The Group recorded a loss of £ 189 for the year (1998: £ 3,676).

The Company has net assets of only £ 475. The directors are seeking a suitable acquisition to be acquired for consideration of an issue of shares in the company. Recent progress with a number of ongoing discussions has been encouraging and the directors are hopeful of a satisfactory conclusion.

DIVIDENDS

The directors do not propose to declare any dividend in respect of the year. The net loss of £189 has been transferred to reserves.

DIRECTORS' INTERESTS

The members of the Board during the year and their interests, including family interests, in the company's shares were as follows:-

	Interest at end of period number of shares	Interest at beginning of period number of shares
T. C. M. Reed	1,585,714	1,585,714
J. C. Coad	120,000	120,000

YEAR 2000

The directors have assessed the impact that the year 2000 date change will have on the business and do not believe that it will have any impact.

SUBSTANTIAL SHARE INTERESTS

The directors have been notified of the following substantial interests in the ordinary share capital of the company as at 25 November 1999.

	No. of ordinary shares	%
T. C. M. Reed	1,585,714	17.6
S. J. Fagnoli	1,585,714	17.6
I. A. Haddon	900,000	10.0

CREDITOR PAYMENT POLICY

The group policy for the year ended 30 April 1999 for all suppliers is to fix terms of payment when agreeing the terms of business transactions, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment insofar as the group has the cash resources to do so. Average no. of days credit – 90 days (1998: 90).

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The directors are required by United Kingdom company law 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 the results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 preventing and detecting fraud and other irregularities.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting for the reappointment of Saffery Champness, who have expressed their willingness to continue in office as auditors for the ensuing year.

BY ORDER OF THE BOARD



J. C. COAD
Company Secretary
30 November 1999

ASQUITH MOTOR CARRIAGE GROUP PLC

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors' Report on page 3, 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 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 Group'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 that 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 and the Group as 30 April 1999 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SAFFERY CHAMPNESS
Chartered Accountants and Registered Auditors
Fairfax House,
Fulwood Place
Gray's Inn,
London, WC1V 6UB.

22 December 1999

ASQUITH MOTOR CARRIAGE GROUP PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1999

	Note	1999 £	1998 £
Turnover		30,750	9,150
Cost of Sales		<u>27,607</u>	<u>0</u>
Gross Profit		3,143	9,150
Other operating costs		<u>3,332</u>	<u>8,807</u>
Operating Profit/(Loss)		(189)	343
Costs associated with disposal of business		0	(3,000)
Interest payable		<u>0</u>	<u>(1,019)</u>
Loss on ordinary activities before taxation		(189)	(3,676)
Taxation	3	0	0
Net loss for the financial year		<u>£ (189)</u>	<u>£ (3,676)</u>
Loss per ordinary share	5	0.002p.	0.02p.

All of the Group's activities are classed as discontinued.

The Group had no recognised gains and losses other than the loss recorded above.

The only movement in shareholder's funds is the loss for the year.

The notes on pages 8 to 9 form part of these financial statements.

ASQUITH MOTOR CARRIAGE GROUP PLC

BALANCE SHEET AS AT 30 APRIL 1999

	Note	1999 £	1998 £
CURRENT ASSETS			
Debtors	6	0	1,525
Cash at Bank and in hand		<u>8,663</u>	<u>162</u>
		8,663	1,687
CREDITORS: Amounts falling due within one year			
	7	<u>(8,188)</u>	<u>(1,023)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>£ 475</u>	<u>£ 664</u>
REPRESENTED BY:			
Share Capital	8	314,735	314,735
Share Premium account	9	<u>229,625</u>	<u>229,625</u>
		544,360	544,360
Profit and Loss Account	10	<u>(543,885)</u>	<u>(543,696)</u>
SHAREHOLDERS' FUNDS		<u>£ 475</u>	<u>£ 664</u>

The financial statements on pages 5 to 9 were approved by the Board of Directors on 30 November 1999 and were signed on it's behalf by:

Director T. C. M. REED



Director J. C. COAD



The notes on pages 8 to 9 form part of these financial statements.

ASQUITH MOTOR CARRIAGE GROUP PLC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1999

	1999	1998
	£	£
Reconciliation of Operating Profit to Net Cash Flow from Operating Activities		
Operating (loss)/profit	(189)	343
Decrease in debtors	1,525	3,475
Increase / (Decrease) in creditors	7,165	(44,788)
Write-off of investment in former subsidiary	<u>0</u>	<u>4</u>
Net cash inflow/(outflow) from operating activities	<u>8,501</u>	<u>(40,966)</u>

CASHFLOW STATEMENT

Net Cash inflow/(outflow) from operating activities	8,501	(40,966)
Returns on Investment and Servicing of Finance Interest payable	(0)	(1,019)
Capital Expenditure Receipts from sale of intangible fixed assets	<u>0</u>	<u>42,000</u>
Increase in Cash	<u>8,501</u>	<u>15</u>

ANALYSIS OF MOVEMENT IN NET FUNDS

	B/Fwd	Cash Flow	C/Fwd
Cash at Bank/In Hand	<u>162</u>	<u>8,501</u>	<u>8,663</u>

The notes on pages 8 to 9 form part of these financial statements.

ASQUITH MOTOR CARRIAGE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS AT 30 APRIL 1999

1. ACCOUNTING POLICIES

The principal accounting policies adopted, which have been applied consistently, are as follows:-

a) Turnover

Turnover represents the invoiced amounts of services provided net of Value Added Tax.

b) Accounting Convention

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

c) Going Concern

The financial statements have been drawn up on the going concern basis. This basis may not be appropriate because at 30 April 1999 the company had net assets of £475 and had incurred losses of £189. However, the directors are in discussions with a number of companies and are confident that the company will find an acquisition in which to invest. Therefore, they have continued to adopt the going concern basis.

d) Deferred Taxation

Provision is made, using the liability method, for taxation in respect of items where there is a timing difference between their treatment for accounts and taxation purposes if, in the opinion of the directors, it is probable that a material tax liability will crystallise in the foreseeable future.

2. OPERATING COSTS

The operating costs are stated after charging:	1999	1998
	£	£
Directors emoluments	2,000	0
Audit fee	<u>675</u>	<u>500</u>

3. TAXATION

	1999	1998
Based on the loss for the period	£ 0	£ 0

4. DIRECTORS REMUNERATION AND STAFF COSTS

The directors were the only employees of the company in the year; their remuneration was as follows:-

	1999	1998
Fees	£ 2,000	£ 0

ASQUITH MOTOR CARRIAGE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS AT 30 APRIL 1999

5. EARNINGS PER SHARE

The loss per share of 0.002p. has been calculated on the post tax losses attributable to ordinary shareholders, based on the average number of shares (of 8,992,428) in issue during the year to 30 April 1999.

6. DEBTORS

	1999	1998
	£	£
Commissions receivable	<u>0</u>	<u>1,525</u>

7. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Trade creditors	0	523
Accrued expenses and other creditors	<u>8,188</u>	<u>500</u>
	<u>8,188</u>	<u>1,023</u>

8. SHARE CAPITAL

	No.	£
Authorised		
At 30 April 1998 and 30 April 1999: ordinary shares of 3.5p. each	<u>20,000,000</u>	<u>700,000</u>
Issued and fully paid		
At 30 April 1998 and 30 April 1999	<u>8,992,428</u>	<u>314,735</u>

9. SHARE PREMIUM ACCOUNT

At 30 April 1998 and 30 April 1999	£ <u>229,625</u>
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10. PROFIT AND LOSS ACCOUNT

The loss for the year of £ 189 (1997: £ 3,676) has been transferred to reserves, increasing the negative balance to £ 543,885.

11. CONTINGENT LIABILITY AND OTHER COMMITMENTS

The group had no capital commitments or lease commitments at 30 April 1999.