

Company Registration No. 3170395

DARLING PROMOTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

16253-1997

Registered Office
Suite 205, Moghul House,
57 Grosvenor St.,
London.



DARLING PROMOTIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1997**

The directors present their report and financial statements for the year ended 31 December 1997.

Principal Activities and Review of the Business

The principal activity of the company was that of the provision of support services.

Results and Dividends

The results for the year are set out on page 4.

It is proposed that the retained loss of £ 1,313 is transferred to reserves.

Directors

The following directors have held office during the year

P. Rezzoli	(Resigned 14 January 1998)
R. Sigrist	
S. Vogeli	(Appointed 14 August 1997)
B. Forster	(Resigned 14 August 1997)

The Directors had no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

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;
- prepare the 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 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.

By order of the Board


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Date 11th December 1998

MATTHEW EDWARDS & CO
C H A R T E R E D A C C O U N T A N T S

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DARLING PROMOTIONS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF DARLING PROMOTIONS LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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, except that the scope of our work was limited as explained below. 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 that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because the directors have not complied with Financial Reporting Standard No. 8 as they are unable to disclose the identity of the ultimate controlling party, transactions related thereto, and any other related party transactions. There were no other satisfactory audit procedures that we could adopt to ensure compliance with Financial Reporting Standard No. 8.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DARLING PROMOTIONS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF DARLING PROMOTIONS LIMITED**

Qualified opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary with regard to compliance with FRS 8, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Matthew Edwards, Co

Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

.....11.12.98

Clinch's House
Lord Street
Douglas
Isle of Man IM99 1RZ

DARLING PROMOTIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997 £	1996 £
Turnover	2	2,901	604
Administrative expenses		(3,142)	(3,352)
Operating loss	3	(241)	(2,748)
Interest payable and similar charges	4	(618)	-
Loss on ordinary activities before taxation		(859)	(2,748)
Tax on loss on ordinary activities	5	(454)	-
Loss on ordinary activities after taxation	9	(1,313)	(2,748)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

DARLING PROMOTIONS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1997**

	Notes	1997 £	£	1996 £	£
Current Assets					
Debtors	6	49		1,604	
Cash at bank and in hand		2,881		-	
		<u>2,930</u>		<u>1,604</u>	
Creditors: amounts falling due within one year					
	7	<u>(5,991)</u>		<u>(3,352)</u>	
Total Assets Less Current Liabilities			<u>(3,061)</u>		<u>(1,748)</u>
Capital and Reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		(4,061)		(2,748)
Shareholders' Funds - equity interests			<u>(3,061)</u>		<u>(1,748)</u>

The financial statements were approved by the Board on 11th December 1998

Director



DARLING PROMOTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

1 Accounting Policies

1.1 Accounting conventions and Compliance with accounting standards

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

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.3 Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Turnover

Turnover represents the company's share of income derived from its principal activity.

3 Operating Loss	1997	1996
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	500	500
	<u> </u>	<u> </u>
4 Interest Payable and Similar Charges	1997	1996
	£	£
Loss on exchange	618	-
	<u> </u>	<u> </u>
5 Taxation	1997	1996
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 31.5%	454	-
	<u> </u>	<u> </u>

DARLING PROMOTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

6 Debtors	1997	1996
	£	£
Trade debtors	-	604
Other debtors	49	1,000
	<u>49</u>	<u>1,604</u>
	<u><u>49</u></u>	<u><u>1,604</u></u>

7 Creditors: amounts falling due within one year	1997	1996
	£	£
Corporation tax	454	-
Other creditors	5,037	3,352
Accruals and deferred income	500	-
	<u>5,991</u>	<u>3,352</u>
	<u><u>5,991</u></u>	<u><u>3,352</u></u>

8 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares of which 1000 have been issued and are fully paid up (1996 - 1000)

9 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 January 1997	(2,748)
Retained loss for the year	(1,313)
	<u>(4,061)</u>
Balance at 31 December 1997	<u><u>(4,061)</u></u>

DARLING PROMOTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

10 Reconciliation of Movements in Shareholders' Funds	1997	1996
	£	£
Loss for the financial year	(1,313)	(2,748)
Proceeds from issue of shares	-	1,000
	<hr/>	<hr/>
Net depletion in shareholders' funds	(1,313)	(1,748)
Opening shareholders' funds	(1,748)	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>(3,061)</u>	<u>(1,748)</u>

11 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

12 Capital Commitments

There were no major capital commitments as at the balance sheet date.