

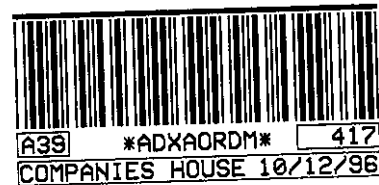
1321490 (England)
4272/D35

DELBOUNTY LIMITED

Directors' Report and Financial Statements

for the year ended 31 March 1996

ACCOUNTS FOR REGISTRAR



DELBOUNTY LIMITED

Company Information

Directors	A.M. McLaughlin S.A. Khan
Secretary	S.A. Khan
Company Number	1321490 (England)
Registered Office	Parkway House Sheen Lane East Sheen London SW14 8LS
Auditors	Cavendish & Co Chartered Certified Accountants Registered Auditors 18 Queen Anne Street London W1M 0HB
Business Address	Parkway House Sheen Lane East Sheen London SW14 8LS
Bankers	Bank of Scotland plc West End Office 14-16 Cockspur Street London SW1Y 5BL

DELBONNY LIMITED

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DELBOUNTY LIMITED

Directors' Report for the year ended 31 March 1996

The directors present their report and the financial statements for the year ended 31 March 1996.

Principal Activities and Review of the Business

The principal activity of the company in the year under review was property development and investment.

The directors consider the results achieved and the state of the company's affairs at the year end to be satisfactory.

Results and Dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a dividend.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1996	1995
A.M. McLaughlin	Ordinary shares	377	377
S.A. Khan	Ordinary shares	-	-

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Cavendish & 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.

This report was approved by the Board on 28 - 11 - 96

S.A. Khan 
Secretary

DELBOUNTY LIMITED

Auditors' Report
to the shareholders of Delbounty Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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. 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. 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 the company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cavendish & Co
Chartered Certified Accountants
Registered Auditors
18 Queen Anne Street
London W1M 0HB

Date : 29.11.96

DELBOUNPY LIMITED

Profit and Loss Account
for the year ended 31 March 1996

	Notes	1996 £	1995 £
Turnover	2	360,000	-
Cost of sales		(343,382)	(25,184)
Gross profit		<u>16,618</u>	<u>(25,184)</u>
Other operating costs		(270,400)	(251,137)
Administrative expenses		(202,066)	(159,745)
Other operating income		1,098,063	1,028,640
Operating profit	3	<u>642,215</u>	<u>592,574</u>
Other interest receivable and similar income	4	5,369	1,709
Interest payable and similar charges	5	(261,951)	(231,581)
Profit on ordinary activities before taxation		<u>385,633</u>	<u>362,702</u>
Tax on profit on ordinary activities	6	(107,637)	(119,827)
Profit for the year	14	<u>£ 277,996</u>	<u>£ 242,875</u>


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

DELBOUNTY LIMITED

Balance Sheet
as at 31 March 1996

	Notes	1996		1995	
		£	£	£	£
Fixed Assets					
Tangible assets	7		7,670,101		6,473,155
Current Assets					
Stocks	8	241,207		562,725	
Debtors	9	38,681		39,215	
Cash at bank and in hand		100		100	
			<u>279,988</u>		<u>602,040</u>
Creditors: amounts falling due within one year	10	<u>(1,232,299)</u>		<u>(1,346,511)</u>	
Net Current Liabilities			<u>(952,311)</u>		<u>(744,471)</u>
Total Assets Less Current Liabilities			<u>6,717,790</u>		<u>5,728,684</u>
Creditors: amounts falling due after more than one year	11		<u>(3,834,229)</u>		<u>(3,123,119)</u>
			<u>£2,883,561</u>		<u>£2,605,565</u>
Capital and Reserves					
Called up share capital	13		379		379
Share premium account			1,637,414		1,637,414
Profit and loss account	14		1,245,768		967,772
Shareholders' Funds (equity interests)	15		<u>£2,883,561</u>		<u>£2,605,565</u>

The financial statements were approved by the Board on 28-11-96...


A.M. McLaughlin
Director

S.A. Khan 
Director

DELBOUNTY LIMITED

**Notes to the Financial Statements
for the year ended 31 March 1996**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

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

1.2 Turnover

Turnover represents sales of properties.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Nil
Plant and machinery	-	10 % Straight line
Fixtures, fittings and equipment	-	25 % Straight line

No depreciation is provided in respect of freehold and long leasehold properties.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

DELBOUNTY LIMITED

Notes to the Financial Statements
for the year ended 31 March 1996

3.	Operating Profit	1996 £	1995 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	54,881	29,323
	Auditors' remuneration	3,760	2,938
	and after crediting:		
	Rent receivable	1,097,871	1,025,926
		<u> </u>	<u> </u>
4.	Other Interest Receivable and Similar Income	1996 £	1995 £
	Bank interest received (gross)	5,055	1,621
	Bank interest received (net)	314	88
		<u> </u>	<u> </u>
		£ 5,369	£ 1,709
		<u> </u>	<u> </u>
5.	Interest Payable	1996 £	1995 £
	On bank loans and overdrafts	26,793	18,740
	On loans repayable after 5 years	235,158	212,841
		<u> </u>	<u> </u>
		£ 261,951	£ 231,581
		<u> </u>	<u> </u>
6.	Taxation	1996 £	1995 £
	U.K. Current year taxation		
	U.K. Corporation tax at 33% (1995 - 33%)	107,637	107,326
	Prior years		
	U.K. Corporation tax	-	12,501
		<u> </u>	<u> </u>
		£ 107,637	£ 119,827
		<u> </u>	<u> </u>

DELBOUNTY LIMITED

Notes to the Financial Statements
for the year ended 31 March 1996

7. Tangible Assets

	Land and buildings Freehold	Land and buildings Leasehold (long)	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 April 1995	6,202,274	187,237	250,000	26,258	6,665,769
Additions	1,014,034	-	250,000	2,233	1,266,267
Disposals	(14,440)	-	-	-	(14,440)
At 31 March 1996	<u>7,201,868</u>	<u>187,237</u>	<u>500,000</u>	<u>28,491</u>	<u>7,917,596</u>
Depreciation					
At 1 April 1995	-	-	175,000	17,614	192,614
Charge for year	-	-	50,000	4,881	54,881
At 31 March 1996	<u>-</u>	<u>-</u>	<u>225,000</u>	<u>22,495</u>	<u>247,495</u>
Net book values					
At 31 March 1996	<u>£7,201,868</u>	<u>£ 187,237</u>	<u>£ 275,000</u>	<u>£ 5,996</u>	<u>£7,670,101</u>
At 31 March 1995	<u>£6,202,274</u>	<u>£ 187,237</u>	<u>£ 75,000</u>	<u>£ 8,644</u>	<u>£6,473,155</u>

The company's investment properties have not been included in the balance sheet at their open market value as is required by the Statement of Standard Accounting Practice No. 19.

8. Stocks

	1996 £	1995 £
Properties	<u>241,207</u>	<u>562,725</u>

9. Debtors

	1996 £	1995 £
Trade debtors	2,538	6,657
Other debtors	32,558	32,558
Prepayments and accrued income	3,585	-
	<u>£ 38,681</u>	<u>£ 39,215</u>

DELBOUNTY LIMITED

Notes to the Financial Statements
for the year ended 31 March 1996

10. Creditors: amounts falling due within one year	1996 £	1995 £
Bank overdraft (secured)	153,695	336,142
Trade creditors	32,426	71,132
Corporation tax	141,138	140,826
Other taxes and social security costs	5,858	5,866
Directors' current accounts	587,219	504,328
Other creditors	151,472	127,816
Accruals and deferred income	160,491	160,401
	<u>£1,232,299</u>	<u>£1,346,511</u>

The bank overdraft is secured by a charge over the company's properties and a debenture creating a fixed and floating charge over the company's assets.

11. Creditors: amounts falling due after more than one year	1996 £	1995 £
Loans		
Wholly repayable within five years	3,985,701	3,250,935
Included in current liabilities	(151,472)	(127,816)
	<u>£3,834,229</u>	<u>£3,123,119</u>

Bank and building society loans repayable by :-
 December 2006 at interest of 2.5% over base rate £ 765,163
 September 2001 at interest of 1.5% over LIBOR £1,000,000
 December 2009 at interest of 1% over LIBOR £1,469,066

The bank and building societies loans are secured by first legal charges over the company's specific freehold properties and floating charges over the company's assets. In addition there is an interest free loan totalling £600,000 from one of the directors.

12. Pension Costs

The company operates a defined contribution pension scheme which does not guarantee a minimum level of benefits. 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.

DELBOUNTY LIMITED

**Notes to the Financial Statements
for the year ended 31 March 1996**

13.	Share Capital	1996	1995
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	379 Ordinary shares of £1 each	<u>379</u>	<u>379</u>
14.	Profit And Loss Account	1996	1995
		£	£
	Retained profits at 1 April 1995	967,772	724,897
	Retained profit for the year	<u>277,996</u>	<u>242,875</u>
	Retained profits at 31 March 1996	<u>£1,245,768</u>	<u>£ 967,772</u>
15.	Reconciliation of Movements in Shareholders' Funds	1996	1995
		£	£
	Profit for the financial year	277,996	242,875
	Opening shareholders' funds	<u>2,605,565</u>	<u>2,362,690</u>
	Closing shareholders' funds	<u>£2,883,561</u>	<u>£2,605,565</u>
16.	Contingent Liabilities		
	There is a contingent liability in respect of corporation tax on chargeable gains which would become payable if the properties were disposed off at the current book values.		
17.	Directors' Emoluments	1996	1995
		£	£
	Remuneration	<u>37,408</u>	<u>41,300</u>

DELBOUNTY LIMITED

Notes to the Financial Statements
for the year ended 31 March 1996

18. Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Administration	<u>3</u>	<u>3</u>
Employment costs		
	£	£
Wages and salaries	45,000	45,000
Social security costs	4,890	5,403
Other pension costs	18,078	25,900
	<u>£ 67,968</u>	<u>£ 76,303</u>