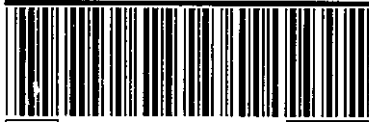


Company Number: 1359445

(A) PROPERTY SALES LIMITED

FINANCIAL STATEMENTS

30 April 1997



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(A) PROPERTY SALES LIMITED

DIRECTOR'S REPORT

The director presents his report and the financial statements for the year ended 30 April 1997.

1 PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of estate and letting agents.

2 DIRECTOR AND INTERESTS IN SHARES

The director at 30 April 1997, together with his interests, as defined by the Companies Act 1985, in shares of the company at that date and at the beginning of the year was as follows:

	Beneficial	
	1997	1996
C E Malone	90	90

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

C E MALONE

Director

27 February 1998



(A) PROPERTY SALES LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 1997

	Note	1997	1996
TURNOVER		103,700	89,900
Net operating expenses	2	(97,741)	(84,642)
		-----	-----
OPERATING PROFIT	3	5,959	5,258
Interest receivable		2,145	1,612
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,104	6,870
Tax on profit on ordinary activities	4	(2,150)	(1,850)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	£ 5,954	£ 5,020
		=====	=====

All activities of the company are continuing activities, there were no acquisitions in the year.

There were no recognised gains or losses other than the profit for the year as shown above.

The only movement in Shareholders' Funds was in respect of the retained profit as shown above.

(A) PROPERTY SALES LIMITED

BALANCE SHEET

30 April 1997

	Note	1997	1996
FIXED ASSETS			
Tangible assets	5	117,308	40,908
CURRENT ASSETS			
Debtors	6	14,885	6,010
Cash at bank and in hand		50,888	61,172
		65,773	67,182
CREDITORS			
due within one year	7	(91,806)	(88,809)
NET CURRENT LIABILITIES			
		(26,033)	(21,627)
CREDITORS			
due after more than one year	8	(66,040)	-
TOTAL ASSETS LESS CURRENT LIABILITIES			
		£ 25,235	£ 19,281
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	25,135	19,181
SHAREHOLDERS' FUNDS			
		£ 25,235	£ 19,281

Balance sheet continued on page 4.

(A) PROPERTY SALES LIMITED

BALANCE SHEET (Continued)

30 April 1997

For the year ended 30 April 1997 the company was entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 "The Act" and no notice has been deposited under Section 249B(2) of the Act.

The director acknowledges his responsibility for:

- i) ensuring the company keeps proper accounting records which comply with Section 221 of the Act, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to accounts.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 27 February 1998.

C E MALONE - Director

A handwritten signature in black ink, appearing to be 'C E MALONE', written in a cursive style.

(A) PROPERTY SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1997

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for services supplied.

Investment Properties

Investment properties are stated at cost. The non-provisions of depreciation is not in accordance with the requirements of the Companies Act 1985 but is considered necessary in order that the financial statements present a true and fair view.

Depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum:

Office equipment	25% of net book value at beginning of year
Fixtures and fittings	25% of net book value at beginning of year

Deferred Taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

Cash Flow Statement

The company has not presented a cash flow statement on the grounds that the company qualifies as a small company within the meaning of Financial Reporting Standard Number 1 and hence is exempt from the requirements thereof. The director is of the opinion that such a statement would outweigh the benefits to the company.

(A) PROPERTY SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1997

	1997	1996
2 NET OPERATING EXPENSES		
Administrative expenses	104,741	91,737
Other operating income	(7,000)	(7,095)
	<u> </u>	<u> </u>
	£ 97,741	£ 84,642
	<u> </u>	<u> </u>
3 OPERATING PROFIT		
Operating profit is stated after charging (crediting):		
Depreciation of fixed assets	2,953	2,423
Management charges	(7,000)	(7,095)
Rent receivable	(8,133)	(4,138)
	<u> </u>	<u> </u>
4 TAX ON PROFIT ON ORDINARY ACTIVITIES		
The charge for taxation comprises:		
Corporation tax based on profit for the year at 24% (1995: 25%)	£ 2,150	£ 1,850
	<u> </u>	<u> </u>

There is no liability to deferred taxation.

(A) PROPERTY SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 1997

5 TANGIBLE FIXED ASSETS

	Freehold buildings	Office equipment	Fixtures & fittings	Total
Cost				
At 1 May 1996	33,000	23,921	985	57,906
Additions	77,500	634	1,219	79,353
	—	—	—	—
At 30 April 1997	110,500	24,555	2,204	137,259
	—	—	—	—
Depreciation				
At 1 May 1996	-	16,690	308	16,998
Charge for year	-	2,440	513	2,953
	—	—	—	—
At 30 April 1997	-	19,130	821	19,951
	—	—	—	—
Net book value				
At 30 April 1997	£ 110,500	£ 5,425	£ 1,383	£ 117,308
	=====	=====	=====	=====
At 30 April 1996	£ 33,000	£ 7,231	£ 677	£ 40,908
	=====	=====	=====	=====

The freehold property comprises an investment property.

6 DEBTORS	1997	1996
Tax recoverable	2,750	946
Prepayments	1,135	263
Other debtors	-	4,801
Loan to director	11,000	-
	—	—
	£ 14,885	£ 6,010
	=====	=====

The director's loan is to C E Malone. Interest is charged at 7%. The loan is repayable within two years. The maximum amount outstanding during the year was £14,000.

(A) PROPERTY SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 1997

7 CREDITORS - due within one year

	1997	1996
Debt:		
Bank loan	3,960	-
Other creditors:		
Trade creditors	1,240	2,275
Accruals and deferred income	2,321	2,455
Taxation and social security	14,423	14,975
Corporation tax	6,750	1,850
Other creditors	63,112	67,254
Total creditors due within one year	£ 91,806	£ 88,809

The bank loan is secured.

Other creditors relate to money held in a separate client's bank account in respect of deposits received on properties let on behalf of clients. This money belongs to clients therefore this creditor is effectively a secured creditor.

8 CREDITORS - due after more than one year

Bank loan	£ 66,040	£ -
-----------	----------	-----

The bank loan is repayable over 10 years at a rate of 9.78%.

9 SHARE CAPITAL

Authorised, allotted and fully paid: 100 ordinary shares of £1 each	£ 100	£ 100
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10 PROFIT AND LOSS ACCOUNT

	1997
Retained profit at beginning of year	19,181
Retained profit for year	5,449
Retained profit at end of year	£ 24,630

11 TRANSACTIONS WITH DIRECTOR

During the year the company received management charges of £7,000 from C E Malone (a director of the company) trading as M & O Gates.

ACCOUNTANTS' REPORT

To the shareholders on the unaudited accounts of

(A) PROPERTY SALES LIMITED

We report on the accounts for the year ended 30 April 1997 set out on pages 2 to 8.

Respective responsibilities of directors and reporting accountants

As described on page 1 the company's directors are responsible for the preparation of the accounts, and we consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinions

In our opinion:

- a) The accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) Having regard only to, and on the basis of, the information contained in those accounting records;
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

HAZLEWOODS

Reporting Accountants

Gloucester

27 February 1998