

1321490 (England)  
4272/D35

# ACCOUNTS FOR REGISTRAR

DELBOUNTY LIMITED

Directors' Report and Financial Statements

for the year ended 31 March 1997



DELBOUNTY LIMITED

Company Information

<b>Directors</b>	A.M. McLaughlin C.L. Smith (appointed on 12 March 1997) S.A. Khan (resigned on 16 March 1997)
<b>Secretary</b>	S.A. Khan
<b>Company Number</b>	1321490 (England)
<b>Registered Office</b>	Parkway House Sheen Lane East Sheen London SW14 8LS
<b>Auditors</b>	Cavendish & Co Chartered Certified Accountants Registered Auditors 18 Queen Anne Street London W1M 0HB
<b>Business Address</b>	Parkway House Sheen Lane East Sheen London SW14 8LS
<b>Bankers</b>	Bank of Scotland plc West End Office 14-16 Cockspur Street London SW1Y 5BL

DELBOUNTY LIMITED

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## DELBOUNTY LIMITED

### Directors' Report for the year ended 31 March 1997

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

#### 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 4.

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	
		1997	1996
A.M McLaughlin	Ordinary shares	377	377
C.L. Smith	Ordinary shares	-	-
S.A. Khan	Ordinary shares	-	-

C.L. Smith was appointed on 12 March 1997 as a director and S.A. Khan resigned on 16 March 1997.

#### 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.

#### Basis of preparation

In preparing the above report the directors have taken advantage of special exemptions conferred by Part II of Schedule 8 applicable under s246(1B) of the Companies Act 1985.

DELBOUNTY LIMITED

Directors' Report for the year ended 31 March 1997 (continued)

**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 25 November 1997.

  
S.A. Khan  
Secretary

DELBOUNTY LIMITED

Auditors' Report  
to the shareholders of Delbounty Limited

We have audited the financial statements on pages 4 to 11 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 2 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 1997 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 : 26 November 1997

DELBOUNTY LIMITED

Profit and Loss Account  
for the year ended 31 March 1997

	Notes	1997 £	1996 £
Turnover	2	1,201,854	1,457,871
Cost of sales		—	(343,382)
Gross profit		1,201,854	1,114,489
Other operating costs		(257,778)	(270,400)
Administrative expenses		(189,286)	(202,066)
Other operating income		—	192
Operating profit	3	754,790	642,215
Other interest receivable and similar income	4	8,818	5,369
Interest payable and similar charges	5	(273,864)	(261,951)
Profit on ordinary activities before taxation		489,744	385,633
Tax on profit on ordinary activities	6	(116,146)	(107,637)
Profit for the year	14	£ 373,598	£ 277,996

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

The attached notes form an integral part of these accounts.

DELBOUNTY LIMITED

Balance Sheet  
as at 31 March 1997

	Notes	1997		1996	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7		7,996,280		7,670,101
<b>Current Assets</b>					
Stocks	8	241,207		241,207	
Debtors	9	55,352		38,681	
Cash at bank and in hand		351,677		100	
		<u>648,236</u>		<u>279,988</u>	
Creditors: amounts falling due within one year	10	(2,381,702)		(1,232,299)	
<b>Net Current Liabilities</b>			<u>(1,733,466)</u>		<u>(952,311)</u>
<b>Total Assets Less Current Liabilities</b>			<u>6,262,814</u>		<u>6,717,790</u>
Creditors: amounts falling due after more than one year	11		(3,005,655)		(3,834,229)
			<u>£3,257,159</u>		<u>£2,883,561</u>
<b>Capital and Reserves</b>					
Called up share capital	13		379		379
Share premium account			1,637,414		1,637,414
Profit and loss account	14		1,619,366		1,245,768
<b>Shareholders' Funds (equity interests)</b>	15		<u>£3,257,159</u>		<u>£2,883,561</u>

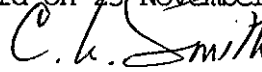
**Reduced disclosure**

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to those exemptions as a small company.

The financial statements were approved by the Board on 25 November 1997.

  
A.M. McLaughlin

Director

  
C.L. Smith

Director

The attached notes form an integral part of these accounts.



DELBOUNFY LIMITED

Notes to the Financial Statements  
for the year ended 31 March 1997

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 and rent receivable.

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 1997

3.	<b>Operating Profit</b>	1997 £	1996 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	54,880	54,881
	Auditors' remuneration	3,850	3,200
		<u>58,730</u>	<u>58,081</u>
4.	<b>Other Interest Receivable and Similar Income</b>	1997 £	1996 £
	Bank interest received (gross)	8,479	5,055
	Bank interest received (net)	339	314
		<u>8,818</u>	<u>5,369</u>
		£ 8,818	£ 5,369
5.	<b>Interest Payable</b>	1997 £	1996 £
	On bank loans and overdrafts	84,347	26,793
	On other loans wholly repayable within 5 years	75,560	-
	On loans repayable after 5 years	113,957	235,158
		<u>273,864</u>	<u>261,951</u>
		£ 273,864	£ 261,951
6.	<b>Taxation</b>	1997 £	1996 £
	<b>U.K. Current year taxation</b>		
	U.K. Corporation tax at 33% (1996 - 33%)	145,424	107,637
	<b>Prior years</b>		
	U.K. Corporation tax	(29,278)	-
		<u>116,146</u>	<u>107,637</u>
		£ 116,146	£ 107,637

DELBOUNTY LIMITED

Notes to the Financial Statements  
for the year ended 31 March 1997

7. Tangible Assets

	Land and buildings Freehold	Land and buildings Leasehold (long)	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 1996	7,201,868	187,237	500,000	28,491	7,917,596
Additions	-	381,059	-	-	381,059
At 31 March 1997	<u>7,201,868</u>	<u>568,296</u>	<u>500,000</u>	<u>28,491</u>	<u>8,298,655</u>
<b>Depreciation</b>					
At 1 April 1996	-	-	225,000	22,495	247,495
Charge for year	-	-	50,000	4,880	54,880
At 31 March 1997	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>27,375</u>	<u>302,375</u>
<b>Net book values</b>					
At 31 March 1997	<u>£7,201,868</u>	<u>£ 568,296</u>	<u>£ 225,000</u>	<u>£ 1,116</u>	<u>£7,996,280</u>
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>

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

8. Stocks

	1997 £	1996 £
Properties	<u>241,207</u>	<u>241,207</u>

9. Debtors

	1997 £	1996 £
Trade debtors	14,194	2,538
Other debtors	32,558	32,558
Prepayments and accrued income	8,600	3,585
	<u>£ 55,352</u>	<u>£ 38,681</u>

DELBOUNTY LIMITED

Notes to the Financial Statements  
for the year ended 31 March 1997

10. Creditors: amounts falling due within one year	1997 £	1996 £
Bank loan and overdraft	799,454	153,695
Trade creditors	-	32,426
Corporation tax	149,647	141,138
Other taxes and social security costs	1,851	5,858
Directors' current accounts	1,221,569	587,219
Other creditors	90,419	151,472
Accruals and deferred income	118,762	160,491
	<u>£2,381,702</u>	<u>£1,232,299</u>

The bank loan and overdraft are secured by a charge over the company's properties and a debenture creating a fixed and floating charge over the company's assets and are supported by the guarantees of the directors for £250,000.

11. Creditors: amounts falling due after more than one year	1997 £	1996 £
<b>Loans</b>		
Wholly repayable within five years	3,807,652	3,985,701
Included in current liabilities	(801,997)	(151,472)
	<u>£3,005,655</u>	<u>£3,834,229</u>

Bank and building society loans are repayable by :-  
 September 2001 at interest of 1.5% over LIBOR £1,000,000  
 December 2009 at interest of 1.0% over LIBOR £1,405,655

The bank and building society 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 of £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 1997

13.	<b>Share Capital</b>	1997	1996
		£	£
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	379 Ordinary shares of £1 each	379	379
		<u>          </u>	<u>          </u>
14.	<b>Profit And Loss Account</b>	1997	1996
		£	£
	Retained profits at 1 April 1996	1,245,768	967,772
	Retained profit for the year	373,598	277,996
		<u>          </u>	<u>          </u>
	Retained profits at 31 March 1997	£1,619,366	£1,245,768
		<u>          </u>	<u>          </u>
15.	<b>Reconciliation of Movements in Shareholders' Funds</b>	1997	1996
		£	£
	Profit for the financial year	373,598	277,996
	Opening shareholders' funds	2,883,561	2,605,565
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	£3,257,159	£2,883,561
		<u>          </u>	<u>          </u>
16.	<b>Contingent Liabilities</b>		
	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.	<b>Directors' Emoluments</b>	1997	1996
		£	£
	Remuneration	37,258	37,408
		<u>          </u>	<u>          </u>

DELBOUNTY LIMITED

Notes to the Financial Statements  
for the year ended 31 March 1997

18. Employees

Number of employees

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

	1997 Number	1996 Number
Administration	3	3
Employment costs	£	£
Wages and salaries	45,000	45,000
Social security costs	4,590	4,890
Other pension costs	30,277	18,078
	<u>£ 79,867</u>	<u>£ 67,968</u>