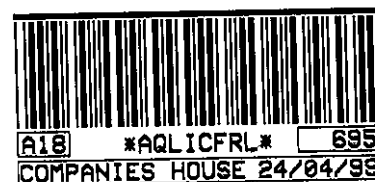


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**COMPANIES
HOUSE**

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1998**

Company Number: 48629



**AUDITORS' REPORT TO COMMERCIAL UNION BUILDINGS COMPANY
LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of the company for the year ended 30th June 1998 prepared under section 226 of the Companies Act 1985 .

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

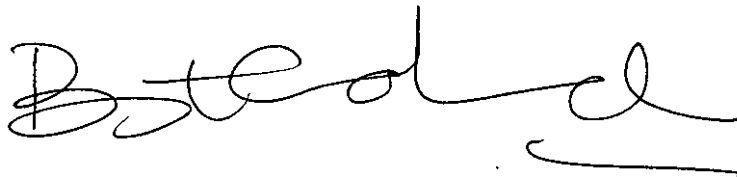
Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Bright Grahame Murray
Chartered Accountants
and Registered Auditors
124/130 Seymour Place
London
W1H 6AA



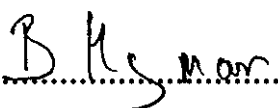
21st April, 1999

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

BALANCE SHEET AS AT 30TH JUNE 1998

	Notes	1998	1997
		£	£
Fixed Assets			
Tangible assets	2	1,429,676	1,372,093
Investments	3	357,720	289,500
		<u>1,787,396</u>	<u>1,661,593</u>
Current Assets			
Debtors		677,689	1,336,748
Cash at bank and in hand		785,886	65,348
		<u>1,463,575</u>	<u>1,402,096</u>
Creditors			
Amounts falling due within one year		304,536	235,538
Net Current Assets		<u>1,159,039</u>	<u>1,166,557</u>
Total Assets Less Current Liabilities		<u>2,946,435</u>	<u>2,828,151</u>
Creditors			
Amounts falling due after more than one year		900,000	791,146
		<u>2,046,435</u>	<u>2,037,005</u>
Capital and Reserves			
Share capital	5	4,427	4,427
Revaluation reserve		50,000	-
Other reserves		3,500	3,500
Profit and loss account		1,988,508	2,029,078
Shareholders' Funds		<u>2,046,435</u>	<u>2,037,005</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Director..... 

Director..... 

Approved on: 31 3 99

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

1 Accounting Policies

Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings, and in accordance with applicable Accounting Standards.

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

Depreciation

Depreciation is provided on all tangible fixed assets with the exception of investment properties and long leasehold property (see below), at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:-

Motor vehicles	5 years - 8 years
Furniture and equipment	5 years

No depreciation is provided on the long leasehold property since it is the group's practice to maintain such property in a continual state of sound repair and any depreciation would not be material. Provision will be made should any permanent diminution in value of the property occur, such provision being based on the prices prevailing at the time of its acquisition or subsequent valuation.

Investment Properties

In accordance with Statement of Standard Accounting Practice No. 19, the company's investment properties are included in the Balance Sheet at their open market values. The surplus or deficit on annual revaluation of such properties is transferred to the revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

2 Fixed Assets

	Tangible Fixed Assets
	£
Cost	
At 1st July 1997	1,494,946
Additions	34,424
Disposals	(19,418)
Revaluations	50,000
At 30th June 1998	1,559,952
Depreciation	
At 1st July 1997	122,853
Charge for the year	16,540
Disposals	(9,117)
At 30th June 1998	130,276
Net Book Value	
At 30th June 1998	1,429,676
<i>At 30th June 1997</i>	<i>1,372,093</i>

Freehold investment properties owned by the company have been valued at 30th June 1998 by the directors, based on professional advice, using an open market value for existing use basis at £1,131,097 (1997: £1,081,097). The historical cost of these properties was £1,081,097.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

3 Investments

	1998	1997
	£	£
Cost		
At 1st July 1997	289,500	273,313
Share of joint venture profit	23,793	36,187
Net payments/(repayments)	44,427	(20,000)
At 30th June 1998	357,720	289,500

The company owns 25% of the ordinary share capital of Aviawise Limited, a property investment company incorporated in England. The financial year end of Aviawise Limited is 28th February, and in the year to 28th February, 1998 the company made a profit after tax of £8,357 and its aggregate share capital and reserves at that date were £226,932.

The company has entered into a property investment jointly with Goldpine Furniture Limited. For the purposes of these accounts, the share of the joint venture profits has been reflected as an increase in the investment in the joint venture.

The company owns 50% of the shares of Lyleworth Limited, a property investment company incorporated in England. In the period to 30 June, 1998 Lyleworth Limited made a profit after tax of £2,251 and its balance sheet capital and reserves stood at £(5,829).

4 Borrowings

	1998	1997
	£	£
Analysis of repayments:		
<i>Repayable by instalments:</i>		
After five years	794,118	-

The loan is secured on the freehold investment property of the company.

5 Share Capital

	1998	1997
	£	£
Authorised		
Equity Shares		
Ordinary shares of £10.00 each	20,000	20,000
Allotted, called up and fully paid		
Equity Shares		
770 Ordinary shares of £5.75 each	4,427	4,427