
RUTHBEN PROPERTY HOLDING CO LIMITED

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 1997**

Company Number: 563716



DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1997

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

Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Principal activity

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

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

The director is pleased with the results for the year. Rental income has been maintained despite the disposal of a property during the year, thereby reducing rental income receivable. The director is confident that the company will remain profitable in the coming year.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was :

| | Ordinary Shares shares of £1 each | |
|--------------------|-----------------------------------|------|
| | 1997 | 1996 |
| Benjamin Tobin Esq | 100 | 100 |

Market value of land and buildings

In the director's opinion, the market value of the company's land and buildings is in excess of book cost. The tax effects of realising these latent gains would be minimal.

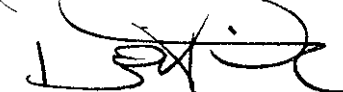
Auditors

The auditors, Barnes Roffe, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the member on 14 December 1990.

Small company exemptions

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the board on 19.1.98 and signed on its behalf.

Benjamin Tobin Esq
Director



AUDITORS' REPORT TO THE SHAREHOLDERS OF RUTHBEN PROPERTY HOLDING CO LIMITED

We have audited the financial statements on pages 3 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 director is 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 director 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

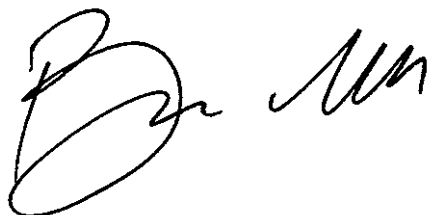
SSAP 19 requires investment properties to be included in the balance sheet at open market value with changes in the value shown in an investment revaluation reserve. The company holds investment properties which are included in the balance sheet at cost. The market value of these properties is, as stated in the director's report, in excess of cost. If made, the adjustment would increase the value of fixed asset investments and reserves but would have no effect on operating profit.

Except for non-compliance with SSAP 19, in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Barnes Roffe

Chartered Accountants
Registered Auditors
840-844 High Road
London E10 6AE

21 January 1998



RUTHBEN PROPERTY HOLDING CO LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 June 1997

| | Note | 1997 £ | 1996 £ |
|--|------|-------------------------|-------------------------|
| TURNOVER | 1,2 | 74,776 | 69,493 |
| Cost of sales | | <u>(4,719)</u> | <u>(11,727)</u> |
| GROSS PROFIT | | 70,057 | 57,766 |
| Administrative expenses | | <u>(13,340)</u> | <u>(20,947)</u> |
| OPERATING PROFIT | 3 | 56,717 | 36,819 |
| Interest receivable | | 3,868 | 1,576 |
| Interest payable | | <u>-</u> | <u>(74)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 60,585 | 38,321 |
| TAXATION ON PROFIT ON ORDINARY ACTIVITIES | 4 | (14,088) | (9,275) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 46,497 | 29,046 |
| DIVIDENDS | 5 | (65,000) | - |
| RETAINED (LOSS)/PROFIT FOR THE YEAR | | (18,503) | 29,046 |
| RETAINED PROFIT BROUGHT FORWARD | | 131,627 | 102,581 |
| RETAINED PROFIT CARRIED FORWARD | | <u><u>£ 113,124</u></u> | <u><u>£ 131,627</u></u> |

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 6 to 8 form part of these financial statements.

RUTHBEN PROPERTY HOLDING CO LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES
For the year ended 30 June 1997

| | | 1997 £ | 1996 £ |
|--|------|------------------|-----------------|
| Profit for the financial year after taxation | Note | 46,497 | 29,046 |
| Profit on sale of investment property after taxation | 10 | 78,865 | 34,466 |
| Total gains and losses relating to the year | | £ 125,362 | £ 63,512 |

RUTHBEN PROPERTY HOLDING CO LIMITED

BALANCE SHEET As at 30 June 1997

| | Note | £ | 1997 £ | £ | 1996 £ |
|---|------|-----------------|------------------|-----------------|------------------|
| FIXED ASSETS | | | | | |
| Investment properties | 6 | | 84,406 | | 91,701 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 176,012 | | 156,969 | |
| Cash at bank and in hand | | 137,350 | | 78,482 | |
| | | <u>313,362</u> | | <u>235,451</u> | |
| CREDITORS: amounts falling due within one year | 8 | <u>(23,844)</u> | | <u>(13,591)</u> | |
| NET CURRENT ASSETS | | | <u>289,518</u> | | <u>221,860</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>£ 373,924</u> | | <u>£ 313,561</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 9 | | 100 | | 100 |
| Other reserves | 10 | | 260,700 | | 181,834 |
| Profit and loss account | | | <u>113,124</u> | | <u>131,627</u> |
| SHAREHOLDERS' FUNDS - All equity | 11 | | <u>£ 373,924</u> | | <u>£ 313,561</u> |

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

The financial statements were approved by the board on 19.1.98 and signed on its behalf

Benjamin Tobin Esq  Director

The notes on pages 6 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Director's Report and 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 comprises rent receivable by the company during the year.

1.3 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.4 Realised Profits

The company takes gains on the disposals of investment properties directly to the capital reserve.

1.5 Fixed asset investments

Investment properties are stated at cost. No provision is made for depreciation as in the director's opinion the disposal value will always exceed the historical cost.

2. TURNOVER

All of the company's turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| Audit costs | 1,500 | 1,500 |
| No director received any emoluments (1996 - £Nil) | | |

4. TAXATION

| | 1997 £ | 1996 £ |
|--|-----------------|----------------|
| Current year taxation on ordinary activities | | |
| UK corporation tax at 21 and 24% (1996 - 24 and 25%) | 14,088 | 9,485 |
| Prior years | | |
| UK corporation tax | - | (210) |
| | £ 14,088 | £ 9,275 |

Charged against the profit on disposal of investment properties credited to Other Reserves (note 10) is further corporation tax charge of £5,362 (1996 - £NIL).

RUTHBEN PROPERTY HOLDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 1997

5. DIVIDENDS

| | 1997 £ | 1996 £ |
|-------------------------|-----------|-----------|
| Ordinary - interim paid | £ 65,000 | £ - |

6. INVESTMENT PROPERTIES

| | Freehold land and buildings £ |
|-----------------------|--|
| Cost | |
| At 1 July 1996 | 91,701 |
| Disposals | (7,295) |
| At 30 June 1997 | 84,406 |
| Net Book Value | |
| At 30 June 1997 | £ 84,406 |
| At 30 June 1996 | £ 91,701 |

7. DEBTORS

| | 1997 £ | 1996 £ |
|-------------------------------------|-----------|-----------|
| Due after more than one year | | |
| Other debtors | 95,000 | 95,000 |
| Due within one year | | |
| Trade debtors | 4,936 | 5,893 |
| Other debtors | 76,076 | 56,076 |
| | £ 176,012 | £ 156,969 |

8. CREDITORS:
Amounts falling due within one year

| | 1997 £ | 1996 £ |
|-----------------|-----------|-----------|
| Trade creditors | 1,116 | - |
| Corporation tax | 19,450 | 9,485 |
| Other creditors | 3,278 | 4,106 |
| | £ 23,844 | £ 13,591 |

RUTHBEN PROPERTY HOLDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 1997

9. CALLED UP SHARE CAPITAL

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid | | |
| 100 ordinary shares of £1 each | £ 100 | £ 100 |

10. RESERVES

| | £ |
|----------------------------|----------------|
| Capital reserve | |
| At 1 July 1996 | 181,834 |
| Profit on sale of property | 84,228 |
| Taxation thereon | (5,362) |
| | <u>260,700</u> |
| At 30 June 1997 | £ 260,700 |

In accordance with the Articles of Association, the company takes profits on disposals of fixed asset investments to the capital reserve.

11. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

| | 1997 £ | 1996 £ |
|---|-----------------|----------------|
| Profit for the year | 46,497 | 29,046 |
| Dividends | (65,000) | - |
| | <u>(18,503)</u> | <u>29,046</u> |
| Other recognised gains and losses during year | 78,866 | 34,466 |
| | <u>60,363</u> | <u>63,512</u> |
| Opening shareholders' funds | 313,561 | 250,049 |
| | <u>313,561</u> | <u>250,049</u> |
| Closing shareholders' funds | £ 373,924 | £ 313,561 |

12. TRANSACTIONS WITH RELATED PARTIES

Included in 'Other debtors - due after more than one year' is an amount of £95,000 (1996 - £95,000) owed by Strettons Limited. Included under 'Other debtors - due within one year' is an amount of £76,076 (1996 - £36,076) owed by Mountgrove Property Limited. Mr B Tobin is a director of, and a shareholder in, both these companies.
The properties owned by Ruthben Property Holding Company Limited are managed by Strettons Limited.