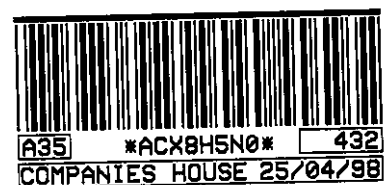


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Report of the Director and
Financial Statements for the Period 1 April 1996 to 30 June 1997
for
R.G. CUTLER LIMITED



R.G. CUTLER LIMITED

Company Information

for the Period 1 April 1996 to 30 June 1997

DIRECTOR:	R.G. Cutler
SECRETARY:	R.J.H. Baker
REGISTERED OFFICE:	86A Station Road New Milton Hampshire BH25 6LQ
REGISTERED NUMBER:	719027 (England and Wales)
ACCOUNTANTS:	Richard Baker & Co. Accountants 86a Station Road, New Milton, Hampshire. BH25 6LQ.
BANKERS:	Midland Bank Plc 501 Ringwood Road Ferndown DORSET BH22 9BG
SOLICITORS:	Brook Oliver 5 & 10 Station Road New Milton HANTS BH25 6HY

R.G. CUTLER LIMITED

Report of the Director

for the Period 1 April 1996 to 30 June 1997

The director presents his report with the financial statements of the company for the period 1 April 1996 to 30 June 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of building and development and there has been no significant change in this activity during the period.

DIRECTOR

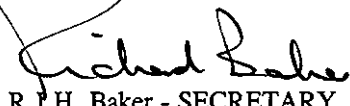
R.G. Cutler was the sole director during the period under review.

His beneficial interest in the issued share capital of the company was as follows:

	30.6.97	1.4.96
Ordinary £1 shares	-	1

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

ON BEHALF OF THE BOARD:



R.J.H. Baker - SECRETARY

Dated: 16th April 1998

R.G. CUTLER LIMITED**Profit and Loss Account****for the Period 1 April 1996 to 30 June 1997**

		Period 1.4.96 to 30.6.97	Year Ended 31.3.96
	Notes	£	£
TURNOVER		-	-
Administrative expenses		6,014	6,149
		(6,014)	(6,149)
Other operating income		525	420
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(5,489)	(5,729)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		(5,489)	(5,729)
Retained profit brought forward		40,238	45,967
RETAINED PROFIT CARRIED FORWARD		<u>£34,749</u>	<u>£40,238</u>

The notes form part of these financial statements

R.G. CUTLER LIMITED

Balance Sheet

30 June 1997

		30.6.97		31.3.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		364		405
Investments	5		2,835		2,835
			<u>3,199</u>		<u>3,240</u>
CURRENT ASSETS:					
Stocks		50		50	
Debtors	6	70,537		75,558	
Cash at bank		-		251	
		<u>70,587</u>		<u>75,859</u>	
CREDITORS: Amounts falling due within one year	7	<u>35,031</u>		<u>34,855</u>	
NET CURRENT ASSETS:			<u>35,556</u>		<u>41,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£38,755</u>		<u>£44,244</u>
CAPITAL AND RESERVES:					
Called up share capital	8		4,006		4,006
Profit and loss account			34,749		40,238
Shareholders' funds			<u>£38,755</u>		<u>£44,244</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 30 June 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

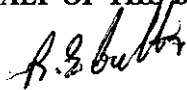
The notes form part of these financial statements

R.G. CUTLER LIMITED

Balance Sheet
30 June 1997

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'R.G. Cutler', is written over the printed name.

R.G. Cutler - DIRECTOR

Approved by the Board on 16th April 1998

R.G. CUTLER LIMITED

Notes to the Financial Statements

for the Period 1 April 1996 to 30 June 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & equipment 10% reducing balance

Office equipment 10% reducing balance

Stocks

The stock of building land has been valued at cost.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING LOSS

The operating loss is stated after charging:

	Period 1.4.96 to 30.6.97 £	Year Ended 31.3.96 £
Depreciation - owned assets	41 ==	45 ==
Director's emoluments and other benefits etc	- ==	- ==

3. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the period ended 30 June 1997 nor for the year ended 31 March 1996.

R.G. CUTLER LIMITED

Notes to the Financial Statements
for the Period 1 April 1996 to 30 June 1997

4. TANGIBLE FIXED ASSETS

	Plant & equipment	Office equipment	Totals
	£	£	£
COST:			
At 1 April 1996 and 30 June 1997	1,907	214	2,121
DEPRECIATION:			
At 1 April 1996	1,521	195	1,716
Charge for period	39	2	41
At 30 June 1997	1,560	197	1,757
NET BOOK VALUE:			
At 30 June 1997	347	17	364
At 31 March 1996	386	19	405

5. FIXED ASSET INVESTMENTS

		£
COST:		
At 1 April 1996 and 30 June 1997		2,835
NET BOOK VALUE:		
At 30 June 1997		2,835
At 31 March 1996		2,835
	30.6.97	31.3.96
	£	£
Unlisted investments	2,835	2,835

The unlisted investments relate to interests in long term leases granted by the company on the sale of properties.

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.97	31.3.96
	£	£
V.A.T.	4	-
Prepayments	518	431
Current account - R.G.Cutler (Investments) Limited	70,015	75,127
	70,537	75,558

R.G. CUTLER LIMITED

Notes to the Financial Statements for the Period 1 April 1996 to 30 June 1997

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.97	31.3.96
	£	£
Current account - R.G.Cutler (Developments) Limited	34,176	34,000
Accrued expenses	855	855
	<u>35,031</u>	<u>34,855</u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.6.97	31.3.96
			£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.97	31.3.96
			£	£
4,006	Ordinary	£1	<u>4,006</u>	<u>4,006</u>

9. ULTIMATE PARENT COMPANY

The parent undertaking and holding company is R.G. Cutler (Investments) Limited, which is incorporated in Great Britain.

10. TRANSACTIONS WITH DIRECTOR

The one ordinary £1 share in the company previously held by R.G.Cutler Esq. was acquired by R.G.Cutler (Investments) Limited at par on 31st March 1997.