

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

Company No: 890369

FINANCIAL STATEMENTS

for the year ended
31 DECEMBER 1998

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
LONDON W1X 2JP



FRANKGIVING LIMITED

GOVERNORS (TRUSTEES)

Mrs Eva Frankel
Mr Leslie Frankel
Mrs Zisi Frankel

SECRETARY

Mrs Eva Frankel

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

PRINCIPAL BANKERS

Barclays Bank Plc

COMPANY NUMBER

890369

REGISTERED CHARITY NUMBER

252370

FRANKGIVING LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

Page

| | |
|--------|--|
| 1 - 2 | Governors' (Trustees) Report |
| 3 | Auditors' Report |
| 4 | Statement of Financial Activities |
| 5 | Statement of Total Recognised Gains and Losses |
| 6 | Balance Sheet |
| 7 - 10 | Notes to the Financial Statements |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

GOVERNORS' (TRUSTEES) REPORT

The Governors (Trustees) have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31 December 1998.

LEGAL AND ADMINISTRATIVE INFORMATION

The Company is governed by Memorandum and Articles of Association.

OBJECTIVES, POLICIES AND ORGANISATION OF THE COMPANY

The Company is established to further both in the United Kingdom and abroad those purposes recognised as charitable by English Law. To achieve these objects, the Company utilises its income to make grants, donations and loans for charitable purposes.

The day to day affairs of the Company are administered by the Governors (Trustees) whose Chairman is Mr L Frankel.

REVIEW OF ACTIVITIES

During the year the Company continued its philanthropic activities in support of educational, religious and other Charitable Organisations and the aggregate of donations made was £64,702. No change in activities is envisaged in the immediate future.

RESULTS

The financial results of the Company for the year ended 31 December 1998 are fully reflected in the attached Financial Statements together with the Notes thereon.

GOVERNORS (TRUSTEES)

The Governors (Trustees) who served during the year, and who are still in office, are listed hereunder. None of the Governors (Trustees) have any beneficial interest in the Company.

Mr L Frankel
Mrs Z Frankel
Mrs E Frankel

GOVERNORS' (TRUSTEES') RESPONSIBILITIES

Company law requires the Governors 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 its income and expenditure for that period. In preparing the Financial Statements, the Governors are required to:

- i) select suitable accounting policies and apply them consistently

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

GOVERNORS' (TRUSTEES) REPORT

GOVERNORS' (TRUSTEES') RESPONSIBILITIES (continued)

- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors are responsible for maintaining 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.

YEAR 2000

The Company did not experience any significant problems associated with the year 2000 issue and it is not anticipated that any will arise.


CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Council



Mrs E Frankel (Secretary)

22 March 2000

REPORT OF THE AUDITORS' COHEN ARNOLD & CO.

TO THE MEMBERS

- OF -

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

We have audited the Financial Statements on pages 4 to 10 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS (TRUSTEES) AND AUDITORS

As indicated in the Governors' (Trustees) Report, the Governors (Trustees) are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 by the Governors 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 and to give reasonable assurance that the Financial Statements are free from material mis-statement, 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.

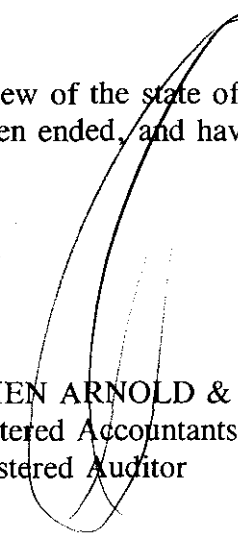
OPINION

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 31 December 1998 and of its Surplus for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.

London

Date: 20 March 2000

COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor



FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)
FOR THE YEAR ENDED 31 DECEMBER 1998

| | Notes | £ | <u>1998</u> | £ | £ | <u>1997</u> | £ |
|---|------------|---|-------------------|---|---|-------------------|---|
| INCOME AND EXPENDITURE | | | | | | | |
| Incoming Resources | 1.3 | | | | | | |
| Net Rental Surplus | | | 2,590 | | | 6,639 | |
| Donations Received | | | 77,922 | | | - | |
| Interest Receivable | | | 20,060 | | | 29,521 | |
| | | | | | | | |
| Total Incoming Resources | | | 100,572 | | | 36,160 | |
| Resources Expended | | | | | | | |
| Direct Charitable Expenditure: | | | | | | | |
| Grants and Donations | | | (64,702) | | | (71,079) | |
| Other Expenditure: | | | | | | | |
| Management and Administration | 2 | | (3,153) | | | (3,038) | |
| | | | | | | | |
| Total Resources Expended | | | (67,855) | | | (74,117) | |
| | | | | | | | |
| Net Incoming/(Outgoing) Resources | | | 32,717 | | | (37,957) | |
| Surplus on Revaluation of: | | | | | | | |
| Investment Properties | 3 | | 5,000 | | | 60,172 | |
| Unlisted Investments | 4 | | 270,000 | | | 1,319,972 | |
| | | | | | | | |
| Net Movement of Funds | | | 307,717 | | | 1,342,187 | |
| | | | | | | | |
| Unrestricted Funds Brought Forward | | | 1,440,916 | | | 98,729 | |
| | | | | | | | |
| Unrestricted Funds Carried Forward | | | £1,748,633 | | | £1,440,916 | |

The notes on pages 7 to 10 form part of these Financial Statements.

FRANKGIVING LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 1998

| | <u>1998</u> <u>£</u> | <u>1997</u> <u>£</u> |
|--|---------------------------------------|---------------------------------------|
| Net Income/(Expenditure) for the Year | 32,717 | (37,957) |
| Surplus on Revaluation of: | | |
| Investment Properties | 5,000 | 60,172 |
| Unlisted Investments | 270,000 | 1,319,972 |
| | <hr/> | <hr/> |
| Total Recognised Gains Relating to the Year | £307,717 | £1,342,187 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Net Income for the year represents the surplus on an historical cost basis.

None of the Company's activities were initiated or discontinued during the financial year nor in previous year.

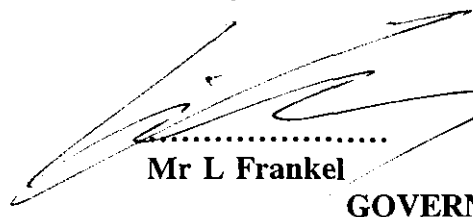
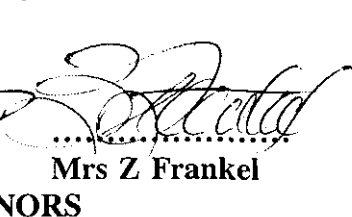
The notes on pages 7 to 10 form part of these Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 31 DECEMBER 1998

| | Notes | £ | 1998 | £ | 1997 | £ |
|---|-------|-----------|------------|-----------|------------|---|
| FIXED ASSETS | | | | | | |
| Tangible Assets | 3 | | 71,450 | | 66,450 | |
| Investments | 4 | | 1,590,000 | | 1,320,000 | |
| | | | | | | |
| | | | 1,661,450 | | 1,386,450 | |
| CURRENT ASSETS | | | | | | |
| Debtors | 5 | 275,565 | | 349,117 | | |
| Cash at Bank and on Deposit | | 213,098 | | 29,000 | | |
| | | | | | | |
| | | | 488,663 | | 378,117 | |
| CREDITORS: Amounts falling due within one year | 6 | (401,480) | | (323,651) | | |
| | | | | | | |
| NET CURRENT ASSETS | | | 87,183 | | 54,466 | |
| | | | | | | |
| NET ASSETS | | | £1,748,633 | | £1,440,916 | |
| | | | | | | |
| UNRESTRICTED FUNDS | | | | | | |
| Revaluation Reserve | 7 | | 1,655,144 | | 1,380,144 | |
| Charitable Funds | 7 | | 93,489 | | 60,772 | |
| | | | | | | |
| | | | £1,748,633 | | £1,440,916 | |

The Financial Statements were approved by the Council on 20 March 2000 and signed on its behalf by

Mr L Frankel Mrs Z Frankel

GOVERNORS

The notes on pages 7 to 10 form part of these Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards, including Statement of Recommended Practice - Accounting by Charities (SORP 2)

1.2 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Shareholdings acquired in Subsidiary Undertakings are shown at Governors' Valuation; any surplus or deficit on revaluation is taken to Revaluation Account.

Group Financial Statements have not been prepared having regard to the exemption conferred by S248(1) Companies Act 1985 for small and medium-size groups.

1.3 INCOMING RESOURCES

This includes income from investments, deposits, net rentals received from property assets, grants and donations received by the Company.

1.4 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a 'small company' as defined by S247 Companies Act 1985.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

2. MANAGEMENT AND ADMINISTRATION

| | <u>1998</u> | <u>1997</u> |
|------------------------|--------------------|--------------------|
| | £ | £ |
| Auditors' Remuneration | 2,350 | 2,350 |
| General Expenses | 803 | 688 |
| | <hr/> | <hr/> |
| | £3,153 | £3,038 |
| | <hr/> | <hr/> |

3. TANGIBLE FIXED ASSETS

| | £ |
|--|---------|
| Freehold Property at Governors' Valuation: | |
| At 1 January 1998 | 66,450 |
| Revaluation | 5,000 |
| | <hr/> |
| At 31 December 1998 | £71,450 |
| | <hr/> |

The freehold investment properties were valued by the Governors on an open market basis at 31 December 1998. The historical cost of the properties is £6,278.

4. INVESTMENTS

| | At 1 January 1998 | Revaluation | At 31 December 1998 |
|--|------------------------------|--------------------|--------------------------------|
| | £ | £ | £ |
| Investment in Subsidiary Undertakings | £1,320,000 | £270,000 | £1,590,000 |
| | <hr/> | <hr/> | <hr/> |

The historical cost of the Investment in Subsidiary Undertakings is £28.

The market value at 31 December 1998 of the Investments in Subsidiary Undertakings is based on the underlying value of assets less liabilities of these Companies. The valuation of these companies has been made by the Governors (Trustees) of this Company.

The Company holds the whole of the issued share capital in Glassbarn Investments Limited, a company incorporated in Great Britain and registered in England.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

4. INVESTMENTS (Continued)

The results for the year ended 31 March 1998, and the Capital and Reserves at that date attributable to the Company, of the Subsidiary Undertakings are set out hereunder. Group Financial Statements have not been prepared under the exemption conferred by S248(1) Companies Act 1985.

| | Turnover for Year £ | Profit/(Loss) for Year £ | Capital & Reserves 31 March 1998 £ |
|-------------------------------|---------------------------|--------------------------------|--|
| Glassbarn Investments Limited | £17,964 | £(4,147) | £6,628 |
| | <u> </u> | <u> </u> | <u> </u> |

In the Financial Statements of these Subsidiary Undertakings, properties and investments have not been revalued and are included at historic cost.

5. DEBTORS

| | <u>1998</u> £ | <u>1997</u> £ |
|---|-------------------|-------------------|
| Amount due from Subsidiary Undertakings | 9,000 | 77,157 |
| Loan Debtors | 220,000 | 220,000 |
| Taxation Recoverable | 28,713 | 6,391 |
| Other Debtors | 17,852 | 45,569 |
| | <u> </u> | <u> </u> |
| | <u>£275,565</u> | <u>£349,117</u> |

The amount due from Loan Debtors relates to an amount due from Lesbridge Estates Limited, the Directors of which are also Governors (Trustees) of this Company. The loan from Lesbridge Estates Limited bears interest at 4% above bank base rate.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>1998</u> £ | <u>1997</u> £ |
|------------------------------|------------------|------------------|
| Bank Overdraft | - | 25,906 |
| Loan Creditors | 401,079 | 297,079 |
| Other Creditors and Accruals | 401 | 666 |
| | <hr/> | <hr/> |
| | £401,480 | £323,651 |
| | <hr/> | <hr/> |

Included in Loan Creditors are amounts due to Efel Property Management Limited, Keythorpe Properties Limited and Bitochon Limited in the amount of £158,036 (1997: £269,036), £114,000 (1997: £20,000) and £106,000 (1997: £Nil) respectively. The loans are interest free and repayable on demand. The directors of these Companies are also Governors of Frankgiving Limited.

7. UNRESTRICTED FUNDS

| | <u>Revaluation</u> <u>Reserve</u> £ | <u>Charitable</u> <u>Funds</u> £ |
|-----------------------------|---|--|
| Balance at 1 January 1998 | 1,380,144 | 60,772 |
| Revaluation Surplus arising | | |
| on Unlisted Investments | 270,000 | - |
| on Investment Properties | 5,000 | - |
| Net Surplus for the Year | - | 32,717 |
| | <hr/> | <hr/> |
| Balance at 31 December 1998 | £1,655,144 | £93,489 |
| | <hr/> | <hr/> |