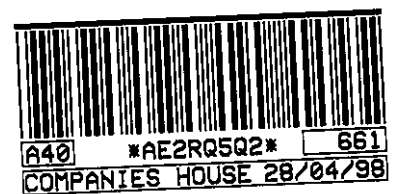


1006720

**DIASTAN SECURITIES LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 1997**



# **DIASTAN SECURITIES LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

---

<b>Contents</b>	<b>Pages</b>
Company information	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 14
<b>The following pages do not form part of the statutory financial statements</b>	
Detailed profit and loss statement	15 - 16

# **DIASTAN SECURITIES LIMITED**

## **COMPANY INFORMATION AS AT 30 JUNE 1997**

---

### **DIRECTORS**

Charles Stuart Passey  
Janet Margaret Passey

### **SECRETARY**

Janet Margaret Passey

### **REGISTERED OFFICE**

212 St. Ann's Hill  
London  
SW18 2RU

### **REGISTERED NUMBER**

1006720

### **AUDITORS**

Willis Burnell  
Chartered Accountants  
Spectrum House  
Bromells Road  
London  
SW4 0BN

# **DIASTAN SECURITIES LIMITED**

## **DIRECTORS' REPORT**

---

The directors present their annual report with the financial statements of the company for the year ended 30 June 1997.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were property development and investment and the provision of related services.

### **DIRECTORS AND THEIR INTERESTS**

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		<b>Number of Shares</b>	
		<b>1997</b>	<b>1996</b>
Charles Stuart Passey	Ordinary shares	50	50
Janet Margaret Passey	Ordinary shares	50	50

### **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 as at the end of the financial year 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 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.

### **CLOSE COMPANY**

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

# **DIASTAN SECURITIES LIMITED**

## **DIRECTORS' REPORT**

---

### **AUDITORS**

The auditors, Willis Burnell, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

### **SMALL COMPANY EXEMPTIONS**

The above 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:



Charles Stuart Passey  
Director

Approved by the board:

20/4/98

## **DIASTAN SECURITIES LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

---

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of accounting policies set out on pages 8 and 9.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the directors' report, 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 as to whether 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 affairs of the company 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.

In our opinion the company is entitled to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the financial year ended 30 June 1997.

*Willis Burnell*

Willis Burnell  
Chartered Accountants  
Registered Auditor  
Spectrum House  
Bromells Road  
London  
SW4 0BN

*20/4 /98*

## **DIASTAN SECURITIES LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1997**

	<b>Notes</b>	<b>1997 £</b>	<b>1996 £</b>
<b>TURNOVER</b>	2	517,571	528,350
Cost of sales		288,854	278,720
<b>GROSS PROFIT</b>		228,717	249,630
Administrative expenses		31,113	50,268
<b>OPERATING PROFIT</b>	3	197,604	199,362
Investment income and interest receivable		646	-
Interest payable and similar charges	4	(14,010)	(37,310)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		184,240	162,052
Tax on profit on ordinary activities	5	(56,500)	(40,065)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		127,740	121,987
Dividends		(24,000)	(24,000)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		103,740	97,987

#### **Continuing operations**

None of the company's activities were acquired and none were discontinued during the above two financial years.

The notes on pages 8 to 14 form part of these financial statements.

## **DIASTAN SECURITIES LIMITED**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 1997**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit for the financial year after taxation	127,740	121,987
Unrealised movement on revaluation of properties	-	150,000
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>	<b>127,740</b>	<b>271,987</b>

#### **Historical cost**

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the year, on an unmodified historical cost basis is not material.

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 30 JUNE 1997**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>184,240</b>	<b>162,052</b>
Historical cost profit for the year retained after taxation, minority interests, dividends and transfers to reserves	103,740	97,987

The notes on pages 8 to 14 form part of these financial statements.



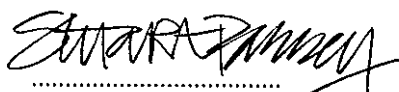
# **DIASTAN SECURITIES LIMITED**

## **BALANCE SHEET AT 30 JUNE 1997**

	Notes	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	7		1,089,509		766,932
Investments	8		70,002		20,000
			<u>1,159,511</u>		<u>786,932</u>
<b>CURRENT ASSETS</b>					
Stocks	9	-		241,009	
Debtors	10	49,300		15,110	
Cash at bank and in hand		11,839		2,826	
		<u>61,139</u>		<u>258,945</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	(260,423)		(221,053)	
<b>NET CURRENT LIABILITIES</b>			(199,284)		37,892
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>960,227</u>		<u>824,824</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		(111,955)		(80,292)
<b>NET ASSETS</b>			<u>848,272</u>		<u>744,532</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100		100
Revaluation reserve	16		243,223		243,223
Profit and loss account	17		604,949		501,209
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18		<u>848,272</u>		<u>744,532</u>

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

The financial statements were approved by the board of directors on .....  
and signed on its behalf by:



Charles Stuart Passey  
Director

The notes on pages 8 to 14 form part of these financial statements.

# **DIASTAN SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

---

### **1. STATEMENT OF ACCOUNTING POLICIES**

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

#### **Consolidation**

The company and its subsidiaries comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

#### **Cash flow**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

#### **Turnover**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

#### **Depreciation of tangible fixed assets**

Depreciation is provided on the following annual rates in order to write off each asset over its useful life:

Plant & machinery	25% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance

No depreciation is charged on freehold and long leasehold land.

#### **Where zero depreciation of freehold buildings is appropriate**

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

#### **Long term contract work in progress**

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

# **DIASTAN SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

### **1. STATEMENT OF ACCOUNTING POLICIES - (continued)**

#### **Investment properties**

In accordance with Statement of Standard Accounting Practice No.19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation 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 fully provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

#### **Leasing and hire purchase**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **2. TURNOVER**

	1997 %	1996 %
<b>Activity</b>		
Sale of properties	63.45	64.35
Rent and services	36.55	35.65
	<u>100.00</u>	<u>100.00</u>

### **3. OPERATING PROFIT**

#### **Operating profit is stated:**

	1997 £	1996 £
<b>After charging:</b>		
Depreciation of fixed assets	4,096	5,064
Auditors' remuneration	1,869	1,000
Operating lease rentals		
Land and buildings	10,875	11,500

### **4. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
On bank loans and overdrafts	14,010	37,310
	<u>14,010</u>	<u>37,310</u>

# **DIASTAN SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

### **5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1997 £	1996 £
The taxation charge comprises:		
UK Corporation tax at 30.6% (1996 24 %)	56,500	40,065

### **6. INFORMATION ON DIRECTORS AND EMPLOYEES**

	1997 £	1996 £
<b>Directors' emoluments</b>		
Remuneration for management services (including pension contributions)	6,128	4,978

### **7. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery etc. £	Total £
<b>Cost:</b>			
At 1 July 1996	750,000	42,166	792,166
Additions	325,742	8,000	333,742
Disposals	-	(12,568)	(12,568)
At 30 June 1997	1,075,742	37,598	1,113,340
<b>Depreciation:</b>			
At 1 July 1996	-	25,234	25,234
Charge for year	-	4,096	4,096
On disposals	-	(5,499)	(5,499)
At 30 June 1997	-	23,831	23,831
<b>Net book value:</b>			
At 30 June 1997	1,075,742	13,767	1,089,509
At 30 June 1996	750,000	16,932	766,932

	1997 £	1996 £
<b>Analysis of net book value of land and buildings:</b>		
Freehold	1,075,742	750,000

The company's investment properties were revalued as at 30th June 1997 by C S Passey AA Dip., RIBA, AMIMC, FRSA, a director of the company.

## **DIASTAN SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

#### **8. INVESTMENTS**

<b>(a) Cost or valuation:</b>	<b>Beginning of year</b>	<b>Additions</b>	<b>End of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other investments	20,000	50,002	70,002

#### **(b) Other investments other than loans**

<b>Cost or valuation:</b>	<b>Beginning of year</b>	<b>Additions</b>	<b>End of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Shares:			
Group Undertakings	20,000	50,002	70,002
<b>Net book value</b>	<b>20,000</b>		<b>70,002</b>

Financial information summary:

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	<b>Capital and Reserves</b>	<b>Results</b>
	<b>£</b>	<b>£</b>
Whitehall Court Ltd	58,017	(4,437)
Horseguards Estates Ltd	(7,817)	(7,819)
	<b>50,200</b>	<b>(12,256)</b>

The company owns 75% of the issued ordinary share capital of Whitehall Court Limited, and 100% of the issued share capital of Horseguards Estates Ltd. both of these companies are incorporated in Great Britain.

During the year the company acted as equal partner with Woodhall Developments Limited for the purposes of a particular project. Each partner company's share of the revenues and costs of the project, together with their shares of the assets and liabilities at the year end have been consolidated in the accounts of those companies.

The directors consider the value of the company's investments in its subsidiaries is not less than the amounts stated in the company's balance sheet

# **DIASTAN SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

### **9. STOCKS**

	<b>1997 £</b>	<b>1996 £</b>
Stock and work in progress	-	241,009

### **10. DEBTORS**

	<b>1997 £</b>	<b>1996 £</b>
Amounts owed by group undertakings	40,000	-
Other debtors	6,159	9,523
Prepayments and accrued income	3,141	5,587
	<u>49,300</u>	<u>15,110</u>

### **11. CREDITORS: amounts falling due within one year**

	<b>1997 £</b>	<b>1996 £</b>
Bank loans and overdrafts	25,000	89,311
Corporation tax	58,000	41,565
Other taxes and social security costs	-	186
Directors' current accounts	169,035	71,138
Other creditors	1,987	12,544
Accruals and deferred income	6,401	6,308
	<u>260,423</u>	<u>221,052</u>
Secured creditors	<u>25,000</u>	<u>89,311</u>

### **12. CREDITORS: amounts falling due after more than one year**

	<b>1997 £</b>	<b>1996 £</b>
Loans	<u>111,955</u>	<u>80,292</u>
Secured creditors	<u>111,935</u>	<u>80,292</u>

# **DIASTAN SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

### **13. BORROWINGS**

	1997 £	1996 £
<b>The company's borrowings are repayable as follows</b>		
Up to one year and on demand	25,000	99,311
Between one and two years	25,000	31,077
Between two and five years	86,955	49,215
	<u>136,955</u>	<u>179,603</u>
Wholly repayable within five years	<u>136,955</u>	<u>179,603</u>
Included in current liabilities	<u>25,000</u>	<u>99,311</u>

### **14. PROVISIONS FOR LIABILITIES AND CHARGES**

	1997 £	Not provided 1996 £	1997 £	Provided 1996 £
Deferred tax is calculated at 33% (1996 - 24% ) analysed over the following timing differences:				
On the excess of capital allowances over depreciation	514	401	-	-
On other timing differences	80,264	58,374	-	-
	<u>80,778</u>	<u>58,775</u>	<u>-</u>	<u>-</u>

### **15. SHARE CAPITAL**

	1997 £	1996 £
<b>Authorised:</b>		
<b>Equity interests:</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## **DIASTAN SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997**

#### **16. REVALUATION RESERVE**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Balance at beginning of year	243,223	93,223
Revaluation during the year	-	150,000
Balance at year end	<u>243,223</u>	<u>243,223</u>

#### **17. PROFIT AND LOSS ACCOUNT**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Retained profit at 1 July 1996	501,209	403,222
Profit for the year	103,740	97,987
Retained profit at 30 June 1997	<u>604,949</u>	<u>501,209</u>

#### **18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	127,740	121,988
Dividends	(24,000)	(24,000)
Other recognised gains and losses relating to the year	-	150,000
<b>Net addition to shareholders' funds</b>	<u>103,740</u>	<u>247,988</u>
Opening shareholders' funds	744,532	496,545
<b>Closing shareholders' funds</b>	<u>848,272</u>	<u>744,533</u>
<b>Represented by:-</b>		
Equity interests	<u>848,272</u>	<u>744,533</u>

#### **19. CAPITAL COMMITMENTS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Details of capital commitments at the accounting date are as follows:</b>		
Authorised but not yet contracted for	<u>140,000</u>	<u>-</u>

#### **20. RELATED PARTY DISCLOSURES**

The company paid £8,000 during the year to Mr C S Passey for professional services rendered.  
The company's controlling parties are Mr and Mrs C S Passey.