

BARNETT BAKER (MANAGEMENTS) LIMITED

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 1996

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BARNETT BAKER (MANAGEMENTS) LIMITED

DIRECTORS: Mr. N.A. Frankel-Pollen
Mrs. R.R. Frankel-Pollen
Mr. D. Fielding
Mr. J. Grey
Mr. A. McLean

SECRETARY: Mr. N.A. Frankel-Pollen

REGISTERED OFFICE: Devonshire House, 1, Devonshire Street,
London, W1N 2DR.

REPORT OF THE DIRECTORS
=====

The Directors present the audited financial statements for the year ended 31 March 1996.

ACTIVITIES: The Company is engaged in property management.

REVIEW: The Profit and Loss Account on page five shows the results for the year.

Notwithstanding the loss for the year the Company's state of affairs at the year end was satisfactory.

There have been no important events affecting the Company since the end of the year and no major future developments in the business are anticipated.

The Company is not involved materially in research and development.

DIVIDENDS: The Directors do not recommend the payment of a dividend for the year ended 31 March 1996.

FIXED ASSETS: Changes in Fixed Assets during the year are shown in Notes 9 and 10 on page nine.

BARNETT BAKER (MANAGEMENTS) LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)

DIRECTORS:

The Directors who held office at the end of the year together with details of their interests in the shares of the Company throughout the year were:-

<u>Director</u>	<u>Shares</u>	
	<u>'A'</u>	<u>'B'</u>
Mr. N.A. Frankel-Pollen	500	-
Mrs. R.R. Frankel-Pollen	-	500
Mr. David Fielding	-	-
	<u>500</u>	<u>500</u>
	<u>===</u>	<u>===</u>

Note:

Messrs. J. Grey and A. McClean were appointed to the Board on 3 June 1996.

RESPONSIBILITIES
OF DIRECTORS:

Company Law requires the Directors to prepare, for each financial year, financial statements which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. 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.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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 to ensure the prevention of fraud and other irregularities.

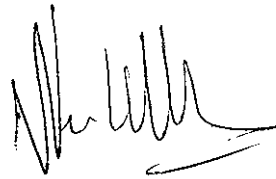
BARNETT BAKER (MANAGEMENTS) LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)

AUDITOR: Citroen Wells have expressed their willingness to be reappointed as Auditor at the forthcoming Annual General Meeting.

CLOSE COMPANY TAXATION: The Company is a Close Company within the meaning of the Taxes Act 1988.

By Order of the Board



N.A. FRANKEL-POLLEN,
Secretary

Dated this 19 Day of December 1996



CITROEN WELLS
CHARTERED ACCOUNTANTS

Devonshire House, 1 Devonshire Street, London W1N 2DR
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E-mail: cw@citwell.demon.co.uk

AUDITOR'S REPORT TO THE SHAREHOLDERS OF

BARNETT BAKER (MANAGEMENTS) LIMITED

We have audited the financial statements on pages five to eleven which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of Directors and Auditors

As described on page two 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 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 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

CITROEN WELLS

CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR

19 December 1996

BARNETT BAKER (MANAGEMENTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	<u>Note</u>	£	Year Ended <u>31.3.1995</u> £
Turnover	2	58,006	66,222
Operating Expenses (Net)	3	(79,643)	(72,381)
		<hr/>	<hr/>
Operating Loss		(21,637)	(6,159)
Interest Received		125	552
		<hr/>	<hr/>
		(21,512)	(5,607)
Interest Payable	4	(35)	(73)
		<hr/>	<hr/>
Loss on Ordinary activities before Taxation	7	(21,547)	(5,680)
Tax on Loss on Ordinary activities	8	19	1,456
		<hr/>	<hr/>
Retained Loss	14	<u>£(21,528)</u>	<u>£ (4,224)</u>

The results shown above are attributable to continuing operations only.

The Company has no recognised gains or losses other than those included in the results stated above and, therefore, no separate statement of total recognised gains and losses has been presented.

The Notes on pages seven to eleven are an integral part of these financial statements.

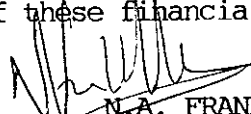
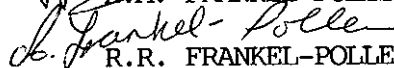
BARNETT BAKER (MANAGEMENTS) LIMITED

BALANCE SHEET AS AT 31 MARCH 1996

	Note	£	£	As at 31.3.1995
				£
<u>FIXED ASSETS</u>				
Tangible Assets	9		5,685	5,826
Investments	10		500	500
			<u>6,185</u>	<u>6,326</u>
<u>CURRENT ASSETS</u>				
Debtors	11	23,416		30,085
Bank and Cash Balances		44		335
Clients' Funds		153,969		154,892
Less: Clients' Monies Held		(153,969)		(154,892)
		<u>23,460</u>		<u>30,420</u>
<u>CURRENT LIABILITIES</u>				
Creditors falling due within one year	12	27,307		12,880
<u>NET CURRENT ASSETS</u>			(3,847)	17,540
<u>NET ASSETS</u>			<u>£ 2,338</u>	<u>£ 23,866</u>
<u>CAPITAL AND RESERVES</u>				
Called up Share Capital	13		1,000	1,000
Profit and Loss Account	14		1,338	22,866
<u>EQUITY SHAREHOLDERS' FUNDS</u>	15		<u>£ 2,338</u>	<u>£ 23,866</u>

The Notes on pages seven to eleven are an
integral part of these financial statements.

Approved by the
Board of Directors
on 19 December 1996


 N.A. FRANKEL-POLLEN

 R.R. FRANKEL-POLLEN

)
) Directors
)

BARNETT BAKER (MANAGEMENT'S) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a Cash Flow Statement on the grounds that it is a Small Company as defined by Section 247 of the Companies Act 1985.

b) Fixed Assets

Fixed Assets are stated at cost.

c) Depreciation

Fixed Assets are depreciated on the reducing balance basis at the rate of 25% p.a.

d) Deferred Taxation

The policy has been adopted of providing for Deferred Taxation only to the extent that it is expected to fall due for payment in the foreseeable future.

2. TURNOVER

Turnover arose wholly within the United Kingdom and comprises Fees and Commissions Receivable.

3. OPERATING EXPENSES (NET)

	<u>1996</u>	<u>1995</u>
	£	£
Administration Expenses	80,620	72,456
Dividends Received	(398)	(75)
Rents Receivable	(579)	-
	<u>£ 79,643</u>	<u>£ 72,381</u>

BARNETT BAKER (MANAGEMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996 - (CONTINUED)

4.	<u>INTEREST PAYABLE</u>	<u>1996</u>	<u>1995</u>
		£	£
	On Bank Overdrafts	£ 35	£ 73
5.	<u>STAFF COSTS</u>	<u>1996</u>	<u>1995</u>
	a) The average weekly number of staff employed during the year was:-	3	3
	b) Staff Costs comprised:-	£	£
	Salaries	22,403	15,706
	Social Security Contributions	1,532	1,586
	Directors' Emoluments (Note 6)	20,767	20,552
		£ 44,702	£ 37,844
6.	<u>DIRECTORS' EMOLUMENTS</u>	<u>1996</u>	<u>1995</u>
		£	£
	Remuneration	17,600	17,600
	Social Security Contributions	2,167	1,952
	Pension Scheme Contributions	1,000	1,000
		£ 20,767	£ 20,552
7.	<u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>1996</u>	<u>1995</u>
		£	£
	<u>This is stated after charging:-</u>		
	Interest Payable (Note 4)	35	73
	Depreciation and Adjustments on Disposal	1,896	1,943
	Auditor's Remuneration	4,500	4,500
	Staff Costs (Note 5)	44,702	37,844
		£ 51,133	£ 44,360

BARNETT BAKER (MANAGEMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996 - (CONTINUED)

8.	<u>TAX ON LOSS ON ORDINARY ACTIVITIES</u>	<u>1996</u>	<u>1995</u>
		£	£
	U.K. Corporation Tax based on the results for the year, at 25%	-	1,451
	Prior Year Adjustment	19	5
		<u>£ 19</u>	<u>£ 1,456</u>

9.	<u>FIXED ASSETS (Tangible Assets)</u>	<u>Motor Vehicles</u>	<u>Furniture and Equipment</u>	<u>Total</u>
		£	£	£
a)	<u>Cost</u>			
	Balance at 1.4.1995	18,793	6,188	24,981
	Additions	-	1,755	1,755
	<u>Balance at 31.3.1996</u>	<u>18,793</u>	<u>7,943</u>	<u>26,736</u>
b)	<u>Depreciation</u>			
	Balance at 1.4.1995	14,334	4,821	19,155
	Charge for the Year	1,115	781	1,896
	<u>Balance at 31.3.1996</u>	<u>£ 15,449</u>	<u>£ 5,602</u>	<u>£ 21,051</u>
c)	<u>Net Book Value</u>			
	At 1.4.1995	£ 4,459	£ 1,367	£ 5,826
	At 31.3.1996	<u>£ 3,344</u>	<u>£ 2,341</u>	<u>£ 5,685</u>

10.	<u>FIXED ASSETS (Investments)</u>	<u>1996</u>	<u>1995</u>
		£	£
a)	Cost	£ 500	£ 500
b)	Market Value	<u>£1,738</u>	<u>£1,612</u>

BARNETT BAKER (MANAGEMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996 - (CONTINUED)

11.	<u>DEBTORS</u>	<u>1996</u>	<u>1995</u>
		£	£
	Trade Debtors	10,352	2,432
	Taxation Recoverable	1,470	1,451
	Prepayments and Other Debtors	11,594	26,202
		<u>£ 23,416</u>	<u>£ 30,085</u>
12.	<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>	<u>1996</u>	<u>1995</u>
		£	£
	Bank Overdraft	5,601	942
	Trade Creditors	1,902	748
	Taxation and Social Security Contributions	2,385	1,402
	Accruals and Other Creditors	17,419	9,788
		<u>£ 27,307</u>	<u>£ 12,880</u>
13.	<u>CALLED UP SHARE CAPITAL</u>	<u>1996</u>	<u>1995</u>
		£	£
	The Authorised, Allotted and Fully Paid Share Capital comprises:-		
	500 'A' Ordinary Shares of £1 each	500	500
	500 'B' Ordinary Shares of £1 each	500	500
		<u>£ 1,000</u>	<u>£ 1,000</u>
14.	<u>PROFIT AND LOSS ACCOUNT</u>	<u>1996</u>	<u>1995</u>
		£	£
	Balance at 1.4.1995	22,866	27,090
	Retained Loss	(21,528)	(4,224)
		<u>£ 1,338</u>	<u>£ 22,866</u>

BARNETT BAKER (MANAGEMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996 - (CONTINUED)

15.	<u>RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</u>	<u>1996</u>	<u>1995</u>
		£	£
	Balance at 1.4.1995	23,866	28,090
	Retained Loss	(21,528)	(4,224)
		<u>£ 2,338</u>	<u>£ 23,866</u>

16. CAPITAL COMMITMENTS

There were no commitments for Capital Expenditure as at 31 March 1996.

17. CONTINGENT LIABILITIES

There were no Contingent Liabilities as at 31 March 1996.

18. PENSION SCHEME CONTRIBUTIONS

During the year the Company paid contributions of £1,000 (1995 - £1,000) into a 'Defined Contribution Pension Scheme' for the benefit of a Director.

Contributions are charged to Profit and Loss Account in the accounting period to which they relate and the assets of the Scheme are held separately from those of the Company in an independently-administered fund.

19. TRANSACTIONS INVOLVING DIRECTORS

The Company has leased premises from Mr. N.A. Frankel-Pollen for 5 years from 25 March 1996 at a commencing annual rent of £34,110 (Note 20).

20.	<u>OBLIGATIONS UNDER OPERATING LEASES</u>	<u>1996</u>	<u>1995</u>
		£	£

Obligations under Operating Leases
expiring within the following periods
in respect of payments to be made in
the year ending 31 March 1997 were:-

Within 2 to 5 years:-

Land and Buildings	<u>£ 34,110</u>	<u>£ -</u>
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