

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1995



INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

INDEX TO THE FINANCIAL STATEMENTS

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash flow Statement	8
Notes to the Financial Statements	11 - 14

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

COMPANY INFORMATION

DIRECTORS:

Mr. K.W. Henderson
Mrs. S.P. Henderson

SECRETARY:

Mrs. S.P. Henderson

REGISTERED OFFICE:

4th Floor,
Centre Heights,
137, Finchley Road,
Swiss Cottage,
London NW3 6JG.

REGISTERED NUMBER:

1481798

AUDITORS:

Elliotts
Registered Auditors
Centre Heights
137, Finchley Road
London NW3 6JG

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS'
FOR THE YEAR ENDED 30TH JUNE 1995

The directors present their report together with the audited consolidated financial statements for the year ended 30th June 1995.

PRINCIPAL ACTIVITY

The company together with its subsidiaries is engaged in Investment Holding and Property Dealing.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividend was paid for the year ended 30th June 1995. The retained loss transferred to Reserves will be £1,964.

DIRECTORS

The directors of the company office during the year and their beneficial interests in the issued share capital were as follows:-

	30.6.1995	30.6.1994
Mr. K.W. Henderson	505	505
Mrs. S.P. Henderson	225	225

STATEMENT OF 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 and of the profit or loss of the company for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;
- prepare the financial statements on the going concern basis unless it is not appropriate 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 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.

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS' - (Continued)
FOR THE YEAR ENDED 30TH JUNE 1995

AUDITORS

An elective resolution pursuant to S386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually. Elliotts, therefore, continue to act as auditors.

ON BEHALF OF THE BOARD:

S.P. Henderson

Mrs. S.P. Henderson

Dated: 27.04.96

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

REPORT OF THE AUDITORS' REPORT TO THE SHAREHOLDERS OF
INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

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 judgments 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 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 and of the group as at 30th June 1995 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Elliot

29th Apr 1996

ELLIOTTS,
REGISTERED AUDITORS,
CENTRE HEIGHTS,
137, FINCHLEY ROAD,
LONDON NW3 6JG

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 1995

	Notes	1995	1994
FIXED ASSETS			
Intangible Assets	8	64,938	64,938
Tangible Assets	9	2	2
		-----	-----
		64,940	64,940
CURRENT ASSETS			
Stocks and Work-in-Progress	11	20,676	20,382
Debtors	12	114,117	120,596
Cash at Bank		-	702
		-----	-----
		134,793	141,680
CREDITORS			
Amounts falling due within one year	13	150,027	154,950
		-----	-----
NET CURRENT LIABILITIES		(15,234)	(13,270)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£49,706	£51,670
		=====	=====
CAPITAL AND RESERVES			
Called-up Share Capital	14	1,000	1,000
Profit and Loss Account		48,706	50,670
		-----	-----
		£49,706	£51,670
		=====	=====

APPROVED BY THE BOARD ON 27.04.96


K.W. HENDERSON - Director


S.P. HENDERSON - Director

The notes form part of these financial statements

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1995

	Notes	1995	1994
Turnover	2	-	-
Cost of Sales		-	-
		-----	-----
Gross Profit		-	-
Administrative Expenses		2,656	2,086
		-----	-----
		(2,656)	(2,086)
Other Operating Income	5	1,120	-
		-----	-----
Operating (Loss)/Profit	4	(1,536)	(2,086)
Interest Payable	6	909	938
		---	---
(Loss)/Profit on Ordinary Activities before taxation		(2,445)	(3,024)
Taxation	7	481	(5,471)
		-----	-----
(Loss)/Profit on Ordinary Activities after taxation		(1,964)	2,447
Balance as 1st July 1994		50,670	48,223
		-----	-----
Balance at 30th June 1995		£48,706	£50,670
		=====	=====

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses for the current year or previous year.

The notes form part of these financial statements

INVEL INVESTMENT LIMITED

BALANCE SHEET AS AT 30TH JUNE 1995

	Notes	1995	1994
FIXED ASSETS			
Investment	10	600	600
DEBTORS			
Sundry Debtors	12	133,720	134,255
Cash at Bank		-	161
		-----	-----
		133,720	134,416
CREDITORS			
Amounts falling due within one year	13	4,558	4,728
		-----	-----
NET CURRENT ASSETS		129,162	129,688
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£129,762	£130,288
		=====	=====
CAPITAL AND RESERVES			
Called-up Share Capital	14	1,000	1,000
Profit and Loss Account		128,762	129,288
		-----	-----
		£129,762	£130,288
		=====	=====

APPROVED BY THE BOARD ON

7th June 96

K.W. Henderson

K.W. HENDERSON - Director

S.P. Henderson

S.P. HENDERSON - Director

The notes form part of these financial statements

INVEL INVESTMENT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994
Net Cash (Outflow)/Inflow from Operating Activities	1,958	(582)
Returns on Investments and servicing of Finance		
Interest Received	-	-
Interest Paid	(909)	(938)
	---	-----
Net cash Inflow/(Outflow) from Returns on Investments and Servicing of Finance	(909)	(938)
Taxation		
Corporation Tax Paid	-	-
	-----	-----
Tax Paid	-	-
Investing Activities		
Purchase of Tangible Fixed Assets	-	-
Sale of Intangible Fixed Assets	-	-
Sale of Tangible Fixed Assets	-	-
	-----	-----
Net Cash (Outflow)/Inflow from Financing	-	-
	-----	-----
(Decrease)/Increase in Cash and Cash Equivalents	£1,049	£(1,520)
	=====	=====

The notes form part of these financial statements

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1995

1. RECONCILIATION OF OPERATING LOSS TO NET
CASH INFLOW FROM OPERATING ACTIVITIES

	1995	1994
Operating Profit/(Loss)	(1,055)	3,385
Decrease/(Increase) in Stocks	(294)	-
(Increase)/Decrease in Debtors	6,479	(257)
(Decrease)/Increase in Creditors	(3,172)	(3,710)
	-----	-----
Net Cash Inflow/(Outflow) from Operating Activities	£1,958	£(582)
	=====	===

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Year ended 30th June 1995

Balance at 1st July 1994	(9,178)
Net Cash Inflow	1,049

Balance at 30th June 1995	£(8,129)
	=====

Year ended 30th June 1994

Balance at 1st July 1993	(7,658)
Net Cash Outflow	(1,520)

Balance at 30th June 1994	£(9,178)
	=====

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS
SHOWN IN THE BALANCE SHEET

Year ended 30th June 1995

	30.6.94	1.7.93	Change in Year
Cash at Bank and In Hand	-	702	(702)
Bank Overdrafts	(8,129)	(9,880)	1,751
	-----	-----	-----
	£(8,129)	£(9,178)	£1,049
	=====	=====	=====

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE CASH FLOW STATEMENT - (Continued)
FOR THE YEAR ENDED 30TH JUNE 1995

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS
SHOWN IN THE BALANCE SHEET - (CONTINUED)

Year ended 30th June 1994

	30.6.94	1.7.93	Change in Year
Cash at Bank and In Hand	702	770	(68)
Bank Overdrafts	(9,880)	(8,428)	(1,452)
	-----	-----	-----
	£(9,178)	£(7,658)	£(1,520)
	=====	=====	=====

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

There were no changes in financing during the year ended 30th June 1995 nor during the year ended 30th June 1994.

The notes form part of these financial statements

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1995

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b. Stock

Stock is valued at the lower of cost or net realisable value.

2. TURNOVER

The turnover and Loss (1994 - Profit) is attributable to Property Dealings in the United Kingdom.

3. PROFIT AND LOSS ACCOUNT

As permitted by Section 230 of the Companies Act 1985 the Holding Company's profit and loss account has not been included in these Financial Statements. The consolidated profit and loss account includes a loss for the year of £1,007 (1994: Loss £403) which is dealt with in the financial statements of the Holding Company.

4. OPERATING PROFIT/(LOSS)

The Operating Loss (1994 - Profit) is stated after charging:

	1995	1994
Directors Emoluments	-	-
Auditor's Remuneration	£1,500	£1,000
	=====	=====

5. OTHER OPERATING INCOME

	1995	1994
Rent receivable	£1,120	£ -
	=====	==

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS - Continued

6. INTEREST PAYABLE

	1995	1994
Interest payable on Bank Overdraft	£909	£938
	===	===

7. TAXATION

Corporation Tax is provided at the rate of 25% based on these financial statements.

8. INTANGIBLE FIXED ASSETS

	1995	1994
Goodwill on Consolidation	£64,938	£64,938
	=====	=====

9. TANGIBLE FIXED ASSETS

	Group	
	Office Equipment	Total
Cost		
As at 1st July 1994	588	588
Disposals	-	-
	---	---
As at 30th June 1995	£588	£588
	===	===
Depreciation		
As at 1st July 1994	586	586
Provision for the year	-	-
	---	---
As at 30th June 1995	£586	£586
	===	===
Net Book Value		
As at 30th June 1995	£2	£2
	==	==
As at 30th June 1994	£2	£2
	==	==

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS - Continued

10. FIXED ASSET INVESTMENTS

Investment in Subsidiary Companies

Name of Company	Amount of Holding	% Incorporated	
Escrillon Properties Limited	100 Ordinary Shares of £1 each, fully paid	100	England
Meltin Properties Limited	100 Ordinary Shares of £1 each, fully paid	100	England

11. STOCK AND WORK-IN-PROGRESS

Stock is composed of Freehold Properties. Work-in-Progress is valued at cost.

12. DEBTORS

	Group		Company	
	1995	1994	1995	1994
Amounts falling due within one year				
Due from Subsidiaries	-	-	19,603	13,659
Due from Related Company	105,605	118,087	105,605	118,087
Prepayments and Accrued Income	8,512	2,509	8,512	2,509
	-----	-----	-----	-----
	£114,117	£120,596	£133,720	£134,255
	=====	=====	=====	=====

13. CREDITORS

	Group		Company	
	1995	1994	1995	1994
Amounts falling due within one year				
Long Term Loan	49,000	49,000	-	-
Bank Loan and Overdraft (Secured)	8,129	9,880	-	-
Amount due to Subsidiaries	-	-	-	-
Taxation and National Insurance	-	-	-	-
Directors' Current Account	84,640	84,640	3,800	3,800
Creditors	8,258	11,430	758	928
	-----	-----	-----	-----
	£150,027	£154,950	£4,558	£4,728
	=====	=====	=====	=====

INVEL INVESTMENT LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENT - Continued

14. SHARE CAPITAL

	1995	1994
Authorised		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====
Allotted, Issued and Fully Paid		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1995	1994
(Loss)/Profit for the financial year	(1,964)	2,447
Opening Shareholders Funds	50,670	48,223
	-----	-----
Closing Shareholders Funds	£48,706	£50,670
	=====	=====

16. CONTINGENT LIABILITY

Invel Investment Limited has guaranteed the bank borrowings of its subsidiary Escrillon Properties Limited, and the amount outstanding as at 30th June 1995 was £8,129.