

S G TODD

Chartered Accountant

REPORT OF THE AUDITOR TO THE DIRECTORS OF A & H DEVELOPMENTS
LIMITED
UNDER PARAGRAPH 10 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

In my opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 30 November 1989 and the modified accounts set out on pages 2 to 3 have been properly prepared in accordance with Schedule 8 to that Act. I am not required to express an opinion as to whether these modified accounts show a true and fair view.

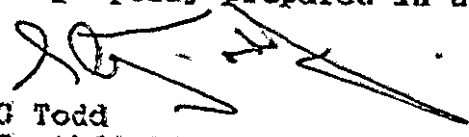
As auditor of the company I reported to the members on 31 October 1990 on the company's accounts prepared under section 227 of the Companies Act 1985 for the year ended 30 November 1989. My audit opinion was as follows :-

I have audited the accounts on pages 3 to 8 in accordance with Auditing Standards.

The accounts have been prepared on a going concern basis which assumes the continued support of the company's bankers and loan creditors.

Should the company be unable to continue trading, adjustment may be required to reduce the value of work in progress to its recoverable amount.

Subject to the company being able to continue trading, in my opinion the accounts give a true and fair view of the state of affairs of the company at 30 November 1989 and of the loss and source and application of funds for the years then ended and have been properly prepared in accordance with the Companies Act 1985.



S G Todd
9 Southfield Road
Paignton

31 October 1990



A & H DEVELOPMENTS . LIMITED
BALANCE SHEET- 30 NOVEMBER 1989

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	Note	1989 £	1988 £
CURRENT ASSETS			
Work in progress		134,045	-
Loans		-	25,000
Debtors		1,234	469
Taxation recoverable		747	3,010
Cash at bank and in hand		645	600
		<u>136,671</u>	<u>29,079</u>
CREDITORS - amounts falling due within one year			
Trade and other creditors		9,123	9,552
Bank overdraft and loan		47,217	9,120
Taxation		-	1,890
Loans	3	114,730	-
		<u>171,070</u>	<u>20,562</u>
NET CURRENT (LIABILITIES)/ASSETS		(34,399)	8,517
TOTAL ASSETS LESS LIABILITIES		<u>£ (34,399)</u>	<u>£ 8,517</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		(34,499)	8,417
		<u>£ (34,399)</u>	<u>£ 8,517</u>


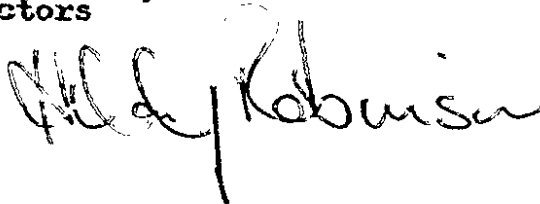
We have relied on the exemptions for individual accounts available under Sections 247 and 249 of the Companies Act 1985 and have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

A J S Robinson

Directors

H Robinson (Mrs)

31 October 1990

SG TODD

NOTES ON THE ACCOUNTS - 30 NOVEMBER 1989

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the directors consider that bank finance will continue to be made available to complete the company's current project and realise a profit thereon.

2. ACCOUNTING POLICIES

- (a) Accounting convention
The accounts are prepared under the historical cost convention.
- (b) Loan interest receivable
Loan interest receivable is included in the accounts when it is received.
- (c) Deferred taxation
Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

3. LOAN

The loan, which is from the Britannia Building Society, is secured on the land and work in progress comprising the company's development project.

4. CALLED UP SHARE CAPITAL

	1989 £	1988 £
Authorised 1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
Alotted and fully paid 100 ordinary shares of £1 each	£ 100	£ 100