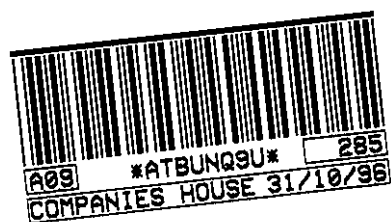


P C Tustin and Co Limited

Accounts 31 March 1996
together with directors' and auditors' reports

Registered number: 1994736



Directors' report

For the year ended 31 March 1996

Financial Statements

The directors present their report and financial statements for the year ended 31 March 1996

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Principal activities and review of the business

The principal activity of the company is that of carrying on a holiday lettings trade and managing properties held by the company.

The company like many other property letting businesses has experienced difficult trading conditions especially in the commercial sector.

The directors are continuing the drive to improve the cash position of the company and to ensure that all the properties are fully let but not at the expense of commercial terms.

Results and dividend

The results for the year after taxation is shown in the profit and loss account on page 4.

The directors do not recommend payment of a dividend (1995 : £7,500).

Directors' report (continued)

Fixed assets

Movements in fixed assets are shown in note 11 to the financial statements. The directors consider the value of the freehold properties to be in excess of the amount shown in the financial statements.

Directors and their interests

The directors during the year and the interests of the directors and their families in the ordinary shares of the company were as follows:

	1996 £	1995 £
B Tustin (Managing Director)	1,900	1,900
Mrs I Beard (non-executive)	2,500	2,500
Mrs JMP Vaughan-Jones (non-executive)	1,150	1,150
CW Vaughan-Jones	950	950

Mrs JMP Vaughan-Jones has a non-beneficial interest in 750 shares held in trust. CW Vaughan-Jones has a non-beneficial interest in 600 shares also held in trust.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 22 October 1996



CW Vaughan-Jones
Director

BINDER HAMLYN

Auditors' report

20 Old Bailey
London EC4M 7BH

To the shareholders of P C Tustin and Co Limited :

We have audited the financial statements on pages 4 to 11 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the 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 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 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 Companies Act 1985.

Binder Hamlyn

Chartered Accountants and Registered Auditors

22 October 1996

Profit and loss account

For the year ended 31 March 1996

	Notes	1996 £	1995 £
Turnover	2	230,125	225,540
Direct costs		<u>(79,659)</u>	<u>(68,083)</u>
Gross Profit		150,466	157,457
Administrative expenses		<u>(158,813)</u>	<u>(164,118)</u>
Operating loss	3	(8,347)	(6,661)
Exceptional item	4	-	114,415
Other income	5	7,894	5,642
Interest payable	6	<u>(16,270)</u>	<u>(31,101)</u>
(Loss)/profit on ordinary activities before taxation		(16,723)	82,295
Tax on profit on ordinary activities	9	<u>(175)</u>	<u>(1,700)</u>
(Loss)/profit on ordinary activities after taxation		(16,898)	80,595
Dividends	10	<u>-</u>	<u>(7,500)</u>
(Loss)/profit for the year	18	<u>(16,898)</u>	<u>73,095</u>
Statement of accumulated losses			
Retained loss brought forward		49,626	(23,469)
(Loss)/profit for the year		<u>(16,898)</u>	<u>73,095</u>
Retained profit/(loss) carried forward		<u>32,728</u>	<u>49,626</u>

Statement of total recognised gains and losses



The company has no recognised gains or losses other than those stated in the profit and loss account.

Balance sheet

31 March 1996

	Notes	1996 £	1995 £
Tangible Fixed assets	11	1,992,377	2,012,889
Current assets			
Stocks	12	13,418	921
Debtors	13	20,106	15,178
Cash at bank and in hand		39,302	73,886
		<u>72,826</u>	<u>89,985</u>
Creditors: amounts falling due within one year	14	<u>(145,697)</u>	<u>(156,316)</u>
Net current liabilities		<u>(72,871)</u>	<u>(66,331)</u>
Total assets less current liabilities		1,919,506	1,946,558
Creditors: amounts falling due after more than one year	15	<u>(80,794)</u>	<u>(90,948)</u>
		<u>1,838,712</u>	<u>1,855,610</u>
Capital and reserves			
Called up share capital	17	7,500	7,500
Share premium		1,798,484	1,798,484
Profit and loss account		32,728	49,626
Shareholders' funds	18	<u>1,838,712</u>	<u>1,855,610</u>

The financial statements on pages 4 to 11 were approved by the Board on 22 October 1996

CW Vaughan-Jones
Director

B Tustin
Director

Notes to the financial statements

31 March 1996

1 Accounting policies

a) Accounting convention

These financial statements are prepared under the historical cost convention.

b) Fixed assets and depreciation

The company's policy is to write off the fixed assets over their estimated useful lives by depreciating at the following rates, on a straight line basis:

Freehold land	- Nil
Freehold buildings	- 2%
Furniture and equipment	- 10%
Motor vehicles	- 25%

All additions to soft furnishings are written off in the year of purchase.

c) Value added tax

The company is liable for VAT on income from holiday letting less related expenditure. VAT on overhead expenditure not directly related to holiday letting is allowable in the same ratio that income from holiday lets bears to the total rental income.

d) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

e) Deferred taxation

Deferred taxation is provided under the liability method for the excess of tax allowances on fixed assets over depreciation and on other timing differences except to the extent that a liability is not expected to crystallise in the foreseeable future.

f) Cash flow statement

The company is exempt from the requirement of FRSI to include a cash flow statement as part of its financial statements because it is a small company.

g) Compliance with accounting standards

These financial statements have been prepared in accordance with applicable Accounting Standards. As a small company as defined by the Companies Act 1989, the company has availed itself of the provision not to prepare a cash flow statement.

Notes to the financial statements (continued)

2 Turnover

Turnover represents the sale of goods from Wren House and rents receivable during the year. Turnover is made up as follows:

	1996 £	1995 £
Holiday letting	92,154	103,864
Tenancy rentals	123,344	121,676
Wren House sales	<u>14,627</u>	<u>-</u>
	<u>230,125</u>	<u>225,540</u>

3 Operating loss

is stated after charging:

	1996 £	1995 £
Depreciation on owed tangible fixed assets	38,612	38,818
Auditors' remuneration	4,000	3,800
Directors' remuneration (note 7)	<u>66,888</u>	<u>64,633</u>

4 Exceptional item

	1996 £	1995 £
Profit on sale of properties	<u>-</u>	<u>114,415</u>

5 Other income: includes:

	1996 £	1995 £
Interest receivable (bank interest and interest on rent arrears)	5,286	4,358
Commission on insurance	1,788	317
Sundry income	<u>820</u>	<u>967</u>
	<u>7,894</u>	<u>5,642</u>

Notes to the financial statements (continued)

6 Interest payable

	1996 £	1995 £
On loans and overdrafts repayable within five years not by instalments	6,948	6,490
Partly in more than five years, by instalments	<u>9,322</u>	<u>24,611</u>
	<u>16,270</u>	<u>31,101</u>

7 Directors' emoluments

	1996 £	1995 £
Directors' emoluments amounted to:		
Fees	20,252	20,000
Remuneration as executives	<u>46,636</u>	<u>44,633</u>
	<u>66,888</u>	<u>64,633</u>

Directors' fees and remuneration include amounts paid to:

Chairman and highest paid director	<u>30,016</u>	<u>29,347</u>
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The fees and remuneration of the other directors are within the following bands:

	Number	Number
£0 - £5,000	1	2
£5,001 - £10,000	2	1
£25,001 - £30,000	<u>1</u>	<u>1</u>

8 Employees

The average weekly number of employees, including working directors, during the year was 3 (1995: 3) all of whom are involved in administration and management.

	1996 £	1995 £
Staff costs during the year amounted to:		
Wages and salaries	81,517	78,866
Social security costs	8,482	8,042
Pension costs	<u>2,209</u>	<u>-</u>
	<u>92,208</u>	<u>86,908</u>

Notes to the financial statements (continued)

9 Taxation

	1996 £	1995 £
UK corporation tax at 25% (1995 - 25%)	-	-
Irrecoverable ACT	1,875	1,200
Tax (over)/under provided in previous year	(1,700)	500
Tax on profit on ordinary activities	175	1,700

10 Dividend

	1996 £	1995 £
Dividend proposed of £1 per share	-	7,500

11 Tangible fixed assets

	Freehold land £	Freehold buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
1 April 1995	983,347	1,100,112	148,003	19,795	2,251,257
Additions	-	-	18,100	-	18,100
Disposals	-	-	-	-	-
31 March 1996	983,347	1,100,112	166,103	19,795	2,269,357
Depreciation					
1 April 1995	-	139,030	79,543	19,795	238,368
Charge for year	-	22,002	16,610	-	38,612
Disposals	-	-	-	-	-
31 March 1996	-	161,032	96,153	19,795	276,986
Net book value					
31 March 1996	983,347	939,080	69,950	-	1,992,377
31 March 1995	983,347	961,082	68,460	-	2,012,889

The company had no capital commitments as at 31 March 1996.

Notes to the financial statements (continued)

12 Stocks

	1996 £	1995 £
Purchases for resale	<u>13,418</u>	<u>921</u>

13 Debtors

	1996 £	1995 £
Trade debtors	18,221	10,188
Prepayments and accrued income	1,260	1,180
Other debtors	625	1,935
VAT recoverable	-	-
Advance corporation tax recoverable	<u>-</u>	<u>1,875</u>
	<u>20,106</u>	<u>15,178</u>

14 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdraft (note 15)	9,877	8,325
Corporation tax	-	3,575
Other creditors	112,207	114,687
Other taxes and social security	5,077	7,460
Accruals	18,536	14,769
Proposed dividend	<u>-</u>	<u>7,500</u>
	<u>145,697</u>	<u>156,316</u>

Included in other creditors are loans from shareholders totalling £79,747 (1995: £82,801). Interest is payable on these loans at a rate of 2% above National Westminster Bank Plc base rate. The loans are repayable upon three months notice.

15 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Bank loans and overdrafts (note 16)	<u>80,794</u>	<u>90,948</u>

Notes to the financial statements (continued)

16 Bank loans and overdrafts

	1996 £	1995 £
The bank loans and overdrafts are repayable as follows:		
Repayable by instalments		
- due within five years	59,187	51,520
- due in more than five years	<u>31,484</u>	<u>47,753</u>
	<u>90,671</u>	<u>99,273</u>

Bank loans totalling £90,671 (1995: £99,273) are repayable by monthly instalments at a rate of 3¼% above base rate over nine years. These loans and the overdraft facility are secured by a mortgage debenture and a legal charge over three of the company's properties and a floating charge over the fixtures in these properties.

17 Share capital

	1996 £	1995 £
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>

18 Reconciliation of movement in shareholders' funds

	1996 £	1995 £
Shareholders' funds brought forward	1,855,610	1,782,515
Retained (loss)/profit for the year	<u>(17,523)</u>	<u>73,095</u>
Shareholders' funds carried forward	<u>1,838,087</u>	<u>1,855,610</u>