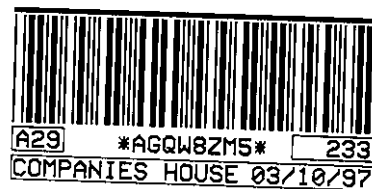


D MARSHALL PROPERTIES LIMITED
REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1997
COMPANY NO 2014585



J BARNES & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
1A KNOWL ROAD
MIRFIELD
WEST YORKSHIRE
WF14 8DQ

D MARSHALL PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS

31ST MARCH 1997

CONTENTS	PAGES
Report of the Directors	1/2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7/11

D MARSHALL PROPERTIES LIMITED

DIRECTORS

D Marshall (Chairman)
A D Marshall

SECRETARY

A J Marshall

AUDITORS

J Barnes & Co
Chartered Accountants
Registered Auditors
1a Knowl Road
MIRFIELD
WF14 8DQ

REGISTERED OFFICE

White Hall
Brandon Lane
Shadwell
LEEDS
LS17 9JL

BANKERS

Midland Bank Plc
City Branch
P O Box 105
33 Park Row
Leeds
LS1 1LD

D MARSHALL PROPERTIES LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31st March 1997.

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 its profit or loss of the Company for that period. In preparing those financial statements the Directors are required to:-

- a) select suitable accounting policies and then apply them;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) 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 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 BUSINESS REVIEW

The principal activities of the Company, whose income is mainly derived from the letting of its self built properties, continues to be property investment and development. Future growth will be achieved through normal rent reviews.

RESULTS AND DIVIDENDS

The profit for the year, before taxation amounted to £25,151 (1996 £40,686).

The Directors recommend that no dividends should be paid.

INVESTMENT PROPERTIES

The Investment Properties have been revalued by the directors as at 31st March 1995 at £1,334,500 on an existing use basis. The resulting surplus is reflected in the revaluation reserve.

D MARSHALL PROPERTIES LIMITED

DIRECTORS REPORT (continued)

TAXATION STATUS

The Company is a 'Close Company' within the provisions of the Income and Corporation Taxes Act 1970.

DIRECTORS

The members of the board during the year were:-

D Marshall

A D Marshall

DIRECTORS INTEREST IN SHARES OF THE COMPANY

The Directors who held office during the year had the following interest in the Shares of the Company:-

31st March 1997 and 1996

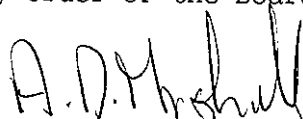
Ordinary Shares of £1 each

	Family Interest	Solely
D Marshall	95	27
A D Marshall	95	23

AUDITORS

The auditors, J Barnes & Co retire and being eligible offer themselves for re-election. A resolution proposing the re-appointment of J Barnes & Co as Auditors of the Company will be put to The Annual General Meeting.

By order of the Board and signed on it's behalf



A D MARSHALL

Director

23rd September 1997

AUDITORS' REPORT TO THE MEMBERS

OF

D MARSHALL PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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 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 as at 31st March 1997 and of its profit for the year then ended and have been prepared in accordance with the Companies Act 1985.

J BARNES & CO

J Barnes

1a KNOWL ROAD
MIDFIELD
WEST YORKSHIRE
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

23rd September 1997

D MARSHALL PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT for the Year Ended 31st March 1997

	Notes	1997		1996	
		£	£	£	£
Turnover	2	185,911		177,894	
Marketing and Selling Costs		2,917		155	
Establishment Costs		50,393		26,909	
Administration Costs		<u>29,748</u>		<u>28,222</u>	
		<u>83,058</u>		<u>55,286</u>	
Operating Profit	3	102,853		122,608	
Interest Payable	5	<u>77,702</u>		<u>81,922</u>	
Profit on ordinary activities before Taxation		25,151		40,686	
Taxation on ordinary activities	6	<u>-</u>		<u>-</u>	
Profit on ordinary activities for the year after taxation	16	£ <u>25,151</u>		£ <u>40,686</u>	
Profit for the financial year		£ <u>25,151</u>		£ <u>40,686</u>	

Continuing and Discontinuing Operations

None of the company's activities were acquired or discontinued during the current or previous year.

Recognised Gains and Losses

The company had no gains or losses other than those above in the current or previous year.

The notes on pages 7 to 11 form part of these financial statements.

D MARSHALL PROPERTIES LIMITED
BALANCE SHEET as at 31st March 1997

	Notes	1997		1996	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Fixed Assets	7		-		-
Investment properties	8		<u>1,334,500</u>		<u>1,334,500</u>
			1,334,500		1,334,500
CURRENT ASSETS					
Debtors	9	23,043		8,550	
Cash at bank and in hand		<u>25</u>		<u>435</u>	
		23,068		8,985	
CURRENT LIABILITIES - CREDITORS:					
Amounts falling due within one year	10	<u>160,909</u>		<u>144,355</u>	
NET CURRENT LIABILITIES			(<u>137,841</u>)		(<u>135,370</u>)
TOTAL ASSETS					
LESS CURRENT LIABILITIES			1,196,659		1,199,130
Less: Creditors - amounts falling due after one year	11	630,507		658,129	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	14	<u>117,134</u>		<u>117,134</u>	
			<u>747,641</u>		<u>775,263</u>
NET ASSETS			£ <u>449,018</u>		£ <u>423,867</u>
CAPITAL AND RESERVES					
Called up Share Capital	15		100		100
Revaluation reserve	16		237,816		237,816
Profit and Loss Account	16		<u>211,102</u>		<u>185,951</u>
Shareholders' Funds	17		£ <u>449,018</u>		£ <u>423,867</u>

Approved by the Board and signed on its behalf

A. D. Marshall

A D MARSHALL

Director

23rd September 1997

The notes on pages 7 to 11 form part of these financial statements.

D MARSHALL PROPERTIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 1997

	Note	1997	1996
		£	£
Net Cash Inflow from Operations	18	78,480	141,305
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest Paid		(<u>77,702</u>)	(<u>81,922</u>)
		778	59,383
Financing		-	-
Increase in Cash	19	£ <u>778</u>	£ <u>59,383</u>

D MARSHALL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

a. BASIS OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention with investment properties stated at valuation and in accordance with applicable accounting standards.

b. INVESTMENT PROPERTIES

All investment properties are to be valued tri annually. The valuations are adopted in the financial statements and the surpluses and deficits are taken to revaluation reserve.

c. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets (excluding investment properties) are stated at cost less depreciation.

In accordance with SSAP19, no depreciation is provided in respect of freehold investment properties. Depreciation is only one of many factors reflected in the tri annual valuation and the amounts which might have been shown cannot be separately identified or quantified. Depreciation is provided on other fixed assets so as to write off the cost of each asset over the anticipated useful life. The following rates have been applied:-

Plant and machinery	20%
Fixtures, fittings and office equipment	20%

d. CAPITALISATION OF INTEREST

During the development period interest on expenditure incurred on the acquisition and refurbishment of freehold investment land and buildings has been capitalised. As the estate has now been completed, interest is set off against the profits for the year as the Directors consider this the more prudent approach.

e. LIABILITY FOR TAXATION ON INVESTMENT PROPERTIES

Provision has been made for taxation on investment properties at the rate of 33% (1996 33%) on the tax that would arise if they were sold at their book value at the balance sheet date.

2. TURNOVER

The whole of the turnover is attributable to the continuing activities of the company.

	1997 £	1996 £
Service Charge	33,484	24,424
Gross rental income payable	<u>152,427</u>	<u>153,470</u>
	£ <u>185,911</u>	£ <u>177,894</u>

3. OPERATING PROFIT

The operating profit is stated after charging

Auditors Remuneration	£ <u>2,500</u>	£ <u>2,500</u>
-----------------------	----------------	----------------

D MARSHALL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

4. STAFF COSTS

The average monthly number of employees by the Company (including Directors) during the year were:-

	1997	1996
	Number	Number
Property management	3	3

The aggregate payroll costs of these employees was Nil (1996 Nil)

5. INTEREST PAYABLE

	1997	1996
	£	£
Bank overdraft interest	900	1,177
Bank loan interest	<u>76,802</u>	<u>80,745</u>
	£ <u>77,702</u>	£ <u>81,922</u>

6. TAXATION ON ORDINARY ACTIVITIES

UK Corporation Tax at 33% (1996 33%)
Current Year

£ - £ -

7. TANGIBLE FIXED ASSETS

	Plant and Machinery £	Fixtures & fittings £	Total £
Cost			
At 1st April 1996	2,760	9,946	12,706
Additions	-	-	-
Disposals	-	-	-
At 31st March 1997	<u>2,760</u>	<u>9,946</u>	<u>12,706</u>
Depreciation			
At 1st April 1996	2,760	9,946	12,706
Charge for the year	-	-	-
Disposals	-	-	-
At 31st March 1997	<u>2,760</u>	<u>9,946</u>	<u>12,706</u>
Net Book Value			
At 31st March 1997	£ -	£ -	£ -
At 31st March 1996	£ -	£ -	£ -

D MARSHALL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

8.	FIXED ASSETS INVESTMENTS	1997 £	1996 £
	At 1st April 1996	1,334,500	1,334,500
	Revaluation	-	-
	At 31st March 1997	£ <u>1,334,500</u>	£ <u>1,334,500</u>
9.	DEBTORS		
	Trade debtors	12,932	4,685
	Other debtors	6,278	-
	Prepayments	<u>3,833</u>	<u>3,865</u>
		£ <u>23,043</u>	£ <u>8,550</u>
10.	CREDITORS - amounts due within one year		
	Bank loan	105,916	105,916
	Bank overdraft	26,434	-
	Other creditors	-	13,786
	Other taxation and Social Security	5,238	5,801
	Directors loans	-	36
	Accruals and payments in advance	<u>23,321</u>	<u>18,816</u>
		£ <u>160,909</u>	£ <u>144,355</u>
11.	CREDITORS - amounts due after one year		
	Bank loan	£ <u>630,507</u>	£ <u>658,129</u>
12.	LOANS		
	Bank loans repayable by instalments	736,423	764,045
	Less payable in one year	<u>105,916</u>	<u>105,916</u>
		£ <u>630,507</u>	£ <u>658,129</u>

The amount shown as repayable in one year is based on the current annualised payments being made by the Company to the bank.

	1997 £	1996 £
Bank Loans Repayable		
Within one year	20,000	20,000
Two-five years	80,000	80,000
Over five years	<u>636,423</u>	<u>664,045</u>
	£ <u>736,423</u>	£ <u>764,045</u>

The amount of bank loans repayable are based on the expected capital repayments which are estimated. The amount of the capital repayment is variable in that it depends on the interest rate charged which fluctuates with bank base rate.

The amount of the loan outstanding attracts interest at a fixed rate of 10.33% until 22nd December 1997.

The bank loan is secured by a floating charge over all the assets of the Company and a fixed charge on the land at Wyther Lane Kirkstall Leeds, dated 3rd June 1987 and a fixed charge over the book debts dated 15th August 1990.

D MARSHALL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

13. PROVISION FOR LIABILITIES AND CHARGES

	1997	1996
DEFERRED TAXATION	£	£
At 1st April 1996	117,134	117,134
Transfer from Revaluation Reserve	-	-
At 31st March 1997	£ <u>117,134</u>	£ <u>117,134</u>

14. DEFERRED TAXATION

The balance at 31st March 1997 is made up as follows-

Tax on Capital Gain on disposal of properties at their net book value at 33% (1996 33%)	£	<u>117,134</u>	£	<u>117,134</u>
---	---	----------------	---	----------------

15. CALLED UP SHARE CAPITAL

Allotted Called Up and Fully paid				
100 ordinary shares of £1 each	£	<u>100</u>	£	<u>100</u>
Authorised				
100,000 ordinary shares of £1 each	£	<u>100,000</u>	£	<u>100,000</u>

16. RESERVES

Revaluation Reserve

The revaluation reserve represents the unrealised surplus which has arisen on the revaluation of investment properties. Movements on this account are as follows:-

At 1st April 1996	237,186	237,186
On revaluation	-	-
At 31st March 1997	£ <u>237,186</u>	£ <u>237,816</u>

Profit and Loss Account

At 1st April 1996	185,951	145,265
Profit for the year	<u>25,151</u>	<u>40,686</u>
At 31st March 1997	£ <u>211,102</u>	£ <u>185,951</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the year attributable to shareholders	<u>25,151</u>	<u>40,686</u>
Net additions to Shareholders' Funds	<u>25,151</u>	<u>40,686</u>
Opening Shareholders' Funds	<u>423,867</u>	<u>383,181</u>
Closing Shareholders' Funds	£ <u>449,018</u>	£ <u>423,867</u>

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATIONS

Operating Profit	102,853	122,608
Decrease/(Increase) in debtors	(14,493)	2,277
(Decrease)/Increase in creditors	(<u>9,880</u>)	<u>16,420</u>
Net Cash Inflow from Operations	£ <u>78,480</u>	£ <u>141,305</u>

D MARSHALL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	1997	1996
	£	£
Increase in cash for the Period	778	59,383
Change in Net Debt	<u>778</u>	<u>59,383</u>
Net Debt at 1st April 1996	(763,610)	(822,993)
Net Debt at 31st March 1997	£ (762,832)	£ (763,610)

ANALYSIS OF CHANGE IN NET DEBT

	Balance	Cash	Other	Balance
	1 April 1996	Flows	Change	31 March 1997
	£	£	£	£
Cash in Hand and at Bank	435	(410)	-	25
Bank Overdraft and Loans	(764,045)	<u>1,188</u>	-	(762,857)
Total	£ (763,610)	£ <u>788</u>	<u>-</u>	£ (762,832)

- 20. FUTURE CAPITAL EXPENDITURE**
The Directors have not made any further contracts for future capital expenditure at the balance sheet date.
- 21. CONTINGENT LIABILITIES**
As far as the Directors are aware there were no material contingent liabilities outstanding at 31st March 1997, other than those entered into in the normal course of business.
- 22. POST BALANCE SHEET EVENTS**
The Directors are not aware of any Post Balance Sheet events other than those in the normal course of business, which have taken place since 31st March 1997, which would materially affect these accounts.
- 23. RELATED PARTY TRANSACTIONS**
During the year the Company paid administrative management charges of £24,000 to Brandon Lane Properties Limited. A company in which Mr A D Marshall has a material interest in the share capital.