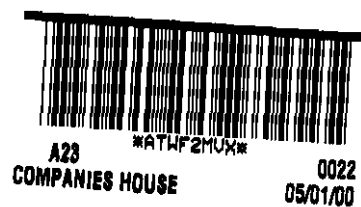


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**Report of the Director and**  
**Financial Statements**  
**for the Year Ended 31 August 1999**  
**for**  
**Quantum Properties Limited**



**Quantum Properties Limited**

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**for the Year Ended 31 August 1999**

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**Quantum Properties Limited**

**Company Information**  
**for the Year Ended 31 August 1999**

**DIRECTOR:** N J Bray

**SECRETARY:** Mrs A Bray

**REGISTERED OFFICE:** St Dennis House  
St Dennis Road  
Malmesbury  
Wiltshire  
SN16 9BH

**REGISTERED NUMBER:** 2232143

**ACCOUNTANTS:** Monahans Ledbury Martin  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wilts SN1 3DR

**Quantum Properties Limited**  
**Report of the Director**  
**for the Year Ended 31 August 1999**

The director presents his report with the financial statements of the company for the year ended 31 August 1999.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property letting, building and conversions.

**REVIEW OF BUSINESS**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 August 1999.

**FIXED ASSETS**

The movements in fixed asset investments during the year are set out in the notes to the financial statements.

This category of fixed assets consists of the costs of construction of the unsold unit at Fairview Court. With effect from 1 September 1990, this unit has been let on a short leasehold basis. In the opinion of the director the current market value of this unit is below that of its cost of £135,640. As a consequence the director had written down this cost to an estimated market value of £75,000 in the year to 31 August 1993. In the opinion of the director there has been an upturn in the property market during the year to justify the increase in market value to £100,000.

**DIRECTOR**

N J Bray was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	<b>31.8.99</b>	<b>1.9.98</b>
Ordinary £1 shares	1,000	1,000

**YEAR 2000**

The company has made an assessment of the risks and uncertainties associated with year 2000 date change. Based on this the director considers that the impact will not be material in the context of the company and no significant courses of action will be required or material costs incurred.

**TAX STATUS**

The director is advised that the company is a "close company" as defined in the Income and Corporation Taxes Act 1988.

**ON BEHALF OF THE BOARD:**



Mrs A Bray - SECRETARY

Dated: 17 November 1999

**Quantum Properties Limited**

**Profit and Loss Account**  
**for the Year Ended 31 August 1999**

		1999	1998
	Notes	£	£
<b>TURNOVER</b>		6,000	6,000
<b>GROSS PROFIT</b>		6,000	6,000
Administrative expenses		937	583
<b>OPERATING PROFIT</b>	3	5,063	5,417
Reversal of revaluation loss on investment property	4	25,000	-
		30,063	5,417
Interest payable and similar charges	5	2,125	2,120
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		27,938	3,297
Tax on profit on ordinary activities	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		27,938	3,297
Deficit brought forward		(207,266)	(210,563)
<b>DEFICIT CARRIED FORWARD</b>		<u>£(179,328)</u>	<u>£(207,266)</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

**Quantum Properties Limited**

**Balance Sheet**  
**31 August 1999**

		1999		1998	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Investments	7		100,000		75,000
<b>CURRENT ASSETS:</b>					
Cash at bank		508		505	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>278,836</u>		<u>281,771</u>	
<b>NET CURRENT LIABILITIES:</b>			<u>(278,328)</u>		<u>(281,266)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£(178,328)</u>		<u>£(206,266)</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	9		1,000		1,000
Profit and loss account			<u>(179,328)</u>		<u>(207,266)</u>
Shareholders' funds	10		<u>£(178,328)</u>		<u>£(206,266)</u>

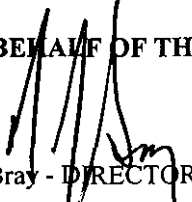
The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 August 1999.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

**ON BEHALF OF THE BOARD:**

  
N J Bray - DIRECTOR

Approved by the Board on 17 November 1999

**Quantum Properties Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 1999**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

**Fundamental Accounting Concept**

The financial statements have been prepared under the going concern concept because the director is of the opinion that the company will continue to meet its liabilities as they fall due.

**Investment property**

The investment property is included within the accounts at market value.

**2. STAFF COSTS**

There were no staff costs for the year ended 31 August 1999 nor for the year ended 31 August 1998.

The average monthly number of employees during the year was as follows:

	1999	1998
Management	1	1
	=	=

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	1999 £	1998 £
Director's emoluments	-	-
	=	=

**4. EXCEPTIONAL ITEM**

During the year the director has reassessed the carrying value of the company's investment property at Fairview Court. Property market conditions are improving and as such it is the opinion of the director that the market value of the investment property is £100,000. As a consequence the carrying value has been increased to this amount with a reversal of a previous recognised revaluation loss of £25,000.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1999 £	1998 £
Other loan interest	2,125	2,120
	=	=

**Quantum Properties Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 1999**

**6. TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 1999 nor for the year ended 31 August 1998.

In accordance with the company's accounting policies, your director considers that no provision for deferred taxation is required.

**7. FIXED ASSET INVESTMENTS**

	£
<b>COST OR VALUATION:</b>	
At 1 September 1998	
and 31 August 1999	135,640
<b>PROVISIONS:</b>	
At 1 September 1998	60,640
Revaluation adjustment	(25,000)
At 31 August 1999	35,640
<b>NET BOOK VALUE:</b>	
At 31 August 1999	100,000
At 31 August 1998	75,000

	1999	1998
	£	£
Unlisted investments	100,000	75,000

This category of fixed assets consists of the costs of construction of the unsold unit at Fairview Court. With effect from 1 September 1990, this unit has been let on a short leasehold basis. In the opinion of the director the current market value is below the cost of £135,640. As a consequence the director had written down this cost to an estimated market value of £75,000 in the year to 31 August 1993. In the opinion of the director there has been an upturn in the property market during the the year to justify the increase in market value to £100,000.

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Directors current account	252,450	255,450
Other creditors	25,000	25,000
V.A.T.	216	256
Accrued expenses	1,170	1,065
	278,836	281,771



**Quantum Properties Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 1999**

**9. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1999 £	1998 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Profit for the financial year	<u>27,938</u>	<u>3,297</u>
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>27,938</b>	<b>3,297</b>
Opening shareholders' funds	<u>(206,266)</u>	<u>(209,563)</u>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b><u>(178,328)</u></b>	<b><u>(206,266)</u></b>
Equity interests	<u>(178,328)</u>	<u>(206,266)</u>

**11. GOING CONCERN**

The company's current liabilities exceeded its current assets by £278,328 at 31 August 1999. Included in current liabilities is an amount due to the director of £252,450. During the year under review the director has decided to waive any interest on this loan. The director has confirmed that these funds will not be withdrawn in the normal course of business, and as such the financial statements have been prepared on a going concern basis.