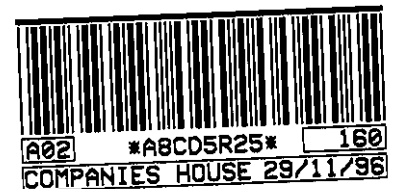


Report of the Director and
Financial Statements
for the Year Ended 31 August 1996
for
Quantum Properties Limited



Quantum Properties Limited

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for the Year Ended 31 August 1996

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Quantum Properties Limited

Company Information
for the Year Ended 31 August 1996

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 1996

The director presents his report with the financial statements of the company for the year ended 31 August 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property 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.

Prior to this accounting period the company built four units, known as Fairview Court. Three of these units have been sold. One unit remains unsold and has been let on a short leasehold basis.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 1996.

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 1st September 1990, this unit was 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 has 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 no significant upturn in the property market to justify a revaluation.

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:

	31.8.96	1.9.95
Ordinary £1 shares	1,000	1,000

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: 11 November 1996



Quantum Properties Limited

Profit and Loss Account
for the Year Ended 31 August 1996

		1996	1995
	Notes	£	£
TURNOVER	2	6,300	6,300
GROSS PROFIT		6,300	6,300
Administrative expenses		687	907
OPERATING PROFIT	4	5,613	5,393
Interest payable and similar charges	5	1,071	2,124
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,542	3,269
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		4,542	3,269
Deficit brought forward		(217,368)	(220,637)
DEFICIT CARRIED FORWARD		£(212,826)	£(217,368)

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 1996

		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS:					
Investments	7		75,000		75,000
CURRENT ASSETS:					
Cash at bank		3,318		1,846	
CREDITORS: Amounts falling due within one year	8	<u>290,144</u>		<u>293,214</u>	
NET CURRENT LIABILITIES:			<u>(286,826)</u>		<u>(291,368)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(211,826)</u>		<u>£(216,368)</u>
CAPITAL AND RESERVES:					
Called up share capital	9		1,000		1,000
Profit and loss account			<u>(212,826)</u>		<u>(217,368)</u>
Shareholders' funds	10		<u>£(211,826)</u>		<u>£(216,368)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 August 1996.

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 11 November 1996

The notes form part of these financial statements

Quantum Properties Limited

Notes to the Financial Statements for the Year Ended 31 August 1996

1. ACCOUNTING POLICIES

Accounting convention

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

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.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

There were no staff costs for the year ended 31 August 1996 nor for the year ended 31 August 1995.

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

	1996	1995
Management	1	1
	=	=

4. OPERATING PROFIT

The operating profit is stated after charging:

	1996	1995
	£	£
Director's emoluments	-	-
	=	=

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1996	1995
	£	£
Other loan interest	1,071	2,124
	=	=

Quantum Properties Limited

Notes to the Financial Statements
for the Year Ended 31 August 1996

6. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year ended 31 August 1996 nor for the year ended 31 August 1995.

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

7. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 September 1995	
and 31 August 1996	<u>135,640</u>
PROVISIONS:	
At 1 September 1995	
and 31 August 1996	<u>60,640</u>
NET BOOK VALUE:	
At 31 August 1996	<u>£75,000</u>
At 31 August 1995	<u>£75,000</u>
	1996 1995
	£ £
Unlisted investments	<u>75,000</u> <u>75,000</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	£
Directors current account	263,800	266,800
Other creditors	25,000	25,000
Social security & other taxes	268	269
Accrued expenses	1,076	1,145
	<u>290,144</u>	<u>293,214</u>

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1996	1995
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Quantum Properties Limited

Notes to the Financial Statements
for the Year Ended 31 August 1996

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year	4,542	3,269
	<hr/>	<hr/>
NET ADDITION TO SHAREHOLDERS' FUNDS	4,542	3,269
Opening shareholders' funds	(216,368)	(219,637)
	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	(211,826)	(216,368)
	<hr/>	<hr/>
Equity interests	(211,826)	(216,368)
	<hr/>	<hr/>

11. GOING CONCERN

The company's current liabilities exceeded its current assets by £286,726 at 31 August 1996. Included in current liabilities is an amount due to the director of £263,800. During the year under review the director has decided to forego 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.

Quantum Properties Limited

Report of the Accountants to the Director of
Quantum Properties Limited

In accordance with instructions given to us we have prepared the financial statements for the year ended 31 August 1996 set out on pages three to seven from the accounting records and from information and explanations supplied to us by the management of the company.

We have not audited the financial statements. Accordingly, we do not express an audit opinion or any other form of assurance that the accounting records and the financial statements are free from material misstatement.

Monahans Ledbury Martin

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

Dated: 11 November 1996