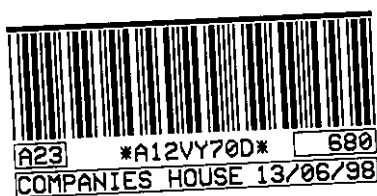


QUESTSUN LIMITED AND ITS SUBSIDIARY  
Company Number 2256197

FINANCIAL STATEMENTS  
for the year ended  
31 DECEMBER 1997



QUESTSUN LIMITED AND ITS SUBSIDIARY

Report of the directors  
for the year ended 31 December 1997

1 The directors present their report and financial statements for the year ended 31 December 1997.

Principal activities and review of business

2 The principal activity of the company is a joint venture property development relating to premises at Lincoln Road, High Wycombe, Buckinghamshire.

Dividends

3 The directors do not recommend payment of a dividend for the year ended 31 December 1997 (1996: Nil).

Directors

4 The members of the board during the year were:-

D R Sayer FRICS ACI Arb

.Close company provisions

5 In the opinion of the directors the company is a close company within the meaning of section 414 of the Income and Corporation Taxes Act 1988.


Directors' interests

6 No director had any interest in the shares of the company at any time during the year.

Auditors

7 A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



R Barraclough  
Secretary, 17<sup>th</sup> March 1998

Report of the auditors to the members of  
QUESTSUN LIMITED AND ITS SUBSIDIARY

We have audited the financial statements on pages 4 to 13.

**Respective responsibilities of directors and auditors**

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 the group as at the end of the financial year and of the profit or loss for the group 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 and prepare the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

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.

**Fundamental Uncertainty**

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the preparation of the financial statements on a going concern basis. Details of the circumstances relating to the fundamental uncertainty are described in Note 14. Our opinion is not qualified in this respect.

Report of the auditors to the members of  
QUESTSUN LIMITED AND ITS SUBSIDIARY continued

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand.*  
COOPERS & LYBRAND

Chartered Accountants & Registered Auditors  
LONDON, 17<sup>th</sup> March 1998

QUESTSUN LIMITED AND ITS SUBSIDIARY

Consolidated profit and loss account  
for the year ended 31 December 1997

	Notes	1997 £	1996 £
TURNOVER - Rental income	1	450,694	422,861
Cost of sales		-	(500,000)
GROSS PROFIT/(LOSS)		450,694	(77,139)
Development value write down		-	(300,000)
Administrative expenses		(301,297)	(297,825)
OPERATING PROFIT/(LOSS)		149,397	(674,964)
Interest receivable	2	2,054	1,529
Interest payable	2	(133,035)	(117,832)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	18,416	(791,267)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	3	-	130,277
Retained profit/(loss) for the year		18,416	(660,990)
Retained loss bought forward		(4,849,853)	(4,188,863)
RETAINED LOSS CARRIED FORWARD		£(4,831,437)	£(4,849,853)

All of the group's activities are continuing operations.

There were no recognised gains and losses in the year other than those shown in the profit and loss account.

There is no difference between the result shown in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 7 to 13 form part of these financial statements.

QUESTSUN LIMITED AND ITS SUBSIDIARYConsolidated balance sheet - 31 December 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>56,441</u>	<u>67,810</u>
<b>CURRENT ASSETS</b>			
Developments		1,250,000	1,250,000
Debtors	6	121,419	204,387
Cash in bank and in hand		<u>70,092</u>	<u>19,186</u>
		1,441,511	1,473,573
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(4,862,623)</u>	<u>(4,691,136)</u>
<b>Net current liabilities</b>		<u>(3,421,112)</u>	<u>(3,217,563)</u>
<b>Total assets less current liabilities</b>		(3,364,671)	(3,149,753)
<b>CREDITORS: amounts falling due after on year</b>	8	<u>£(1,466,666)</u>	<u>(1,700,000)</u>
		<u>£(4,831,337)</u>	<u>£(4,849,753)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		<u>(4,831,437)</u>	<u>(4,849,853)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	11	<u>£(4,831,337)</u>	<u>£(4,849,753)</u>

Approved by the board on 17<sup>th</sup> March 1998 and signed on its behalf by

D R Sayer     Director

The notes on pages 7 to 13 form part of these financial statements.

QUESTSUN LIMITEDBalance sheet - 31 December 1997

	Notes	<u>1997</u> £	<u>1996</u> £
<b>FIXED ASSETS</b>			
Investments	5	<u>2</u>	<u>2</u>
<b>CURRENT ASSETS</b>			
Developments	1	1,250,000	1,250,000
Debtors	6	-	728,203
Cash at bank and in hand		<u>-</u>	<u>492</u>
		1,250,000	1,978,695
CREDITORS: amounts falling due within one year	7	<u>(4,700,882)</u>	<u>(4,564,589)</u>
Net current liabilities		<u>(3,450,882)</u>	<u>(2,585,894)</u>
Total assets less current liabilities		(3,450,880)	(2,585,892)
CREDITORS: amounts falling due after one year	8	<u>(1,466,666)</u>	<u>(1,700,000)</u>
		<u>(4,917,546)</u>	<u>£(4,285,892)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		<u>(4,917,646)</u>	<u>(4,285,992)</u>
TOTAL SHAREHOLDERS' FUNDS	11	<u>(4,917,546)</u>	<u>£(4,285,892)</u>

Approved by the board on 17th March 1998 and signed on its behalf by

D R Sayer

Director

The notes on pages 7 to 13 form part of these financial statements.

## QUESTSUN LIMITED AND ITS SUBSIDIARY

### Notes to the financial statements - 31 December 1997

#### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements:

##### (a) Basis of accounting

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

The company has used its exemption under Section 230 of the Companies Act 1985 from disclosing its profit and loss account. The loss after tax for the year dealt with in the accounts of the company was £631,654 (1996: £669,723).

##### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary at 31 December 1997. Transactions between the companies within the group are eliminated.

##### (c) Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:-

Office furniture	10 years
Office equipment	5 years

##### (d) Turnover

Turnover, which represents the value of work completed during the period comprises:-

- (i) the selling value of industrial and commercial developments which have been physically completed and for which contracts for sale have been exchanged; and
- (ii) an adjustment for the net change in development work in progress excluding land.
- (iii) rental income receivable.



# QUESTSUN LIMITED AND ITS SUBSIDIARY

## Notes to the financial statements - 31 December 1997

### (d) Developments

Property developments unsold at the year end are included in the balance sheet under the heading "developments". Individual property developments, which may be at various stages of completion, are valued at the lower of cost and net realisable value. Cost includes the cost of acquiring land and subsequent development expenditure including an appropriate proportion of fixed and variable overheads.

### (f) Cash Flow Statement

The company is not required by Financial Reporting Standard 1 (Revised) to provide a cash flow statement.

### 2 Profit/(loss) before tax

The profit/(loss) before tax is stated after charging/(crediting):-

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation	17,418	16,057
Deposit and other interest receivable	(2,054)	(1,529)
Interest payable on bank borrowings repayable within five year by instalments	<u>133,035</u>	<u>117,832</u>

### 3 Tax credit on profit/(loss) on ordinary activities

	<u>1997</u>	<u>1996</u>
	£	£
UK corporation tax at 31.5% (1996: 33%)	<u>£-</u>	<u>£130,277</u>

No tax charge for the year arises through the utilisation of brought forward losses and losses surrendered by other associated companies for which no payment was required.

QUESTSUN LIMITED AND ITS SUBSIDIARYNotes to the financial statements - 31 December 19974 Tangible fixed assets: consolidated

	<u>Office Furniture</u> £	<u>Office Equipment</u> £	<u>Total</u> £
At 1 January 1997	70,874	56,270	127,144
Additions in year	<u>2,472</u>	<u>3,577</u>	<u>6,049</u>
At 31 December 1997	<u>73,346</u>	<u>59,847</u>	<u>133,193</u>
Depreciation			
At 1 January 1997	36,272	23,062	59,334
Charge for the year	<u>6,931</u>	<u>10,487</u>	<u>17,418</u>
At 31 December 1997	<u>43,203</u>	<u>33,549</u>	<u>76,752</u>
Net book value at 31 December 1997	<u>£30,143</u>	<u>£26,298</u>	<u>£56,441</u>
Net book value at 31 December 1996	<u>£34,602</u>	<u>£33,208</u>	<u>£67,810</u>

5. Investment in subsidiary

	<u>1997</u> £	<u>1996</u> £
Investment in subsidiary	<u>2</u>	<u>2</u>

The Company has one subsidiary, Chancery Court Business Centre Limited, which is incorporated in England and Wales, has a coterminous year end and manages the development at High Wycombe owned by the Company.

QUESTSUN LIMITED AND ITS SUBSIDIARYNotes to the financial statements - 31 December 19976. Debtors

	GROUP		COMPANY	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Trade debtors	43,742	39,269	-	-
Prepayments & accrued income	27,677	34,841		-
Amounts due from subsidiary company	-	-	-	597,926
Amounts owed by shareholder company	50,000		-	
Group loss relief	-	130,277	-	130,277
	<u>£121,419</u>	<u>£204,387</u>	<u>-</u>	<u>£728,203</u>

7. Creditors: amounts falling due within one year

	GROUP		COMPANY	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Bank loans and overdrafts	149,904	-	149,904	-
Trade creditors	15,145	19,235	-	-
Amounts owed to shareholder companies	4,550,978	4,564,589	4,550,978	4,564,589
Other creditors	66,768	52,899	-	-
Other taxes and social security	11,749	12,469	-	-
Accruals & deferred income	68,079	41,944	-	-
	<u>£4,862,623</u>	<u>£4,691,136</u>	<u>£4,700,882</u>	<u>£4,564,589</u>

8 Creditors: amounts falling due after one year

	GROUP		COMPANY	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Bank loan	<u>£1,466,666</u>	<u>£1,700,000</u>	<u>£1,466,666</u>	<u>£1,700,000</u>

The loan is secured on the Group's development property. Interest is payable at a margin over bank base rate.

Bank loans or instalments thereof are repayable as follows:

	GROUP		COMPANY	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Within one year(included in Current liabilities)	116,667	-	116,667	-
Between one and two years	1,466,666	-	1,466,666	-
Between two and five years	-	1,700,000	-	1,700,000
	<u>£1,583,333</u>	<u>£1,700,000</u>	<u>£1,583,333</u>	<u>£1,700,000</u>

# QUESTSUN LIMITED AND ITS SUBSIDIARY

## Notes to the financial statements - 31 December 1997

### 9 Deferred tax

The deferred tax asset not recognised is analysed below:

	GROUP	
	<u>1997</u>	<u>1996</u>
	£	£
Accelerated capital allowances	<u>£14,638</u>	<u>£9,587</u>

### 10 Called up share capital

	GROUP	
	<u>1997</u>	<u>1996</u>
	£	£
Ordinary shares of £1 each		
Authorised	<u>1,000</u>	<u>1,000</u>
100 Allotted, called up and fully paid shares	<u>100</u>	<u>100</u>

### 11 Reconciliation of movements in Shareholders' Funds

	GROUP		COMPANY	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Opening shareholders' funds	(4,849,753)	(4,188,763)	(4,285,892)	(3,616,169)
Profit/(Loss) for the financial year	<u>18,416</u>	<u>(660,990)</u>	<u>(631,654)</u>	<u>(669,723)</u>
Closing Shareholders' Funds	<u>£(4,831,337)</u>	<u>£(4,849,753)</u>	<u>£(4,917,546)</u>	<u>£(4,285,892)</u>

### 12 Directors' emoluments and employee information

The directors received no emoluments from the company during the year (1996:£nil). The company had no employees in the year. (1996: None)

QUESTSUN LIMITED AND ITS SUBSIDIARYNotes to the financial statements - 31 December 199713     Related party transactions

The company is a joint venture the interest in which is equally shared by Try Central Property Limited and Try Mistletoe Properties Limited, both of which are industrial and commercial property companies.

At 31 December 1997, the Company was owed £631,654 by its subsidiary undertaking, Chancery Court Business Centre Limited. This amount has been fully provided against during the year. The company owed £4,550,978 to Try Central Property Limited in respect of funding for interest and other costs. This amount has been fully provided against in the accounts of Try Central property Limited.

14     Going Concern

The accounts have been drawn up on the going concern basis. The directors believe that funds will be provided by the shareholder creditors in the following twelve months. The financial consequences of a forced asset sale in the event that the financial support is withdrawn are not reflected in these accounts.