

242 2033

ACCOUNTANTS REPORT TO THE MEMBERS OF
MAGNUM PROPERTIES (CORBY) LIMITED

We have examined without carrying out an Audit, the Accounts for the year ended 5th. April 1997 set out on pages 2 to 7.

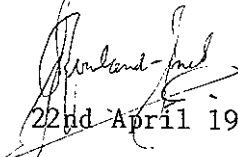
As described on Page 1, the Company's Directors are responsible for the preparation of the Accounts, and they believe that the Company is exempt from an Audit. It is our responsibility to examine the Accounts and, based on our examination, to report our opinion, as set out below to the Shareholders.

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practice Board. This examination consisted of comparing the accounts with the accounting records kept by the Company; and making such limited enquiries of the officers of the Company as we considered necessary for the purpose of this report.

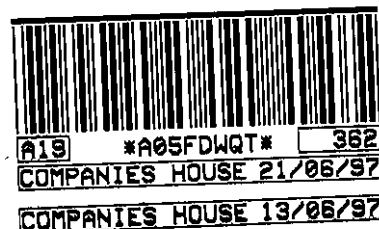
In our Opinion

- (a) The Accounts are in agreement with those accounting records kept by the Company under section 221 of the Companies Act 1985.
- (b) Having regard only to, and on the basis of the information contained in those accounting records, the Accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249(4) of the Act, and
- (c) The Company specified in section 249a(4) of the act as modified by section 249a(5) and did not at any time within that year; fall within any of the categories of the Companies not entitled to the exemption specified in section 249(b).

RUGBY


22nd April 1997

J. Rowland-Jones FSCA.FFCS.FBSC.FInstBA



REPORT OF THE DIRECTORS OF
MAGNUM PROPERTIES (CORBY) LIMITED

The Directors present their Annual Report together with the Accounts for the Year Ended 5th. April 1997.

PRINCIPAL ACTIVITY

The Principal activity of the Company in the year under review was Property Development for the Freehold sale and lease.

RESULTS

The Profit or loss for the year before taxation was (£18252). Full details of the results for the year are set out in the attached Profit and Loss Account leaving a balance to be brought forward of (£1,207,665).

DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of year (1997).

CLOSE COMPANY

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

FIXED ASSETS

The Directors are of the opinion that the open market value of the freehold investment property is less than cost.

DIRECTORS

The Directors in office and their interest in the issued ordinary share capital were as follows:-

| | <u>5 April 1997</u> | <u>5 April 1996</u> |
|----------------|---------------------------|---------------------------|
| | <u>Ordinary shares of</u> | <u>Ordinary Shares of</u> |
| P.J. M. DAVIES | Nil | Nil |

On behalf of the board



P. J. M. DAVIES
DIRECTOR

MAGNUM PROPERTIES (CORBY) LIMITED

Balance Sheet as at 5th. April 1997

| | <u>Notes</u> | <u>1997</u> <u>£</u> | <u>1996</u> <u>£</u> |
|--|-----------------|-------------------------|-------------------------|
| <u>FIXED ASSETS</u> | | | |
| <u>Tangible Assets</u> | 2 | 559632 | 562843 |
| <u>CURRENT ASSETS</u> | | | |
| Debtors and Prepayments | 4 | 18345 | 34002 |
| Cash at Bank and in hand | | = | = |
| | | <u>18345</u> | <u>34002</u> |
| | | ===== | ===== |
| <u>CREDITORS</u> | | | |
| Amounts falling due within one year | 5 | 1685642 | 1862258 |
| | | <u>(1107665)</u> | <u>1089413)</u> |
| | | ===== | ===== |
| <u>CREDITORS</u> | | | |
| Amounts falling due after more than one year | | Nil | Nil |
| | | <u>(1107665)</u> | <u>(1089413)</u> |
| | | ===== | ===== |
| <u>CAPITAL AND RESERVES</u> | | | |
| Nominal Capital - Ordinary Shares of £1 each | | 250000 | 250000 |
| | | <u>250000</u> | <u>250000</u> |
| | | ===== | ===== |
| Called up Share Capital 100,000 Ordinary Shares of £1 each | | 100000 | 100000 |
| | | <u>100000</u> | <u>100000</u> |
| | | ===== | ===== |
| <u>Revenue Account</u> | | | |
| Balance b/f | (1189413) | | |
| <u>ADD</u> Loss for the year | <u>(18252)</u> | (1207665) | (1189413) |
| | | <u>(1107665)</u> | <u>(1089413)</u> |
| | | ===== | ===== |

The Directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small Company.

..... P. J. M. DAVIES DIRECTOR

Approved by the Board

BALANCE SHEET CONTINUED

MAGNUM PROPERTIES (CORBY) LIMITED

Statement by the Directors on the Balance Sheet

In submitting these Accounts the Directors confirm that ;

- (a) For the year ended 5th. April 1997 the Company was entitled to the exemption from Audit conferred by subsection 1 of subsection 249a of the Companies Act 1985.
- (b) No Notice has been deposited under subsection 2 of section 249b of the Companies Act 1985, in relation to its Accounts for the financial year.
- (c) The Directors acknowledge their responsibilities for:
 - 1 Ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - 2 Preparing Accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its Profit or Loss for the financial year in accordance with the requirements of section 226 Companies Act 1985, which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company.


P. J. M. DAVIES
DIRECTOR

MAGNUM PROPERTIES (CORBY) LIMITED

Profit and Loss Account for the Year Ended 5th. April 1997

| | <u>1997</u> <u>£</u> | <u>1996</u> <u>£</u> |
|---------------------------------------|-------------------------|-------------------------|
| Rents Receivable | 60000 | 60000 |
| | ===== | ===== |
| <u>Establishment Costs</u> | 250 | 243 |
| <u>Administration Costs</u> | 184 | 713 |
| <u>Selling and Distribution Costs</u> | = | = |
| <u>Other Operating Costs</u> | 500 | 500 |
| | ----- | ----- |
| | 934 | 1456 |
| | ===== | ===== |
| | 59066 | 58544 |
| <u>Interest Payable</u> | 74107 | 87560 |
| | (15041) | (29016) |
| <u>Depreciation Fixed Assets</u> | 3211 | 4280 |
| | ----- | ----- |
| | (18252) | (33296) |
| | ===== | ===== |

MAGNUM PROPERTIES (CORBY) LIMITED

Notes to the Accounts

5th, April 1997

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The Accounts have been prepared under the historical cost convention on a going concern basis, and in accordance with appropriate standards.

(b) TURNOVER

Turnover represents rents receivable.

(c) TANGIBLE FIXED ASSETS

In accordance with Statement of Standard Accounting Practice No 19 no depreciation or amortisation is provided on the investment property. The exclusion from the financial accounts of depreciation of freehold buildings is a departure from the statutory accounting principles but is regarded by the Directors as necessary to give a true and fair view.

Depreciation is provided, so as to write off the cost of the assets over their estimated useful lives. The following annual rate has been used;-

| | |
|-----------------------|---------------------------|
| Office Equipment | 25% on written down value |
| Fixtures and Fittings | 25% on written down value |

(d) CASH FLOW STATEMENT

The Company is entitled to the exemptions available to small companies under the Companies Act 1985, and therefore no cash flow statement is included in the Accounts.

MAGNUM PROPERTIES (CORBY) LIMITED

Notes to the Accounts (continued)

5th. April 1997

2. Tangible Fixed Assets

| | <u>Office Equip</u> | <u>Fixtures & Fittings</u> | <u>Land & Buildings</u> | <u>Total</u> |
|----------|-------------------------|------------------------------------|---------------------------------|--------------|
| Bals/b/f | 6851 | 46446 | 550000 | 603297 |
| | ===== | ===== | ===== | ===== |

Depreciation

| | | | | |
|------------------------|-------|-------|-------|-------|
| Bals b/f | 5241 | 35213 | == | 40454 |
| Charge for the year | 403 | 2808 | == | 3211 |
| | ===== | ===== | ===== | ===== |
| | 55644 | 38021 | == | 43665 |
| | ===== | ===== | ===== | ===== |

| | | | | |
|----------------------------|-------|-------|--------|--------|
| Book Value as at 5.4.97 | 1207 | 8425 | 550000 | 559632 |
| | ===== | ===== | ===== | ===== |

| | | | | |
|-------------------------|-------|-------|--------|--------|
| Book value as 5.4.96 | 1610 | 11233 | 550000 | 562843 |
| | ===== | ===== | ===== | ===== |

3. STOCKS

The only available stock for re-sale were land and Buildings at date of Balance Sheet.

4. Debtors

| | <u>1997</u> | <u>1996</u> |
|-------------------------------------|-------------|-------------|
| Amounts falling due within one year | | |
| Debtors | 17625 | 33283 |
| Prepayments | 720 | 720 |
| | ===== | ===== |
| | 18345 | 34003 |
| | ===== | ===== |

MAGNUM PROPERTIES (CORBY) LIMITED

Notes to the Accounts (continued)

5th. April 1997

| | | | |
|----|-------------------------------------|----------------|----------------|
| 5. | <u>CREDITORS</u> | <u>1997</u> | <u>1996</u> |
| | Amounts falling due within one year | | |
| | Bank Overdraft | 151642 | 93022 |
| | Bank Loan | 109000 | 109000 |
| | Director's Loan Account | 956435 | 962027 |
| | Trade and Other Creditors | 6392 | 25788 |
| | First National Commercial Bank PLC | 107173 | 141421 |
| | National Westminster Bank PLC | 355000 | 355000 |
| | | <u>1685642</u> | <u>1686258</u> |
| | | ===== | ===== |

| | | | |
|---|---|-------------|-------------|
| 6 | <u>CREDITORS</u> | <u>1997</u> | <u>1996</u> |
| | Amounts falling due after more than one year. | | |
| | | Nil | Nil |
| | | ===== | ===== |

7 DEFERRED TAXATION

No provision is provided to the extent that there is a reasonable possibility that the liability will not arise in the foreseeable future.

8 CALLED UP SHARE CAPITAL

| | <u>Authorised</u> | | <u>Allocated and fully paid</u> | |
|----------------------------|-------------------|-------------|---------------------------------|-------------|
| | <u>1997</u> | <u>1996</u> | <u>1997</u> | <u>1996</u> |
| Ordinary Shares of £1 each | 250,000 | 250,000 | 100,000 | 100,000 |

| | | | |
|---|------------------|-------------|-------------|
| 9 | <u>TURNOVER</u> | <u>1997</u> | <u>1996</u> |
| | Rents receivable | 60,000 | 60,000 |
| | | ===== | ===== |

MAGNUM PROPERTIES (CORBY) LIMITED

Notes to the Accounts (CONTINUED)

5th. April 1997

| | | | |
|----|---|-------------|-------------|
| 10 | Operating Loss on ordinary activities before taxation after charging the following: | <u>1997</u> | <u>1996</u> |
| | Depreciation Fixed Assets | 3211 | 4280 |
| | Auditors Remuneration | 500 | 500 |
| | Director's Remuneration | = | = |
| | | <hr/> | <hr/> |
| | | 3711 | 4780 |
| | | <hr/> | <hr/> |
| 11 | <u>INTEREST PAYABLE</u> | <u>1997</u> | <u>1996</u> |
| | Bank Overdraft | 15550 | 9706 |
| | Loan Interest | 18926 | 30863 |
| | Mortgage Interest | 39631 | 46991 |
| | | <hr/> | <hr/> |
| | | 74107 | 87560 |
| | | <hr/> | <hr/> |
| 12 | <u>STAFF NUMBERS AND COST</u> | <u>1997</u> | <u>1996</u> |
| | The average number of persons employed by the Comapny (excluding Directors) during the year was:- | Nil | Nil |
| | Wages and Salaries | Nil | Nil |
| | Social Security costs | Nil | Nil |
| 13 | <u>DIRECTOR'S EMOLUMENTS</u> | | |
| | Director's remuneration including Social Security | Nil | Nil |

MAGNUM PROPERTIES (CORBY) LIMITED

Detailed Profit and Loss Account for the year Ended 5th. April 1997

NOTE: The page does not form part of the statutory financial statements

MAGNUM PROPERTIES (CORBY) LIMITED

Profit and Loss Account for the year Ended 5th. April 1997

| | | | <u>1997</u> | <u>1996</u> |
|---|--------------|----------|-----------------|-----------------|
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Rents receivable | | 60000 | 60000 | 60000 |
| | | ===== | ===== | ===== |
| <u>ESTABLISHMENT COSTS</u> | | | | |
| Insurances | = | | | |
| Repairs and Renewals | <u>250</u> | 250 | | 243 |
| <u>ADMINISTRATION COSTS</u> | | | | |
| Telephone & Postages | 90 | | | 72 |
| Bank Charges | 94 | | | 107 |
| Legal & Professional | = | | | <u>534</u> |
| | | 184 | | <u>713</u> |
| <u>SELLING AND DISTRIBUTION COSTS</u> | | | | |
| | = | = | | = |
| <u>OTHER OPERATING COSTS</u> | | | | |
| Accountancy | 500 | | | 500 |
| Depreciation Fixed Assets | 3211 | | | 4280 |
| | | 3711 | | <u>4780</u> |
| <u>INTEREST PAYABLE</u> | | | | |
| Bank Interest | 15550 | | | 9706 |
| Loan Interest | 18296 | | | 30863 |
| Mortgage Interest | <u>39631</u> | | | 46991 |
| | | 74107 | | <u>87560</u> |
| | | ===== | | ===== |
| | | | 78252 | 93296 |
| <u>NET PROFIT /LOSSON ORDINARY ACTIVITIES</u> | | | | |
| | | | <u>(18252)</u> | <u>(33296)</u> |

MAGNUM PROPERTIES (CORBY) LIMITED

H. M. Inspector of Taxes
Kettering District
Ref: 360/10538

CORPORATION TAX COMPUTATION

A.P. Year Ended 5th April 1997

Profit/Loss as per Accounts (18252)

ADD Depreciation:

Office Equipment 403

Fixtures and Fittings 2808

3211

(15041)

ADJUSTED PROFIT/LOSS

Less Capital Allowances

3211

(18252)

=====

CAPITAL ALLOWANCES

| | <u>Office Equipment</u> | <u>Fixtures & Fittings</u> | <u>Allowances</u> |
|----------|-----------------------------|------------------------------------|-------------------|
| Bals b/f | 1610 | 11233 | |
| WDA | 403 | 2808 | |
| | <u> </u> | <u> </u> | |
| WDV | 1207 | 8425 | |