

AMSPROP TRADING LIMITED

Report and Financial Statements

30 April 1995

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Sugar
Mrs A Sugar
C T Sandy

SECRETARY

C T Sandy

REGISTERED OFFICE

Brentwood House
169 Kings Road
Brentwood
Essex
CM14 4EF

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1995.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company, is principally engaged in the business of property dealers, developers and managers. There are no planned changes to these activities.

The profit on ordinary activities before taxation for the period amounted to £2,187,052 (1994 - £1,859,951) as shown on page 6.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The profit on ordinary activities after taxation for the period has been transferred to reserves.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

FIXED ASSETS

Details of fixed assets owned during the period are stated in note 8 to the accounts.

DIRECTORS

The directors who held office during the period are listed below:

A M Sugar
Mrs A Sugar
C T Sandy

DIRECTORS' INTERESTS

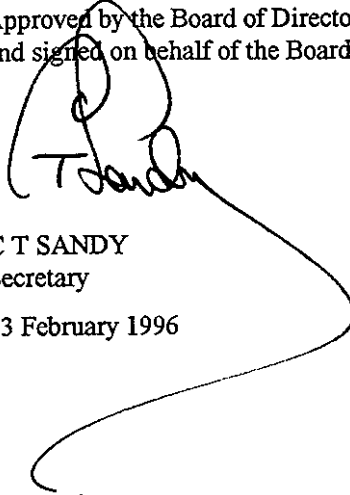
None of the directors who held office at 30 April 1995 had any interests in the shares of the company during the period. All the directors of the company are also directors of the parent company, Amsprop Limited, and their interest in that company's shares are shown in the financial statements of Amsprop Limited. Details of transactions involving Amsprop Limited and its subsidiaries during the period in which the directors had an interest are disclosed in the financial statements of Amsprop Limited.

DIRECTORS' REPORT

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C T SANDY
Secretary

23 February 1996

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 as at the end of the financial year and of the profit or loss of the company 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;
- state whether applicable accounting standards have been followed;
- 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 proper 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. 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.



Chartered Accountants

Deloitte & Touche
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AMSPROP TRADING LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 12 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 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 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

27 February 1996

PROFIT AND LOSS ACCOUNT
Year ended 30 April 1995

	Note	Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
TURNOVER	2	5,695,878	2,988,918
Cost of sales		(2,672,327)	(327,034)
Gross profit		3,023,551	2,661,884
Administrative expenses		(827,327)	(809,194)
OPERATING PROFIT		2,196,224	1,852,690
Interest receivable and similar income		17,502	10,257
Interest payable and similar charges	3	(26,674)	(2,996)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,187,052	1,859,951
Tax on profit on ordinary activities	6	(724,554)	(420,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,462,498	1,439,951
Profit and loss account brought forward		1,439,951	-
Profit and loss account carried forward		2,902,449	1,439,951

There are no recognised gains or losses other than the profit on ordinary activities after taxation shown above.

The results derive from the company's continuing activities.

BALANCE SHEET

30 April 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Investments	7	2	-
Tangible fixed assets	8	114,863	163,069
		<u>114,865</u>	<u>163,069</u>
CURRENT ASSETS			
Dealing stocks		20,786,535	21,316,028
Debtors	9	30,858	151,314
Cash at bank and in hand		350,941	362,054
		<u>21,168,334</u>	<u>21,829,396</u>
CREDITORS: amounts falling due within one year			
Trade creditors		4,958	34,243
Amounts owed to group undertakings - parent and fellow subsidiary undertakings		1,338,313	1,098,557
Other creditors including taxation and social security	10	16,600,158	18,971,374
Accruals and deferred income		437,221	448,240
		<u>18,380,650</u>	<u>20,552,414</u>
NET CURRENT ASSETS		<u>2,787,684</u>	<u>1,276,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,902,549</u>	<u>1,440,051</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		2,902,449	1,439,951
EQUITY SHAREHOLDERS' FUNDS	12	<u>2,902,549</u>	<u>1,440,051</u>

These financial statements were approved by the Board of Directors on 23 February 1996.

Signed on behalf of the Board of Directors

Director

NOTES TO THE ACCOUNTS

Year ended 30 April 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investment

Investments are stated at cost less any provision for a permanent diminution in value.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Office equipment	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

Dealing stocks

Properties held as dealing stocks are included in the balance sheet at the lower of cost and net realisable value. Cost includes appropriate property purchase expenses.

Leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

2. TURNOVER

Turnover comprises rental income receivable by the company and the value of property sales, dilapidation receipts, insurance recoveries and service and management charges. Rents receivable were £2,982,900 (1994 - £2,806,541).

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
Bank loans, overdrafts and other loans repayable within five years	<u>26,674</u>	<u>2,996</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 1995

4. STAFF COSTS

Directors' emoluments amounted to £187,686 (1994 - £170,786). The remuneration of the highest paid director was £105,294 (1994 - £94,715). The remuneration of the other directors was in the following bands:

			Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
£ 15,001	-	£ 20,000	-	1
£ 20,001	-	£ 25,000	1	-
£ 45,001	-	£ 50,000	1	1

The average number of other employees in the period was 6. Their total remuneration was:

	Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
Wages and salaries	152,339	111,271
Social security costs	22,800	10,639
	<u>175,139</u>	<u>121,910</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
Administrative expenses including:		
Depreciation	41,163	42,302
Auditors' remuneration		
- audit fees	3,026	2,937
- non-audit fees	3,180	2,468
Rentals under other operating leases	<u>15,252</u>	<u>15,252</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 1995

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 April 1995 £	Period from 19 March 1993 to 30 April 1994 £
United Kingdom corporation tax at 33% based on the profit for the year	538,016	
Group relief	183,363	420,000
Adjustment in respect of prior year	3,175	-
	<u>724,554</u>	<u>420,000</u>

7. INVESTMENTS

	Participating interests £
Cost	-
At 1 May 1994	2
Additions	<u>2</u>
At 30 April 1995	<u>2</u>

The company owns 50% of the issued ordinary share capital of Amstec Properties Limited and Amsmin Properties Limited which are both registered and operate in England and their principal activities are acting as nominees for the joint venture interests of its share holders. These joint ventures are proportionally consolidated in these accounts.

8. TANGIBLE FIXED ASSETS

	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 May 1994	48,466	218,220	266,686
Additions	7,730	39	7,769
Disposals	-	(27,916)	(27,916)
At 30 April 1995	<u>56,196</u>	<u>190,343</u>	<u>246,539</u>
Depreciation			
At 1 May 1994	13,059	90,558	103,617
Charge for the period	9,638	31,525	41,163
Disposals	-	(13,104)	(13,104)
At 30 April 1995	<u>22,697</u>	<u>108,979</u>	<u>131,676</u>
Net book value			
At 30 April 1995	<u>33,499</u>	<u>81,364</u>	<u>114,863</u>
At 30 April 1994	<u>35,407</u>	<u>127,662</u>	<u>163,069</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1995

9. DEBTORS

	1995 £	1994 £
Trade debtors	5,210	34,723
Amounts owed by group undertakings - parent and fellow subsidiary undertakings	4,027	569
Prepayments, accrued income	21,621	116,022
	<u>30,858</u>	<u>151,314</u>

10. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1995 £	1994 £
Other taxation and social security	646,371	14,306
Director's loan (secured)	15,703,758	18,948,134
Other creditors	250,029	8,934
	<u>16,600,158</u>	<u>18,971,374</u>

The director's loan is interest free, and repayable on demand. It is secured by a fixed and floating charge over the assets of the group.

11. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised, allotted and fully paid: 100 ordinary shares of each	<u>100</u>	<u>100</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	£
Balance at 1 May 1994	1,440,051
Profit retained for the period	<u>1,462,498</u>
At 30 April 1995	<u>2,902,549</u>

13. OPERATING LEASE COMMITMENTS

At 30 April 1995 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £
Leases which expire within two to five years	<u>15,252</u>

NOTES TO THE ACCOUNTS

Year ended 30 April 1995

14. ULTIMATE PARENT UNDERTAKING

At 30 April 1995 the ultimate parent company was Amshold Limited, a company incorporated in Jersey.