

C-2

H 72 75 H,
89

AUDITORS' REPORT

TO THE DIRECTORS OF

JOHN STREET & CO. (SURREY) LIMITED

1/2 -

UNDER PARAGRAPH 10 OF SCHEDULE 8 TO THE COMPANIES ACT, 1985

We have examined the modified accounts set out on pages 2 and 3 which have been properly prepared in accordance with Schedule 8 to the Companies Act 1985. In our opinion, the company satisfies the requirements of Sections 247 to 249 of the Companies Act, 1985 for exemption as a small company for the year ended 31st May 1985.

As auditors of John Street & Co. (Surrey) Limited, on 13th May 1986 we reported to the Members under Section 236 of the Companies Act, 1985 on the Accounts of the Company prepared under Section 227 of the Companies Act, 1985 as follows:

"We have audited the financial statements set out on pages 2 to 5 in accordance with approved Auditing Standards.

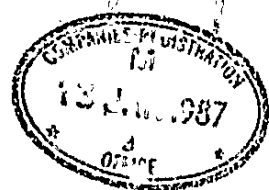
In our opinion the financial statements which have been prepared under the Historical cost Convention, give a true and fair view of the state of the company's affairs at 31st May 1985 and of the result and source and application of funds for the year ended on that date and comply with the Companies Act 1985".

Gordon, Kanter & Co

Charter House,
158 Station Road,
Edgware.
Middlesex, HA8 7BB

Chartered Accountants

13th May 1986



JOHN STREET & CO. (SURREY) LIMITED

BALANCE SHEET AS AT 31ST MAY 1985

	£	1984 £
Fixed Assets		
Tangible Assets	70634	99928
Current Assets		
Debtors and Prepayments	47969	71727
Cash at Bank and in Hand	2570585	1959298
	2618554	2031025
Creditors: Amount Falling Due Within One Year		
Taxation	90445	80148
Bank Overdraft	412238	95629
Sundry Creditors and Accruals	374730	137342
Bank Loan	-	24201
	877413	337320
Net Current Assets	1741141	1693705
Total Assets Less Current Liabilities	1811775	1793693
Creditors: Amount Falling Due After One Year		
Loan From Associated Companies	1528763	1542612
	283012	251081
Capital and Reserves		
Called Up Share Capital (Note 2)	2000	1000
Reserves	281012	250081
Shareholders Interest	283012	251081

The Directors have relied on the exemptions for individual accounts provided by Sections 247 to 249 of the Companies Act 1985 on the basis that John Street & Co. (Surrey) Ltd is entitled to the benefit of these exemptions as a small company.

Approved: Directors

(J. Symons, Esq

(A. Boyd-Phillips, Esq

JOHN STREET & CO. (SURREY) LIMITED

NOTES TO THE MODIFIED ACCOUNTS - 31ST MAY 1985

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost basis.

b) Tangible Assets

	Freehold Property	Freehold Ground Rents	Furniture & Fittings	Motor Vehicles	Total
Cost/Valuation as at 1.6.1984	62654	286	25448	25643	114031
Reductions in Value (22337)	-	-	-	-	(22337)
Additions	-	-	1124	-	1124
Cost/Valuation as at 31.5.1985	40317	286	26572	25643	92818
Depreciation as at 1.6.1984	-	-	5241	8802	14043
Charge for Year	-	-	3931	4210	8141
Depreciation as at 31.5.1985	-	-	9172	13012	22184
Net Book Value as at 31.5.1985	40317	286	17400	12631	70634

Depreciation

Depreciation is provided, on a reducing balance basis at the following annual rates in order to write off the cost of each asset.

Furniture & Fittings	-	15%
Motor Vehicles	-	25%

2. CALLED UP SHARE CAPITAL

	1985 £	1984 £
Authorised		
1000 ordinary shares of £1 each	1000	1000
1000 deferred shares of £1 each	1000	-
Issued and fully paid		
1000 ordinary shares of £1 each	1000	1000
1000 deferred shares of £1 each	1000	-

During the year the existing issued ordinary shares of the company were converted into deferred shares of £1 each and 1000 new ordinary shares of £1 each were allotted and fully paid for cash at par, to effect a re-organisation of the capital structure of the company.