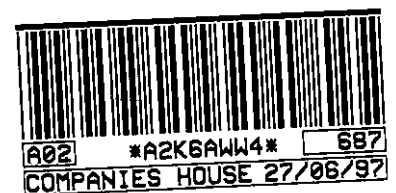


St Aubyn Estates Investments Limited

Directors' report and financial statements

for the year ended **31-Aug-96**

Registered Number 578837



St Aubyn Estates Investments Limited

Directors' report and financial statements

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St Aubyn Estates Investments Limited

Directors' report

The directors present their annual report and the financial statements for the year ended 31-Aug-96 .

Business review

The principal activities of the company are letting accommodation and the management of leasehold properties.

The results for the year are shown on page 5 of the financial statements.

Dividends

The directors propose a nil dividend for the year. (1995: £40,000)

Fixed Assets

Movements of fixed assets during the year are recorded in notes 6 and 7 to these financial statements.

Directors

The Trustees of the St Aubyn Discretionary Trust owns the whole of the issued ordinary share capital of the company. The directors in office during the year were as follows:-

N.F. St Aubyn Esq. (also a Trustee of the St Aubyn Discretionary Trust)

J.P.S. St Aubyn Esq. (also a Trustee of the St Aubyn Discretionary Trust)

The director retiring by rotation, J.P.S. St Aubyn Esq., being eligible offers himself for re-election.

Auditors

Following the removal of the requirement for an annual audit, auditors have not been appointed.

By order of the board

Director



St Aubyn Estates Investments Limited

Statement of directors' responsibilities

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We 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 the financial statements comply with the Companies Act 1985;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Director

E. M. M. M.

St Aubyn Estates Investments Limited

Profit and loss account

for the year ended 31-Aug-96

	Note	1996 £	1995 £
Gross rental income	2	64,815	55,350
Property outgoings		(36,151)	(37,604)
Net rental income		<u>28,664</u>	<u>17,746</u>
Income from shares in group undertakings		0	209,299
Other income	3	2,738	1,799
Net rental and other income		<u>31,402</u>	<u>228,844</u>
Administrative Expenses		(2,631)	(6,965)
Amounts written off investments in subsidiaries		0	(122,049)
Profit on ordinary activities before taxation	4	<u>28,771</u>	<u>99,830</u>
Tax on profit on ordinary activities	5	(6,967)	(3,104)
Profit / (loss) on ordinary activities after tax		<u>21,804</u>	<u>96,726</u>
Proposed dividend		0	(40,000)
Retained profit / (loss) for the financial year		<u>21,804</u>	<u>56,726</u>
Retained profit brought forward		162,501	105,775
Retained profit carried forward		<u>184,305</u>	<u>162,501</u>

There were no acquisitions nor discontinued operations.

	1996 £	1995 £
Statement of total recognised gains and losses		
Profit for the financial year	21,804	96,726
Unrealised surplus on revaluation of investment properties	0	20,750
Introduction of fixed asset investments at valuation	0	11,052
Total gains and losses recognised during the year	<u>21,804</u>	<u>128,528</u>

The notes on pages 8 to 12 form part of these accounts.

St Aubyn Estates Investments Limited

Balance sheet

as at 31-Aug-96

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	6	438,750	417,750
Investments	7	25,400	23,465
		<u>464,150</u>	<u>441,215</u>
Current assets			
Debtors	8	19,921	56,446
Cash at bank		7,998	37,746
		<u>27,919</u>	<u>94,192</u>
Creditors: amounts falling due within one year	9	27,864	93,006
Total assets less current liabilities		<u>464,205</u>	<u>442,401</u>
Capital and reserves			
Called up share capital	10	15,180	15,180
Share premium account		86,820	86,820
Revaluation reserve	11	177,900	177,900
Profit and loss account		184,305	162,501
Equity shareholders' funds		<u>464,205</u>	<u>442,401</u>

The notes on pages 8 to 12 form part of these accounts.

St Aubyn Estates Investments Limited

Balance sheet (continued)

as at 31-Aug-96

In approving these Financial Statements as Directors of the Company,
we hereby confirm:

- a) that for the year ended 31-Aug-96 the Company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the Registered Office of the Company pursuant to Section 249B(2) requesting that an Audit be conducted for the year ended 31-Aug-96 ;
- c) We acknowledge our responsibility for:
 - i) ensuring that the Company keeps accounting records which comply with Section 221;
 - ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at 31-Aug-96 and of its profit for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts so far as applicable to the Company.

These financial statements were approved by the board of directors on 13 June 1997
and were signed on its behalf by:

Director



St Aubyn Estates Investments Limited

Notes *(forming part of the financial statements)*

1. **Principal accounting policies**

The following accounting policies have been applied consistently in dealing with the 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 as amended by the note on investment properties below and the inclusion of certain fixed asset investments at valuation, and in accordance with applicable accounting standards.

b) **Investment properties**

In accordance with Statement of Standard Accounting Practice 19

- i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- ii) no depreciation nor amortisation is provided in respect of freehold investment properties.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified nor quantified.

c) **Depreciation**

Plant has been depreciated on a straight line basis over 4 years.

d) **Repairs and maintenance**

Expenditure on repairs and maintenance is written off against profits in the year in which it is incurred.

e) **Taxation**

Provision is made under the liability method at current taxation rates where the effects of timing differences between profits as stated in the accounts and as computed for taxation purposes are likely to reverse in the foreseeable future and result in a potential tax liability.

f) **Cash flow statement**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

St Aubyn Estates Investments Limited

Notes (continued)

2. Gross rental income

Gross rental income represents rents receivable during the year.

The gross rental income and profit before taxation is attributable to the principal activity of the company and the investment of surplus funds and relates wholly to the United Kingdom.

3. Other income

	1996	1995
	£	£
Bank interest receivable	505	1,028
Investment income	2,138	743
Sundry income	95	28
	<u>2,738</u>	<u>1,799</u>

4. Profit on ordinary activities before taxation

1996	1995
£	£

*Profit on ordinary activities before
taxation is stated after charging*

Auditor's remuneration and expenses	0	1,000
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Staff costs

The only persons employed by the company during the year were the directors and there were no staff nor social security costs.

5. Tax on profit on ordinary activities

1996	1995
£	£

Taxation based on the profit for the year

Corporation tax at 24.0% (1995: 25%)	6,400	2,918
Tax attributable to investment income	428	186
Adjust prior year	139	0
	<u>6,967</u>	<u>3,104</u>

St Aubyn Estates Investments Limited

Notes (continued)

6. Tangible fixed assets

	Freehold properties £	Long leasehold properties £	Total £
<i>Cost or valuation</i>			
At 31 August 1995	113,750	304,000	417,750
Additions	0	21,000	21,000
At 31 August 1996	<u>113,750</u>	<u>325,000</u>	<u>438,750</u>
<i>Net book value</i>			
At 31 August 1996	<u>113,750</u>	<u>325,000</u>	<u>438,750</u>
At 31 August 1995	<u>113,750</u>	<u>304,000</u>	<u>417,750</u>

Freehold and long leasehold land and buildings held as investment properties have been revalued by the directors as at 31 August 1995 on an open market basis. the historic cost of freehold properties is £107,851 and of leasehold properties is £168,014.

7. Investments held as fixed assets

	1996 £	1995 £
Unlisted investments	4,350	4,200
Listed investments - at cost	9,569	8,213
- at valuation	11,481	11,052
	<u>25,400</u>	<u>23,465</u>

At 31 August 1996, the market value of the listed investments shown at cost was £34,967. (1995 : £32,945).

In 1995 listed investments were introduced at market valuation of £11,052. At 31 August 1996 the market value of the listed investments at valuation was £11,706. (1995 £11052)

St Aubyn Estates Investments Limited

Notes (continued)

8. Debtors	1996	1995
	£	£
<i>Amounts falling due between one and five years:</i>		
Loans to lessees	4,572	4,572
<i>Amounts falling due within one year:</i>		
Trade debtors	5,152	27,993
Other debtors	1,349	7,139
Prepayments and accrued income	474	3,717
Advance corporation tax recoverable	7,550	12,750
Corporation tax recoverable	824	275
	<u>19,921</u>	<u>56,446</u>

The loans to lessees are repayable by instalments over five years. Interest is chargeable on the loans at the rate of 9.75% per annum.

9. Creditors: amounts falling due within one year	1996	1995
	£	£
Trade creditors	2,195	13,350
Corporation tax	1,200	2,918
Advanced corporation tax	0	12,750
Other creditors	23,000	11,100
Accruals and deferred income	1,469	1,888
Dividends payable	0	51,000
	<u>27,864</u>	<u>93,006</u>

10. Called up share capital	1996	1995
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	20,000	20,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>15,180</u>	<u>15,180</u>

St Aubyn Estates Investments Limited

Notes (continued)

11. Revaluation reserve	1996	1995
	£	£
At 31 August 1995	177,900	146,098
Unrealised surplus on revaluation of investment properties	0	20,750
Introduction of fixed asset investments at valuation	0	11,052
At 31 August 1996	<u>177,900</u>	<u>177,900</u>
12. Reconciliation of movement in shareholders funds	1996	1995
	£	£
Opening shareholders funds	442,401	353,873
Profit for the financial year	21,804	96,726
Dividend paid	0	(40,000)
Unrealised surplus on revaluation of investment properties	0	20,750
Introduction of fixed asset investments at valuation	0	11,052
Closing shareholders funds	<u>464,205</u>	<u>442,401</u>