

CONVERT PROPERTY INVESTMENTS LIMITED

FINANCIAL STATEMENTS

5th APRIL 1997

Registered number: 610225

ANTRAMS

REPORTING ACCOUNTANTS

BRIGHTON



CONVERT PROPERTY INVESTMENTS LIMITED

FINANCIAL STATEMENTS

for the year ended 5th April 1997

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The following page does not form part of the statutory accounts

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CONVERT PROPERTY INVESTMENTS LIMITED**COMPANY INFORMATION****5th April 1997**

Incorporated in England 26th August 1958

Number 610225

DIRECTOR: P.J. Convert Esq.**SECRETARY:** N.R. Convert Esq.**REGISTERED OFFICE:** Tavern House
1 High Street
Merstham
Surrey RH1 3BA**BANKERS:** Lloyds Bank plc
Butler Place Branch
Caxton Street
Westminster
London SW1H 0PR**ACCOUNTANTS:** Antrams
Norwood House
9 Dyke Road
BRIGHTON
East Sussex BN1 3FE

CONVERT PROPERTY INVESTMENTS LIMITED**DIRECTOR'S REPORT****5th April 1997**

The director presents his report and the financial statements for the year ended 5th April 1997.

Principal activity

The principal activity of the company in the period under review was that of owning and letting property.

Director

The director of the company during the year and his interest in the shares of the company as recorded in the register of directors' interests was as follows:

| | 5th April 1997 Ordinary shares | 6th April 1996 Ordinary shares |
|-------------------|---|---|
| P.J. Convert Esq. | 400 | 500 |

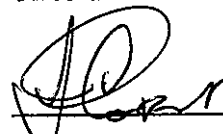
Reporting Accountants

The director considers that for the year ended 5th April 1997 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the director has appointed Antrams as Reporting Accountants.

Small company exemptions

The director's report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



P.J. Convert Esq.
Director

Tavern House
1 High Street
Merstham
Surrey RH1 3BA

Date: 2.4.98



CONVERT PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 5th April 1997

| | Note | 1997 £ | 1996 £ |
|---|------|-----------|-----------|
| Net operating expenses | | | |
| Administrative expenses | | 73,296 | (4,847) |
| Other operating income | | 3,872 | 1,093 |
| | | <hr/> | <hr/> |
| Operating profit/(loss) | 2 | 77,168 | (3,754) |
| Interest payable | | <hr/> | <hr/> |
| | | - | (7) |
| Profit/(loss) on ordinary activities before taxation | | 77,168 | (3,761) |
| Taxation | 3 | <hr/> | <hr/> |
| | | (17,516) | - |
| Profit/(loss) on ordinary activities after taxation | | 59,652 | (3,761) |
| Dividends | | <hr/> | <hr/> |
| | | (12,000) | - |
| Retained profit/(loss) for the year | | <hr/> | <hr/> |
| | | 47,652 | (3,761) |

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains or losses in 1997 or 1996 other than the profit/(loss) for the year.



CONVERT PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

at 5th April 1997

| | Note | £ | 1997 £ | £ | 1996 £ |
|---|------|---------------|---------------|---------------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | - | | 86,889 |
| Current assets | | | | | |
| Debtors | 5 | | - | 4,113 | |
| Cash at bank and in hand | | 84,684 | | 21,549 | |
| | | <u>84,684</u> | | <u>25,662</u> | |
| Creditors: amounts falling due within one year | 6 | (2,121) | | (12,729) | |
| Net current assets | | | 82,563 | | 12,933 |
| Total assets less current liabilities | | | <u>82,563</u> | | <u>99,822</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 1,000 | | 1,000 |
| Revaluation reserve | | | - | | 64,911 |
| Other reserves | | | 53,401 | | 53,401 |
| Profit and loss account | | | <u>28,162</u> | | <u>(19,490)</u> |
| Total shareholders' funds | 8 | | <u>82,563</u> | | <u>99,822</u> |

continued



CONVERT PROPERTY INVESTMENTS LIMITED**BALANCE SHEET**
(continued)

at 5th April 1997

The director considers that for the year ended 5th April 1997 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under section 249B(2) of the Act.

The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 7 were approved by the board of directors on 28.12.98 and were signed on its behalf by:



R.J. Convert Esq.
Director

CONVERT PROPERTY INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

| | |
|-------------------------------------|-----------------------|
| Furniture furnishings and equipment | 15% on net book value |
| Motor vehicles | 25% on net book value |

Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

Investment property

Property held for investment potential is not subject to periodic charges for depreciation and is included in the balance sheet at open market valuation. Changes in value are included as a movement in the investment revaluation reserve. In accordance with SSAP 19, the investment property has been revalued and the aggregate surplus or deficit transferred to a revaluation reserve. Depreciation is not provided on such freehold investment properties. This is not in accordance with the Companies Act 1985 but the directors are of the opinion that this accounting policy results in the financial statements giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

2 Operating profit/(loss)

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| Operating profit/(loss) is stated after crediting | | |
| Profit on sale of assets | 74,773 | - |
| and after charging | | |
| Loss on sale of assets | 2,388 | - |
| Depreciation of tangible fixed assets | | |
| Owned assets (Note 3) | - | 2,153 |

3 Taxation

| | 1997 £ | 1996 £ |
|---------------------------------------|-----------|-----------|
| Irrecoverable Advance Corporation Tax | 17,516 | - |



CONVERT PROPERTY INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1997

4 Tangible fixed assets

| | Motor Vehicles £ | Plant and Machinery £ | Investment Property £ | Total £ |
|-------------------------------|------------------------|--------------------------------|-----------------------------|------------|
| Cost or valuation | | | | |
| At 6 th April 1996 | 9,100 | 5,280 | 80,000 | 94,380 |
| Disposals | (9,100) | (5,280) | (80,000) | (94,380) |
| 5th April 1997 | - | - | - | - |
| Depreciation | | | | |
| 6th April 1996 | 3,128 | 4,364 | - | 7,492 |
| Disposals | (3,128) | (4,364) | - | (7,492) |
| 5th April 1997 | - | - | - | - |
| Net book amount | | | | |
| 5th April 1997 | - | - | - | - |
| 6th April 1996 | 5,972 | 917 | 80,000 | 86,889 |

5 Debtors

| | 1997 £ | 1996 £ |
|--|-----------|-----------|
| Amounts falling due within one year | | |
| Other debtors | - | 4,113 |
| | - | 4,113 |

6 Creditors: amounts falling due within one year

| | 1997 £ | 1996 £ |
|-----------------|-----------|-----------|
| Other Creditors | 2,122 | 12,729 |



CONVERT PROPERTY INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS

5th April 1997

7 Called up share capital

| | 1997 | | 1996 | |
|--|------------------------|--------------|------------------------|--------------|
| | Ordinary Shares | | Ordinary Shares | |
| | Number | £ | Number | £ |
| Authorised | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |
| Allotted called up and fully paid | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

8 Reconciliation of movements in shareholders' funds

| | 1997 | 1996 |
|---|-----------------|-----------------|
| | £ | £ |
| Profit/(loss) for the financial year | 59,652 | (3,761) |
| Dividends | <u>(12,000)</u> | <u>-</u> |
| | 47,652 | (3,761) |
| Other recognised losses in the year | <u>(64,911)</u> | <u>(40,000)</u> |
| | (17,259) | (43,763) |
| Net subtraction from shareholders' funds | (17,259) | (43,763) |
| Opening shareholders' funds | 99,822 | 143,585 |
| Closing shareholders' funds (attributable to equity interests) | <u>82,563</u> | <u>99,822</u> |



CONVERT PROPERTY INVESTMENTS LIMITED

ACCOUNTANTS' REPORT

**Accountants' report to the members
on the unaudited financial statements of
Convert Property Investments Limited**

In accordance with instructions given to us we have prepared financial statements for the company for the year ended 5th April 1997 according to the accounting provisions of the Companies Act 1985.

The directors of the company have confirmed that the company is totally exempt from the audit requirement under the provisions of section 249A(1) of the Companies Act 1985, and as a result we have not carried out an audit.

The financial statements on pages 3 to 7 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the directors.

Antrams

ANTRAMS
Reporting Accountants

Norwood House
9 Dyke Road
BRIGHTON
East Sussex BN1 3FE

Date: 6.4.98

