

REG OF COMPANIES

REGISTERED NUMBER:
01066899 England and Wales

DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 1997



THOMAS DAVID

Chartered Accountants

THOMAS DAVID

- Chartered Accountants -

AUDITORS' REPORT TO DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the full statutory accounts of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 7th October 1998 we reported as auditors to the shareholders of the company on the full statutory accounts prepared under section 226 of the Companies Act 1985 and our audit report under section 235 of the Companies Act 1985 was as follows:

"We have audited the accounts on pages 4 to 8 which have been prepared in accordance with the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts and to report our opinion to you.

AUDITORS' REPORT TO DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985 (continued)

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

As explained in note 1, the company's investment properties have not been included in the accounts at their open market value as required by Statement of Standard Accounting Practice No. 19. However, the market value of the properties as advised by the directors is stated in note 6 to the accounts. The effect of this treatment is to reduce the value of the investment properties shown in the accounts by £2,898,359 and this amount is therefore not included as a revaluation reserve.

Except for the failure to include the company's investment properties at open market value, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Thomas David

THOMAS DAVID

CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

Mercer House
10 Watermark Way
Hertford
Hertfordshire

7th October 1998

DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET - 31ST DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	2.	3,360,734	3,336,690
CURRENT ASSETS			
Debtors		21,110	43,810
Cash at bank		1,394,640	995,594
		<u>1,415,750</u>	<u>1,039,404</u>
CREDITORS: amounts falling due within one year	3.	319,104	307,781
NET CURRENT ASSETS		<u>1,096,646</u>	<u>731,623</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,457,380</u>	<u>4,068,313</u>
CREDITORS: amounts falling due after more than one year	3.	567,832	567,832
NET ASSETS		<u>£3,889,548</u>	<u>£3,500,481</u>
CAPITAL AND RESERVES			
Called up share capital	4.	200	200
Profit and loss account		3,889,348	3,500,281
SHAREHOLDERS' FUNDS		<u>£3,889,548</u>	<u>£3,500,481</u>

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

Signed on behalf of the
Board of Directors


 DIRECTOR
 D. A. MOODY

Approved by the Board: 7th October 1998

The notes on pages 4 and 5 form part of these accounts.

DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Rent receivable

This comprises the value of rent receivable on investment properties in the normal course of business.

(c) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Motor vehicle - 20% on cost

No depreciation is provided on the company's investment properties because, as stated in note 2 to these accounts, their market value is substantially in excess of the cost shown on the balance sheet. This represents a departure from the Companies Act 1985 requirements to provide for the systematic annual depreciation of fixed assets. However, these properties are held for investment, rather than consumption, and the directors consider that the adoption of the above policy is necessary to give a true and fair view.

2. TANGIBLE FIXED ASSETS

	<u>Motor vehicles</u>	<u>Investment properties</u>	<u>Total</u>
Cost			
1st January 1997	17,000	3,329,890	3,346,890
Additions	30,555	3,000	33,555
31st December 1997	£ 47,555	3,332,890	3,380,445
Depreciation			
1st January 1997	10,200	-	10,200
Charge for year	9,511	-	9,511
31st December 1997	£ 19,711	-	19,711
Net book values			
31st December 1997	£ 27,844	3,332,890	3,360,734
31st December 1996	£ 6,800	3,329,890	3,336,690

The directors consider that the market value of the company's investment properties at 31st December 1997 is £6,231,249. No tax liability would arise if the properties were to be sold at this valuation.

DONALD MOODY INVESTMENTS & DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1997

3.	CREDITORS:	<u>1997</u>	<u>1996</u>
	Creditors include the following:-		
	Bank loan - repayable between 2-5 years,		
	not by instalments (secured)	£ 567,832	£ 567,832
		=====	=====
4.	CALLED UP SHARE CAPITAL	<u>1997</u>	<u>1996</u>
	Authorised, allotted, issued and fully paid:		
	200 ordinary shares of £1 each	£ 200	£ 200
		=====	=====