

**AUDITORS' REPORT TO IMPERIAL SQUARE DEVELOPMENTS LIMITED**

**PURSUANT TO  
PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Imperial Square Developments Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 April 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 April 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

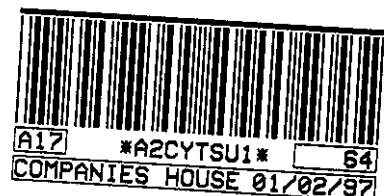
**Other information**

On 27 January 1997 we reported, as auditors of Imperial Square Developments Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 April 1996, and our report was as follows:

"We have audited the financial statements on pages 4 to 11.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the 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.



**AUDITORS' REPORT TO  
IMPERIAL SQUARE DEVELOPMENTS LIMITED (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 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 mis-statement, 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

  
**HAZLEWOODS**

**Registered Auditors**

Cheltenham

27 January 1997

# IMPERIAL SQUARE DEVELOPMENTS LIMITED

## BALANCE SHEET

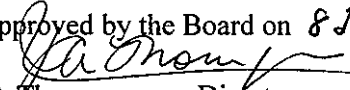
30 April 1996

<b>FIXED ASSETS</b>	<b>Note</b>	<b>1996</b>	<b>1995</b>
Tangible assets	2	37,154	29,691
<b>CURRENT ASSETS</b>			
Stocks		-	578,009
Debtors		119,285	125,116
Cash at bank and in hand		10,658	60,313
		129,943	763,438
<b>CREDITORS</b>			
due within one year	3	151,929	733,110
		(21,986)	30,328
<b>NET CURRENT (LIABILITIES) ASSETS</b>			
<b>TOTAL ASSETS LESS</b>			
<b>CURRENT LIABILITIES</b>		15,168	60,019
<b>PROVISIONS FOR LIABILITIES</b>		14,000	30,500
<b>AND CHARGES</b>			
		£ 1,168	£ 29,519
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100	100
Profit and loss account		1,068	29,419
<b>SHAREHOLDERS' FUNDS</b>		£ 1,168	£ 29,519

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985.

Advantage has been taken, in the preparation of the accounts, of the exemptions conferred by Part I of Schedule 8 to the Act.

In the opinion of the directors the company is entitled to the exemptions conferred by Schedule 8 to the Act on the basis that it qualifies as a small company under Section 247 of the Act.

Approved by the Board on 8 JAN 1997  
  
 J A Thompson - Director

# **IMPERIAL SQUARE DEVELOPMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

for the year ended 30 April 1996

### **1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

#### **Turnover**

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

#### **Depreciation**

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum:

Office equipment	15% of written down value
Motor vehicles	25% of written down value

#### **Stocks**

Stocks and work in progress other than long term contracts are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

#### **Long Term Contracts**

Profit from long term contracts is taken to the profit and loss account as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit is calculated to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover from long term contracts is calculated as the proportion of total contract value which costs incurred to date bear, to total expected costs for that contract.

Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen. Long term contract work in progress is shown at net cost after deducting foreseeable losses and payments on account.

#### **Deferred Taxation**

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

# IMPERIAL SQUARE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS

for the year ended 30 April 1996

### 1 ACCOUNTING POLICIES (Continued)

#### Hire Purchase And Finance Leases

Assets acquired under hire purchase and finance leases are recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability is included under creditors due within or after one year. The interest element is charged to profit and loss account and represents a constant proportion of the balance of capital repayments outstanding.

### 2 TANGIBLE FIXED ASSETS

<b>Cost</b>	<b>Total</b>
At 1 May 1995	53,210
Additions	41,868
Disposals	(37,658)
	<hr/>
At 30 April 1996	£ 57,420
	<hr/>
<b>Depreciation</b>	
At 1 May 1995	23,519
Charge for year	11,457
Disposals	(14,710)
	<hr/>
At 30 April 1996	20,266
	<hr/>
<b>Net book value</b>	
At 30 April 1996	£ 37,154
	<hr/> <hr/>
At 30 April 1995	£29,691
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# IMPERIAL SQUARE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS

for the year ended 30 April 1996

### 3 CREDITORS

	1996	1995
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Creditors include the following borrowings:

Bank overdraft	16,896	-
Hire purchase and finance lease obligations	-	£ 5,400
	<u>          </u>	<u>          </u>

### 4 SHARE CAPITAL

#### Authorised:

Ordinary shares of £1 each	£ 50,000	£ 50,000
	<u>          </u>	<u>          </u>

#### Allotted and fully paid:

Ordinary shares of £1 each	£ 100	£ 100
	<u>          </u>	<u>          </u>

### 5 RELATED PARTY TRANSACTIONS

During the year the company traded with Cawale Properties Limited, a company under the common control of the directors.

Management charge	£ 12,000	£ 60,000
	<u>          </u>	<u>          </u>

At the year end the company had a loan due from Imperial Square Developments (Hoxton) Limited, a company under the common control of the directors. This amounted to £69,975 and is interest free with no fixed repayment terms.

At the year end the company owed £121,416 to Cawale Properties Limited, a company under the common control of the directors. Again, this loan was interest free with no fixed repayment terms.