

PUTNEY HILL INVESTMENTS LIMITED
ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1998

I N D E X

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164A Station Road,
Addlestone,
Surrey KT15 2BD

C.R. WELHAM
Chartered Accountant

14th October 1998

Company No. 1848057



PUTNEY HILL INVESTMENTS LIMITED

REPORT OF THE DIRECTOR

The director presents his report and the accounts of the company for the year ended 31st March 1998.

Principal Activity

The principal activity during the year was property investment.

Director and his Interest

The director and his interest in the shares of the company at the beginning and end of the year was as follows:

Ordinary Shares of £1 each

R.W. Francis

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Director's Responsibilities

Company law requires the director to prepare accounts for each financial year 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 the profit or loss of the company for that year. In preparing those accounts, the director is required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Acts. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

322 Upper Richmond Road,
London SW15 6TL

14th October 1998


R.W. Francis - Director

PUTNEY HILL INVESTMENTS LIMITEDBALANCE SHEET31st MARCH 1998

<u>31.3.97</u>		<u>Note</u>	
	<u>FIXED ASSET</u>		
<u>175000</u>	Tangible asset	2	175000
	<u>CURRENT ASSETS</u>		
6321	Sundry debtors	3	12624
26706	Loan - associated company	4	26706
23745	Cash at bank		<u>5125</u>
<u>56772</u>			<u>44455</u>
	<u>Less: CREDITORS - amounts falling due within one year:</u>		
	Bank loan (secured) - current instalments	5	4200
4200			824
1206	Trade creditors		3306
3154	Corporation tax		<u>36087</u>
<u>36087</u>	Loan account - associated company	4	<u>44417</u>
<u>44647</u>			
<u>12125</u>	<u>NET CURRENT ASSETS</u>		<u>38</u>
	<u>TOTAL ASSETS LESS</u>		
187125	<u>CURRENT LIABILITIES</u>		175038
	<u>CREDITORS - amounts falling due after more than one year:</u>		
	Bank loan (secured)	5	<u>8350</u>
<u>32550</u>			<u>£166688</u>
<u>£154575</u>			
	<u>CAPITAL AND RESERVES</u>		
100	Called up share capital	6	100
53052	Revaluation reserve	7	53052
101423	Profit and loss account		<u>113536</u>
<u>£154575</u>	Shareholders' funds	8	<u>£166688</u>

In approving these financial statements as director of the company I hereby confirm:

- a) that for the year to 31st March 1998 the company was entitled to the exemption conferred by subsection 1 of section 249A of the Companies Act 1985.
- b) that no notice has been deposited under subsection 2 of section 249B in relation to the accounts for the year.
- c) that the director acknowledges his responsibility for:
 - i) ensuring that the company keep accounting records which comply with Section 221 of the Act.
 - ii) preparing accounts 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 profit or 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 accounts, so far as applicable to the company.

(Continued)

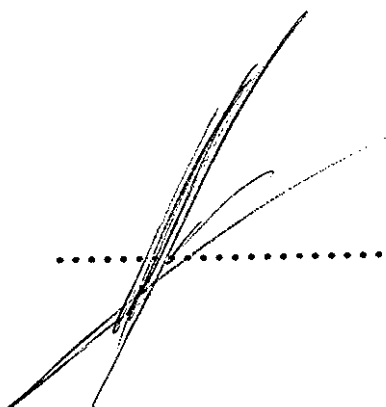
PUTNEY HILL INVESTMENTS LIMITED

BALANCE SHEET (Continued)

31st MARCH 1998

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

The accounts were approved by the board on 14th October 1998.

A handwritten signature in dark ink, consisting of several overlapping, sweeping strokes that form a stylized, somewhat abstract shape. The signature is positioned to the left of a dotted line.

..... R.W. Francis - Director

PUTNEY HILL INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1998

<u>Year to</u> <u>31.3.97</u>		<u>Note</u>	
<u>20100</u>	<u>TURNOVER/GROSS PROFIT</u>	9	<u>20100</u>
	<u>ADMINISTRATIVE EXPENSES</u>		
2461	Professional fees		1153
705	Accountancy charges		734
945	Rates		945
69	Bank charges		60
30	Sundries		15
<u>4210</u>			<u>2907</u>
	<u>Less: Other operating income:</u>		
567	Bank deposit interest		594
<u>3643</u>			<u>2313</u>
16457	<u>OPERATING PROFIT</u>		17787
<u>3316</u>	Interest payable and similar charges		<u>2368</u>
	<u>PROFIT ON ORDINARY ACTIVITIES</u>		
13141	<u>BEFORE TAXATION</u>	9	15419
<u>3154</u>	Tax on profit on ordinary activities		<u>3306</u>
	<u>PROFIT ON ORDINARY ACTIVITIES</u>		
<u>£ 9987</u>	<u>AFTER TAXATION</u>		<u>£12113</u>

The company had no recognised gains or losses during the two year period ended 31st March 1998 other than those shown above.

None of the company's activities were acquired or discontinued during the above two year period.

PUTNEY HILL INVESTMENTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st MARCH 19981. ACCOUNTING POLICIES

- i) The accounts are prepared under the historical cost convention with the exception of freehold property which is included at current market value.
- ii) In accordance with current accounting practice no provision for depreciation is required against the company's investment property.
- iii) The company has taken advantage of the exemptions contained in Financial Reporting Standard No. 1 from preparing a cashflow statement on the grounds that it is a small company.

2. TANGIBLE FIXED ASSETCost or ValuationFreehold Property

As at 1.4.97/31.3.98

£175000

Particulars relating to this asset are given below:

	<u>1998</u>	<u>1997</u>
Historical cost (1984)	121948	121948
1997 revaluation	<u>53052</u>	<u>53052</u>
	<u>£175000</u>	<u>£175000</u>
Cumulative depreciation not provided (based on an estimated useful life of 50 years) -		
on revaluation	£49000	£45500
on historical cost	£34142	£31704

3. DEBTORS

	<u>1998</u>	<u>1997</u>
Trade debtors	<u>£12624</u>	<u>£6321</u>

4. LOANS - ASSOCIATED COMPANIES

The loan accounts with the associated companies, Stanbridge Management Limited and Lansdown Property Holdings Limited, are interest-free and have no set date for repayment.

5. BANK LOAN

The long-term loan bears interest at the rate of 2½% over Bank Base Rate and is repayable by quarterly instalments of £1050. The loan is secured on the freehold investment property. Amounts totalling nil (1997 £15750) fall due after five years.

6. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted and Issued</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

PUTNEY HILL INVESTMENTS LIMITEDNOTES TO THE ACCOUNTS (Continued)7. REVALUATION RESERVE

The revaluation reserve relates to an increase in the market value of the freehold property based on a recent professional valuation made by J.C. Francis. Capital gains tax at the rate of 21% would be payable on this surplus should the property be disposed of by the company.

8. SHAREHOLDERS' FUNDS

The movement on shareholders' funds may be reconciled as follows:

	<u>1998</u>	<u>1997</u>
Funds at 1.4.97	154575	129588
Net profit for year	12113	9987
Property revaluation in year	<u>-</u>	<u>15000</u>
Funds at 31.3.98	<u><u>£166688</u></u>	<u><u>£154575</u></u>

9. TURNOVER AND PROFIT

Turnover represents the total amount of rents receivable from the letting of the company's investment property. The turnover and pre-tax profit are attributable to the one activity stated in the report of the director.

10. RELATED PARTIES

There are no related party transactions requiring disclosure.