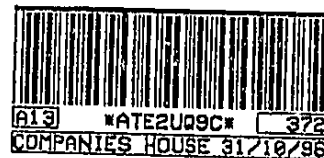


10 - 11 - 96

Itemtrump Limited

Report and financial statements

31 December 1995



Company Number : 2119703

Itemtrump Limited

Directors:

R G Day

A R Hillman

A A Kerr

P R Cushen

N A Le Quesne

Secretary:

Practor Management Limited

Auditors:

KPMG

Chartered Accountants

Registered office:

49 Mount Street
London
W1Y 4RE

Itemtrump Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 1995.

The company is a wholly owned subsidiary of Princes Court Limited, a company registered in Jersey, Channel Islands.

Activities

The principal activity of the company is property investment.

Results

The results for the year are shown in the profit and loss account on page 5.

Dividend

The directors do not recommend the payment of a dividend (year ended 31 December 1994: Nil).

Directors

The directors of the company during the period are as stated on page 1, except for N A Le Quesne who was appointed on 30 October 1995.

None of the directors had an interest in the shares of the company during the period.

Directors' responsibilities

The directors are responsible for preparing 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 for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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 that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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Itemtrump Limited

Directors' report

Auditors

A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

E.J. Kean

Secretary

for and on behalf of
Praetor Management Limited
as Secretary
28TH OCTOBER 1996



P.O. Box 453
38/39 The Esplanade
St. Helier
Jersey, Channel Islands, JE4 8WQ

Auditors' report to the members of

Itemtrump Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

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

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 misstatement, whether caused by fraud or other irregularity or error. The financial statements do not include a revaluation of investment property as required by Statement of Standard Accounting Practice No 19. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from the non revaluation of investment property

Except for the non revaluation of investment property, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Registered Auditor

29 October

1996



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Itemtrump Limited

Profit and loss account
for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	37,969	43,600
Cost of sales		<u>(9,606)</u>	<u>(8,671)</u>
Gross profit		28,363	34,929
Other income	3	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation		28,363	34,929
Taxation on profit on ordinary activities	5	<u>(8,702)</u>	<u>(8,857)</u>
Profit on ordinary activities after taxation		19,661	26,072
Retained profit brought forward		<u>50,375</u>	<u>24,303</u>
Retained profit carried forward		<u>£ 70,036</u>	<u>£50,375</u>

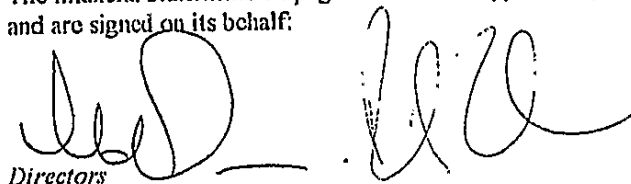
The company has no recognised gains and losses other than the profit for the year.

Itemtrump Limited

Balance sheet at 31 December 1995

		1995		1994	
	Note	£	£	£	£
Fixed assets					
Investment property	6		276,934		276,934
Current assets					
Debtors	7	44,302		46,824	
Cash at bank		<u>4,962</u>		<u>446</u>	
		<u>49,264</u>		<u>47,270</u>	
Liabilities falling due within one year					
	8	<u>38,131</u>		<u>39,490</u>	
Net current assets			<u>11,133</u>		<u>7,780</u>
Net assets			<u>£ 288,067</u>		<u>£ 284,714</u>
Capital and reserves					
Share capital	9		2		2
Profit and loss account			70,036		50,375
Loan from holding company			<u>218,029</u>		<u>234,337</u>
			<u>£ 288,067</u>		<u>£ 284,714</u>

The financial statements on pages 5 to 9 were approved by the Board of Directors on 28 October 1996 and are signed on its behalf:


Directors

Itemtrump Limited

Notes to the financial statements

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:-

Turnover

Turnover represents ground rents receivable, water charges levied and rents receivable on the porter's flat in respect of the investment property.

Service charges

Costs incurred in the provision of utilities and services to the tenants occupying the investment property are recharged to the tenants and the financial statements reflect these transactions.

Investment property

The investment property is included at cost.

No depreciation or amortisation is provided in respect of the long leasehold investment property which has over 20 years of the lease remaining.

Cashflow statement

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

2. Turnover

	1995	1994
	£	£
Ground rents	13,382	6,435
Water charges	16,792	30,108
Rental income	7,710	7,010
Interest receivable	<u>85</u>	<u>47</u>
	<u>£ 37,969</u>	<u>£ 43,600</u>

3. Other income

	1995	1994
	£	£
Service charge income	291,718	257,998
Service charge expenditure	<u>(291,718)</u>	<u>(257,998)</u>
	<u>£ -</u>	<u>£ -</u>

Service charges to tenants are assessed on a calendar year basis.

Itemtrump Limited

Notes to the financial statements (continued)

4. Directors' emoluments and staff costs

Directors' emoluments

No amounts were paid during the year (year ended 31 December 1994: Nil).

Staff costs

	1995 £	1994 £
Wages and salaries	57,691	56,438
Social security costs	<u>4,034</u>	<u>4,597</u>
	<u>£ 61,725</u>	<u>£ 61,035</u>

The average number of persons employed by the company during the year was 7 (year ended 31 December 1994: 7).

5. Taxation on profit on ordinary activities

The company is liable to UK corporation tax on its profits.

6. Fixed assets

Long
leasehold
land and
buildings

Investment property:

Cost at 1 January 1995 and 31 December 1995 £ 276,934

7. Debtors

	1995 £	1994 £
Prepayments and accrued income	38,673	32,410
Other debtors	<u>5,629</u>	<u>14,414</u>
	<u>£ 44,302</u>	<u>£ 46,824</u>

Itemtrump Limited

Notes to the financial statements (continued)

8. Liabilities falling due within one year

	1995 £	1994 £
Accruals and deferred income	19,435	21,224
Taxation	8,702	8,857
Other creditors	<u>9,994</u>	<u>9,409</u>
	<u>£ 38,131</u>	<u>£ 39,490</u>

9. Share capital

	1995	1994
Authorised:		
1,000 ordinary shares of £1 each	£ <u>1,000</u>	£ <u>1,000</u>
Issued and fully paid:		
2 ordinary shares of £1 each	£ <u>2</u>	£ <u>2</u>

10. Reconciliation of movement in equity shareholders' funds

	1995 £	1994 £
Profit for the financial year	19,661	26,072
Repayment of loan to holding company	<u>(16,308)</u>	<u>(26,859)</u>
Net addition to /(reduction in) equity shareholders' funds	3,353	(787)
Equity shareholders' funds at 1 January	<u>284,714</u>	<u>285,501</u>
Equity shareholders' funds at 31 December	<u>£ 288,067</u>	<u>£ 284,714</u>

The loan which is from the holding company, is unsecured, free of interest with a repayment date unspecified. The loan was provided as company finance and has therefore been included as shareholders' funds in the balance sheet.

11. Ultimate holding company

The ultimate holding company is Princes Court Limited, a company incorporated in Jersey, Channel Islands.