

Company Number 2600067

SUREINCOME LIMITED  
DIRECTOR'S REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31ST MARCH 1997

M J Ventham & Co

CHARTERED ACCOUNTANTS

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63 Lincoln's Inn Fields,  
London,  
WC2A 3JX.

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SUREINCOME LIMITED

DIRECTOR:- T.J. Wood

SECRETARY:- C.M. Wood

REGISTERED OFFICE:- 3rd Floor, 63 Lincoln's Inn Fields, London, WC2A 3JX.

INDEX

	<u>Page</u>
Director's Report	1 - 2
Auditors' Report	3
Balance Sheet	4
Profit and Loss Account	5
Notes to the Accounts	6 - 9

## SUREINCOME LIMITED

### DIRECTOR'S REPORT

The director has pleasure in submitting his annual report and the audited accounts for the year ended 31st March 1997.

#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. 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.

#### PRINCIPAL ACTIVITY

The principal activity of the company was that of investment in property.

#### REVIEW OF THE BUSINESS

A summary of the results for the year's trading is given on page 5 of the accounts.

#### RESULTS AND DIVIDENDS

The net loss for the year of £28,119 (1996: £37,605) has been taken to reserves. The director does not recommend the payment of a dividend because of the losses incurred.

#### FIXED ASSETS

Details of movements in fixed assets are set out in note 2 of the accounts.

SUREINCOME LIMITED

DIRECTOR'S REPORT

DIRECTOR'S INTEREST

The director who served and his interest in the issued share capital of the company during the year was as follows:-

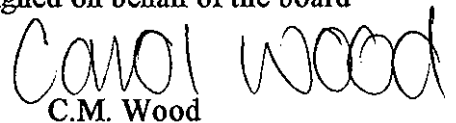
	<u>At 31.3.97</u>	<u>At 31.3.96</u>
T.J. Wood	Nil ==	Nil ==

The interest of the director in the shares of the holding company are disclosed in that company's accounts.

AUDITORS

The auditors Messrs M J Ventham & Co, have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Signed on behalf of the board

  
C.M. Wood

Secretary

29.1.1998

SUREINCOME LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 4 to 9 which have been prepared following the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 1, the company's director is 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 director 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. 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 31st March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

29.1.1998.

63 Lincoln's Inn Fields,  
London,  
WC2A 3JX.

*M. J. Ventham & Co*

M J Ventham & Co  
CHARTERED ACCOUNTANTS  
and Registered Auditors

SUREINCOME LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Investments	1E & 2	2,000,000	2,000,000
<u>CURRENT ASSETS</u>			
Cash at Bank and in hand		767	-
Debtors	3	23,034	885
		<u>23,801</u>	<u>885</u>
<u>CREDITORS</u> : amounts falling due within one year	4	65,445	237,545
		<u>                    </u>	<u>                    </u>
<u>NET CURRENT LIABILITIES</u>		( 41,644 )	( 236,660 )
		<u>                    </u>	<u>                    </u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1,958,356	1,763,340
<u>CREDITORS</u> : amounts falling due after more than one year			
	5	3,399,186	3,176,051
		<u>                    </u>	<u>                    </u>
		£( 1,440,830 )	£( 1,412,711 )
		<u>                    </u>	<u>                    </u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	7	2	2
Profit and Loss Account		( 1,440,832 )	( 1,412,713 )
		<u>                    </u>	<u>                    </u>
<u>SHAREHOLDERS' FUNDS</u>	8	£( 1,440,830 )	£( 1,412,711 )
		<u>                    </u>	<u>                    </u>

Signed on behalf of the board:-

T J Wood



Director

These accounts were approved by the director on .....

29 / 1 / 98

SUREINCOME LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
Turnover	1D	227,000	227,000
Administrative Expenses		5,396	5,670
		<hr/>	<hr/>
Operating Profit		221,604	221,330
Interest Payable and Similar Charges	11	249,723	258,935
		<hr/>	<hr/>
Loss on Ordinary Activities before Taxation		( 28,119 )	( 37,605 )
Taxation	12	-	-
		<hr/>	<hr/>
Loss for the Financial Year		( 28,119 )	( 37,605 )
Accumulated Losses Brought Forward		( 1,412,713 )	( 1,375,108 )
		<hr/>	<hr/>
Accumulated Losses Carried Forward		£( 1,440,832 )	£( 1,412,713 )
		<hr/> <hr/>	<hr/> <hr/>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

## SUREINCOME LIMITED

### NOTES TO THE ACCOUNTS

#### 1. ACCOUNTING POLICIES

- (A) These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (B) These accounts have been prepared on the going concern basis in view of the continued support of the company's bankers, Dunbar Plc, and its major trade creditor, Raine Plc (formerly Walter Lawrence Construction Limited).

This support is detailed in the agreement entered into by the company with Dunbar Plc and Raine Plc (Notes 5 and 6) and the director is of the opinion that the company will be able to meet the terms of these agreements during the forthcoming accounting period.

- (C) Acquisitions and disposals of properties are included on exchange of contracts and on completion of sale respectively.
- (D) Turnover represents the rent receivable for the year.
- (E) The fixed asset investments are included at the open market value as determined by the directors.

#### 2. FIXED ASSETS - INVESTMENTS

##### VALUATION

At 1.4.96 and at 31.3.97

##### Investment Property

£2,000,000  
=====

The property was valued by a Chartered Surveyor at open market value on 13th October, 1995. The historical cost of the property is £3,211,697.

The director considers that the open market value of the property has not altered materially between the balance sheet date and 13th October, 1995.

#### 3. DEBTORS

	<u>1997</u>	<u>1996</u>
Due within one year:		
Sundry Debtor	-	885
Prepayment	£23,034	£ -
	=====	=====



SUREINCOME LIMITED

NOTES TO THE ACCOUNTS

(Continued)

4. CREDITORS: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
Bank Loans and Overdrafts (Note 6)	-	171,674
Amounts owed to Group Undertakings	227	227
Accruals and Deferred Income	65,218	65,644
	<hr/>	<hr/>
	£65,445	£237,545
	<hr/>	<hr/>

5. CREDITORS: amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
Bank Loans (Note 6)	2,723,135	2,500,000
Trade Creditors - see below	676,051	676,051
	<hr/>	<hr/>
	£3,399,186	£3,176,051
	<hr/>	<hr/>

The indebtedness of Sureincome Limited to the trade creditor, Raine Plc (formerly Walter Lawrence Construction Limited) is set out in an agreement dated 15th November 1991. The final liability of Sureincome Limited is dependent upon the Net Realised Value of the Investment Property after deducting bank debts secured thereon. The final liability cannot be quantified but it is improbable that it will exceed the amount shown in the accounts. The creditor is secured by a second charge over the property and a floating charge over the assets of the company. The agreement term is five years unless Sureincome Limited default on the terms of the agreement.

6. BANK LOANS AND OVERDRAFTS

The bank borrowings are secured by a first charge on the Investment Property owned by the company, a floating debenture over the assets of the company and a legal assignment over the rental income derived from the property.

The bank facilities have been extended by an agreement dated 28th November 1996 for a term of 3 years and the facilities will continue to be supplied by the bank whilst Sureincome Limited adhere to the terms of that agreement.

Interest is charged on this loan at a fixed rate of 8% per annum.

SUREINCOME LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
<u>Authorised</u>		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====
<u>Issued and Fully Paid</u>		
2 Ordinary Shares of £1 each	£2	£2
	=	=

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Loss for the Financial Year	( 28,119 )	( 37,605 )
Opening Shareholders' Funds	( 1,412,711 )	( 1,375,106 )
	-----	-----
Closing Shareholders' Funds	£( 1,440,830 )	£( 1,412,711 )
	=====	=====

9. OPERATING PROFIT

	<u>1997</u>	<u>1996</u>
Stated after charging:-		
Auditors' Remuneration	£1,528	£1,528
	=====	=====

10. EMPLOYEES AND DIRECTORS

The company had no employees other than the director who received no remuneration.

11. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
Bank Loans and Overdrafts repayable other than by Instalments	£249,723	£258,935
	=====	=====

SUREINCOME LIMITED

NOTES TO THE ACCOUNTS

(Continued)

12. TAXATION

No taxation liability arises as a result of these accounts, due to the loss incurred and the availability of accumulated losses brought forward.

13. CONTROLLING PARTY

The parent company is London Law & Land Limited.

The ultimate controlling party is considered to be T Wood, a director and shareholder of the parent company.

14. STATUS

The company is a "Close Company" as defined by Section 414(1) Income and Corporation Taxes Act 1988.