

**REGISTRAR OF
COMPANIES**

Neonhome Properties Limited

Report and Financial Statements

2618179

Year Ended

30 June 1998

BDO

BDO Stoy Hayward
Chartered Accountants



NEONHOME PROPERTIES LIMITED

Annual report and financial statements for the year ended 30 June 1998

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Directors

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Directors

D Tannen
D A Tannen

Secretary and registered office

J M Miller, Sutherland House, 70-78 West Hendon Broadway, London, NW9 7BT.

Company number

2618179

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

NEONHOME PROPERTIES LIMITED

Report of the directors for the year ended 30 June 1998

The directors present their report together with the audited financial statements for the year ended 30 June 1998.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is that of property development.

The directors consider that the company has traded satisfactorily throughout the year and anticipate continued improvement.

There have been no events since the balance sheet date which materially affect the position of the company.

Year 2000

The directors are reviewing the likely impact of the Year 2000 issue on the company's operations. They do not consider that the business will be affected to any significant extent, nor do they anticipate any material cost being incurred in addressing the issue.

Directors

The directors of the company during the period were D Tannen and D A Tannen.

The ultimate parent company is D T F Limited (Limited by Guarantee). The directors do not hold a beneficial interest in the ordinary share capital of that company.

Directors' responsibilities

Company law requires the directors to prepare 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 of the company for that period. In preparing those financial statements, the directors are required to:

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

NEONHOME PROPERTIES LIMITED

Report of the directors for the year ended 30 June 1998 *(Continued)*

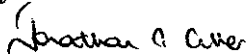
Directors' responsibilities *(Continued)*

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 are 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



J M Miller

Secretary

Date 23 April 1999

NEONHOME PROPERTIES LIMITED

Report of the auditors

To the shareholders of Neonhome Properties Limited

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

Respective responsibilities of directors and auditors

As described on pages 1 and 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.

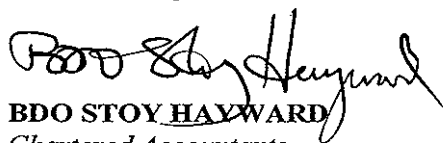
Basis of opinion

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. 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 June 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

23 April 1999

NEONHOME PROPERTIES LIMITED**Profit and loss account for the year ended 30 June 1998**

	Note	1998 £	1997 £
Administrative expenses		15,238	14,819
Other operating income	3	4,335	19,218
		<u>(10,903)</u>	<u>4,399</u>
Interest payable	4	<u>(2,244)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation	5	(13,147)	4,399
Taxation on ordinary activities	6	4,444	796
(Loss)/profit on ordinary activities after taxation		<u>(17,591)</u>	<u>3,603</u>
Retained profit brought forward		<u>24,891</u>	<u>21,288</u>
Retained profit carried forward		<u><u>7,300</u></u>	<u><u>24,891</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on shareholders' funds apart from the profit for the year.

The notes on pages 6 to 9 form part of these financial statements

NEONHOME PROPERTIES LIMITED

Balance sheet at 30 June 1998

	Note	1998 £	1997 £
Current assets			
Stocks	7	222,207	222,207
Debtors	8	3,212	3,169
Cash at bank and in hand		11,660	-
		<u>237,079</u>	<u>225,376</u>
Creditors: amounts falling due within one year	9	229,777	200,483
		<u>7,302</u>	<u>24,893</u>
Net current assets			
		<u>7,302</u>	<u>24,893</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		7,300	24,891
		<u>7,302</u>	<u>24,893</u>
Shareholders' funds - equity		<u>7,302</u>	<u>24,893</u>

These financial statements were approved by the Board on 23 April 1999.


D Tannen
Director

The notes on pages 6 to 9 form part of these financial statements

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1998

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Turnover

Turnover represents sales of properties to outside customers.

Stocks

Stocks include land and other property for development and resale. They are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made if material for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

2 Turnover

Turnover represents sales of completed properties to outside customers excluding value added tax. Sales are accounted for on exchange of contracts assuming successful completion.

3 Other operating income

	1998 £	1997 £
Net rental income	4,335	19,218
	<u> </u>	<u> </u>

4 Interest payable

Other interest	2,244	-
	<u> </u>	<u> </u>

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1998 (*Continued*)

5 Profit on ordinary activities before taxation

	1998 £	1997 £
This is arrived at after charging:		
Auditors' remuneration	2,056	2,056

6 Taxation

Adjustment in respect of prior year	4,444	(227)
UK corporation tax at % (1997 - 23.25%)	-	1,023
	4,444	796

7 Stocks

Completed properties held for resale	222,207	222,207
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The leasehold deeds to the company's stocks are charged to Barclays Bank PLC in support of the liabilities of the company's parent undertaking to that bank.

The directors consider that the current replacement cost of stock is at least equal to its carrying value.

8 Debtors

	1998 £	1997 £
Other debtors	1,003	1,003
Prepayments and accrued income	2,209	2,166
	3,212	3,169

All amounts shown under debtors fall due for payment within one year.

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1998 (*Continued*)

9 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdraft	-	996
Amount due to parent undertaking	161,907	163,907
Corporation tax	-	1,023
Other creditors	50,317	30,010
Accruals	17,553	4,547
	<u>229,777</u>	<u>200,483</u>

10 Share capital

<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

11 Ultimate parent company and controlling party

The company's ultimate parent company is D T F Limited (Limited by Guarantee).

12 Contingent liability

The company has given a limited cross-guarantee in respect of borrowings of its parent company and certain fellow group undertakings to the value of £500,000. At 30 June 1998 the amount outstanding under the cross-guarantee was £Nil.

13 Cash flow statement

The company has taken advantage of the exemption allowed under Financial Reporting Standard 1 'Cash Flow Statements' not to produce a cash flow statement.

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1998 (*Continued*)

14 Reconciliation of movement in shareholders' funds

	1998 £	1997 £
Opening shareholders' funds	24,893	21,290
(Loss)/profit for the year	(17,591)	3,603
	<hr/>	<hr/>
Closing shareholders' funds	7,302	24,893
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