

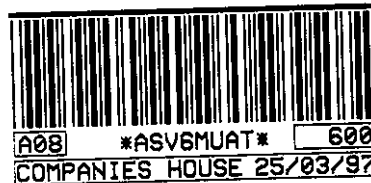
**REGISTRAR OF
COMPANIES**

Neonhome Properties Limited

Report and Financial Statements

Year Ended

30 June 1996



BDO

BDO Stoy Hayward
Chartered Accountants

NEONHOME PROPERTIES LIMITED

Annual report and financial statements for the year ended 30 June 1996

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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 1996

The directors present their report together with the audited financial statements for the year ended 30 June 1996.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit 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 that it will continue to do so.

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

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.

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.

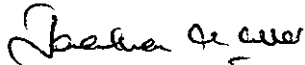
NEONHOME PROPERTIES LIMITED

Report of the directors for the year ended 30 June 1996 (*Continued*)

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

5 March 1997

NEONHOME PROPERTIES LIMITED

Report of the auditors

To the shareholders of Neonhome Properties Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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.

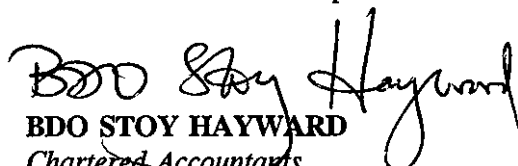
Basis of opinion

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 1996 and of its profit 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

5 March 1997

NEONHOME PROPERTIES LIMITED**Profit and loss account for the year ended 30 June 1996**

	Note	1996 £	1995 £
Administrative expenses		13,198	12,817
Other operating income	3	22,944	16,074
		<u>9,746</u>	<u>3,257</u>
Interest receivable	4	-	3,212
Interest payable	5	44	8
		<u>9,702</u>	<u>6,461</u>
Profit on ordinary activities before taxation	6	9,702	6,461
Taxation on profit on ordinary activities	7	3,423	7,254
		<u>6,279</u>	<u>(793)</u>
Profit/(loss) on ordinary activities after taxation		6,279	(793)
Retained profit brought forward		15,009	15,802
		<u>21,288</u>	<u>15,009</u>
Retained profit carried forward		21,288	15,009

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 8 form part of these financial statements

NEONHOME PROPERTIES LIMITED

Balance sheet at 30 June 1996

	Note	1996 £	1995 £
Current assets			
Stocks	8	200,000	200,000
Debtors	9	3,432	45,424
Cash at bank and in hand		4,055	15,730
		<u>207,487</u>	<u>261,154</u>
Creditors: amounts falling due within one year	10	186,197	246,143
		<u>186,197</u>	<u>246,143</u>
Net current assets		<u>21,290</u>	<u>15,011</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		21,288	15,009
		<u>21,290</u>	<u>15,011</u>
Shareholders' funds - equity		<u>21,290</u>	<u>15,011</u>

These financial statements were approved by the Board on 5 March 1997


D Tannen
Director

The notes on pages 6 to 8 form part of these financial statements

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1996

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

	1996 £	1995 £
Net rental income	22,944	16,074
	<u> </u>	<u> </u>

4 Interest receivable

Other interest	-	3,212
	<u> </u>	<u> </u>

5 Interest payable

Bank loans	-	8
Other interest	44	-
	<u> </u>	<u> </u>
	44	8
	<u> </u>	<u> </u>

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1996 (Continued)

6 Profit on ordinary activities before taxation

	1996 £	1995 £
This is arrived at after charging:		
Auditors' remuneration	3,526	-
Directors' emoluments	-	-
	<u> </u>	<u> </u>

7 Taxation

Adjustment in respect of prior year	-	6,442
UK corporation tax at 25%	3,423	812
	<u> </u>	<u> </u>
	3,423	7,254
	<u> </u>	<u> </u>

8 Stocks

Completed properties held for resale	200,000	200,000
	<u> </u>	<u> </u>

The leasehold deeds to the company's stocks are charged to the bank and are held in support of any liabilities of the company's parent undertaking.

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

9 Debtors

	1996 £	1995 £
Other debtors	1,265	42,803
Prepayments and accrued income	2,167	2,621
	<u> </u>	<u> </u>
	3,432	45,424
	<u> </u>	<u> </u>

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

Included with other debtors is an amount of £262 due from a company with which the directors of this company are connected.

NEONHOME PROPERTIES LIMITED

Notes forming part of the financial statements for the year ended 30 June 1996 (*Continued*)

10 Creditors: amounts falling due within one year

	1996 - £	1995 £
Amount due to parent undertaking	164,620	202,589
Corporation tax	3,423	7,254
Other creditors	11,802	32,561
Accruals	6,352	3,739
	<u>186,197</u>	<u>246,143</u>

11 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>

12 Ultimate parent company

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

13 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 1996 the amount outstanding under the cross-guarantee was £Nil.

14 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.