

Co.No 2792313

HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

1995 REPORT AND ACCOUNTS

BEAVIS WALKER

Chartered Accountants



HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

DIRECTORS  
E.J. Crowley  
D.R.A. Webb A.C.A.

SECRETARY  
Mrs. R. Banning

REGISTERED OFFICE  
63 Mansell Street,  
London,  
E1 8AN.

REGISTERED NUMBER  
2792313

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1995 REPORT AND ACCOUNTS

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# HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

## DIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31st March, 1995.

### PRINCIPAL ACTIVITY

The principal activity of the Company is that of property investment and management.

### BUSINESS REVIEW

A summary of the year's results is set out on page 5.

The Company has let two of its three properties for part of the year. However, contracts have been put in place to develop the other property as a health centre and rental terms have been agreed subject to contract. This should make the Company profitable. It is anticipated that the development will be completed by 30th September, 1996.

### DIVIDENDS

The Directors cannot recommend the payment of a dividend.

### DIRECTORS

The Directors during the year were:

E.J. Crowley  
D.R.A. Webb A.C.A.

The Directors did not hold any interests in the share capital of the Company at any time during the year.

At 1st April, 1994 and 31st March, 1995 E.J.Crowley and D.R.A.Webb A.C.A. held 100 and 200 ordinary shares of £1 each respectively in the parent undertaking, House Owners Investments Limited.

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

Company law requires the Directors to prepare accounts for each financial year or period which give a true and fair view of the state of affairs of the Company at the end of the accounting year and of the profit or loss of the Company for the year. In preparing those accounts the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also 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 accounts 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.

HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

DIRECTORS' REPORT (Continued)

**FIXED ASSETS**

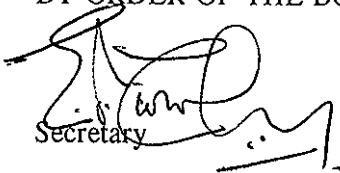
Details of acquisitions and disposals are given in the notes on the accounts.

The Directors consider that the market value of the investment property is significantly greater than the value shown in the accounts. The Directors, however, do not consider that they are properly qualified to assess the open market value accurately, nor do they consider it to be in the Company's best interest to incur the expense of a professional valuation.

**AUDITORS**

A resolution for the reappointment of the Auditors, Beavis Walker, will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

  
Secretary

AUDITORS' REPORT TO THE MEMBERS OF  
HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

We have audited the accounts on pages 5 to 9 which have been prepared on the historical cost basis and in accordance with the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 1 the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 an examination on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

**Qualified opinion arising from disagreement about accounting treatment**

As explained in Note 1(b), the freehold investment property has not been included in the Accounts at its open market value as required by Statement of Standard Accounting Practice Number 19. Instead, the property has been recorded in the balance sheet at cost. We are unable to quantify the effects of this because, as also explained in Note 1(b), the Directors do not consider that they are properly qualified to assess the open market value of the property accurately, nor do they consider it to be in the Company's best interest to incur the expense of a professional valuation.

AUDITORS' REPORT TO THE MEMBERS OF

HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

**Qualified opinion arising from disagreement about accounting treatment (continued)**

Except for the valuation of the freehold investment property, in our opinion the accounts give a true and fair view of the state of the Company's affairs at 31st March, 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BEAVIS WALKER



Chartered Accountants,  
Registered Auditor

16/1/96

Audrey House,  
16/20 Ely Place,  
London EC1N 6SN.

HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1995

			12th March, 1993 to 31st March, 1994
	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
GROSS RENTALS - continuing operations	2	8,585	9,550
Property expenses		6,895	23,672
GROSS PROFIT/(LOSS) on continuing activities		1,690	(14,122)
Administrative expenses		(10,118)	(1,250)
Formation expenses written off		-	(493)
OPERATING LOSS before and after tax	3	(8,428)	(15,865)
DEFICIT at 1st April, 1994		(15,865)	-
DEFICIT at 31st March, 1995		£(24,293)	£(15,865)

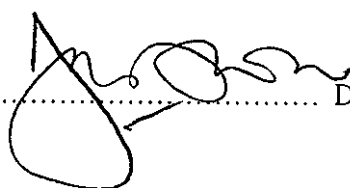
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The loss on ordinary activities after taxation as stated above, recognises all gains and losses for the year/period as defined by Financial Reporting Standard No. 3.

# HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

## BALANCE SHEET AT 31ST MARCH, 1995

	Notes	£	<u>1995</u> £	£	<u>1994</u> £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		341,352		317,368
<b>CURRENT ASSETS</b>					
Debtors - other taxes		11,028		6,855	
CREDITORS due within one year	6	<u>1,250</u>		<u>1,250</u>	
NET CURRENT ASSETS			<u>9,778</u>		<u>5,605</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			351,130		322,973
CREDITORS due after more than one year	7		<u>375,421</u>		<u>338,836</u>
			<u>£(24,291)</u>		<u>£(15,863)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		<u>2</u>		<u>2</u>
Profit and loss account - deficit			<u>(24,293)</u>		<u>(15,865)</u>
SHAREHOLDERS' FUNDS - Equity interests			<u>£(24,291)</u>		<u>£(15,863)</u>


 ..... Director

Approved by the Board on ..... 16.1.1996 .....



# HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

## NOTES ON THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### (a) Bases of accounting

The accounts have been prepared on the historical cost basis and in accordance with applicable accounting standards with the exception of Statement of Standard Accounting Practice Number 19 as explained in Note 1(b). The accounts have also been prepared on the going concern basis.

#### (b) Freehold investment property

Freehold investment property has been included at cost and, in this respect, the Accounts do not comply with Statement of Standard Accounting Practice Number 19. The Directors do not consider that they are properly qualified to assess the open market value of the property accurately, nor do they consider it to be in the Company's best interest to incur the expense of a professional valuation.

#### (c) Fundamental accounting concept

As stated in note 1(a) the accounts are prepared on the basis that the fundamental accounting concept of going concern is applied. Following a detailed review of the Company's cash requirements, it is considered that the Company will be able to continue in operational existence for the foreseeable future. A principal component in ensuring that the Company will continue in operational existence, is the continued provision of adequate loan facilities from the Company's creditors, principally its parent undertaking, Houseowners Investments Limited. The Company is confident that such facilities will remain in place. On this basis, the Directors consider that the concept continues to be appropriate and this has therefore been applied.

#### (d) Cash flow statement

As the Company is defined as a small company in accordance with Sections 246 and 247 of the Companies Act 1985, no cash flow statement has been prepared as permitted by Financial Reporting Standard No. 1.

#### (e) Rents receivable

Gross rents are accounted for on a receivable basis.

#### (f) Tangible fixed assets

No depreciation is provided on the freehold investment property, which is stated at cost. Depreciation is provided to write off the cost of other fixed assets over their estimated useful lives by the reducing balance method at the following rate:-

Office equipment                      - 25%

#### (g) Repairs

Revenue expenditure is charged to the profit and loss account when incurred and repairs of a capital nature are capitalised and included in the Balance Sheet as additions to freehold investment property.

### 2. GROSS RENTALS

Rents receivable and the operating loss are attributable to the Company's sole activity and arose in the United Kingdom.

# HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

## NOTES ON THE ACCOUNTS (Continued)

		Year ended 31st March, <u>1995</u>	12th March, 1993 to 31st March, <u>1994</u>
3.	OPERATING LOSS		
	Stated after accounting for:	£	£
	Depreciation of tangible fixed assets	212	-
	Auditors' remuneration	1,250	1,250
		<u>          </u>	<u>          </u>
4.	TAX		
	Due to the losses in the year/period no corporation tax is due.		
5.	TANGIBLE FIXED ASSETS		
		Freehold investment property £	Office equipment £
	Cost		Total £
	At 1st April, 1994	317,368	-
	Additions	23,349	847
		<u>          </u>	<u>          </u>
	At 31st March, 1995	340,717	847
		<u>          </u>	<u>          </u>
	Depreciation		
	At 1st April, 1994	-	-
	Charge for year	-	212
		<u>          </u>	<u>          </u>
	At 31st March, 1995	-	212
		<u>          </u>	<u>          </u>
	Written down values		
	31st March, 1995	£340,717	£635
		<u>          </u>	<u>          </u>
	31st March, 1994	£317,368	£ -
		<u>          </u>	<u>          </u>
6.	CREDITORS DUE WITHIN ONE YEAR	<u>1995</u>	<u>1994</u>
	Accruals	£1,250	£1,250
		<u>          </u>	<u>          </u>
7.	CREDITORS DUE AFTER MORE THAN ONE YEAR		
	Amount due to parent undertaking	£375,421	£338,836
		<u>          </u>	<u>          </u>

# HOUSE OWNERS INVESTMENTS (LONDON) LIMITED

## NOTES ON THE ACCOUNTS (Continued)

8.	CALLED UP SHARE CAPITAL	1995	1994
	Authorised:		
	1000 Ordinary shares of £1 each	£1,000	£1,000
		=====	=====
	Allotted, issued and fully paid		
	2 Ordinary shares of £1 each	£2	£2
		=====	=====
9.	MOVEMENTS ON SHAREHOLDERS' FUNDS	£	£
	Issue of shares	-	2
	Opening balance at 1st April, 1994	(15,863)	-
	Loss for the year/period	(8,428)	(15,865)
		=====	=====
	Closing balance at 31st March, 1995	£(24,291)	£(15,863)
		=====	=====
10.	CAPITAL COMMITMENTS		
	Authorised by the Directors but not contracted	£700,000	£ -
		=====	=====

The Company has signed, since the 31st March, 1995 a contract to develop the investment property as a medical centre.

11. PARENT UNDERTAKING  
The Company's ultimate parent undertaking is House Owners Investments Limited, a company registered in England and Wales.