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806387 (England and Wales)

Delgrove Properties Limited
Directors' Report and Financial Statements
for the year ended 31st March 1997

Delgrove Properties Limited

Company Information

Directors	Mrs Freda Graham Antony Laurence Graham David Graham Jeffrey Graham
Secretary	Jeffrey Graham
Company Number	806387 (England and Wales)
Registered Office	7/10 Chandos Street Cavendish Square London W1M 9DE
Auditors	Simmons Gainsford 7/10 Chandos Street Cavendish Square London W1M 9DE

Delgrove Properties Limited

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Delgrove Properties Limited

Directors' Report for the year ended 31st March 1997

The directors present their report and the financial statements for the year ended 31st March 1997.

Principal Activities and Review of the Business

The principal activity of the company during the financial year has been that of Property Investment.

The Directors are satisfied with the results for the year.

Results and Dividends

The results for the year are set out on page 4.

The directors have paid an interim dividend, amounting to £7,400, and they do not recommend payment of a final dividend.

Market Value of Land and Buildings

The directors are of the opinion that the market value of freehold investment property is in excess of the book value.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares 1997	1996
Mrs Freda Graham	Ordinary Shares	99	99
Antony Laurence Graham	Ordinary Shares	-	-
David Graham	Ordinary Shares	1	1
Jeffrey Graham	Ordinary Shares	-	-

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford be reappointed as auditors of the company will be put to the Annual General Meeting.

Delgrove Properties Limited

Directors' Report for the year ended 31st March 1997 (continued)

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;
- 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.

This report was approved by the Board on 9.12.97

Jeffrey Graham

Jeffrey Graham
Secretary

Delgrove Properties Limited

Auditors' Report
to the shareholders of Delgrove Properties Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

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. 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Simmons Gainsford

Simmons Gainsford

22-12-97

Chartered Accountants
Registered Auditor

7/10 Chandos Street
Cavendish Square
London W1M 9DE

Delgrove Properties Limited

Profit and Loss Account
for the year ended 31st March 1997

	Notes	1997 £	1996 £
Turnover		16,827	11,467
Administrative expenses		(2,363)	(6,247)
Operating profit	2	14,464	5,220
Other interest receivable and similar income	3	359	225
Profit on ordinary activities before taxation		14,823	5,445
Tax on profit on ordinary activities	4	(3,600)	(1,338)
Profit on ordinary activities after taxation		11,223	4,107
Dividends	5	(7,400)	-
Retained profit for the year	12	£ 3,823	£ 4,107

There are no recognised gains and losses other than those passing through the profit and loss account.

Delgrove Properties Limited

Balance Sheet
as at 31st March 1997

	Notes	1997 £	1997 £	1996 £	1996 £
Fixed Assets					
Tangible assets	6 and 7		135,694		135,951
Current Assets					
Cash at bank and in hand		15,360		12,658	
		15,360		12,658	
Creditors: amounts falling due within one year	8	(4,861)		(6,239)	
Net Current Assets			10,499		6,419
Total Assets Less Current Liabilities			£ 146,193		£ 142,370
Capital and Reserves					
Called up share capital	10		100		100
Revaluation reserve	11		122,232		122,232
Profit and loss account	12		23,861		20,038
Shareholders' Funds (equity interests)	13		£ 146,193		£ 142,370

The financial statements were approved by the Board on .9-12-97

David Graham

David Graham

Director

Delgrove Properties Limited

Notes to the Financial Statements
for the year ended 31st March 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents rent receivable.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Central Heating	-	10% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance

No depreciation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice No.19.

1.4 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Operating Profit

	1997 £	1996 £
Operating profit is stated after charging:		
Depreciation of tangible assets	£ 634	£ 661

3. Other Interest Receivable and Similar Income

	1997 £	1996 £
Bank interest received	£ 359	£ 225

Delgrove Properties Limited

Notes to the Financial Statements
for the year ended 31st March 1997

4. Taxation

	1997	1996
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 24% (1996 - 25%)	£ 3,600	£ 1,338

5. Dividends

	1997	1996
	£	£
Ordinary interim dividends paid	£ 7,400	£ -

6. Tangible Assets

	Central Heating	Fixtures, fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1st April 1996	1,194	11,496	12,690
Additions	-	377	377
At 31st March 1997	1,194	11,873	13,067
Depreciation			
At 1st April 1996	899	5,840	6,739
Charge for year	30	604	634
At 31st March 1997	929	6,444	7,373
Net book values			
At 31st March 1997	£ 265	£ 5,429	£ 5,694
At 31st March 1996	£ 295	£ 5,656	£ 5,951

7. Tangible Assets

	Investment properties £
Cost or valuation	
At 1st April 1996 & at 31st March 1997	130,000
Net book values	
At 31st March 1997	£ 130,000
At 31st March 1996	£ 130,000

Investment properties were revalued at 31st March 1996 on the basis of an open market valuation by the Directors of the company. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £7,768.

8. Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	4	-
Amounts owed to group undertaking	210	210
Corporation tax	1,750	1,338
Other taxes and social security costs	1,250	-
Directors' current accounts	130	174
Accruals and deferred income	1,517	4,517
	£ 4,861	£ 6,239

9. Provisions for Liabilities and Charges

Deferred tax is calculated at 24% (1996 - 25%) analysed over the following timing differences:

	Not provided		Provided	
	1997 £	1996 £	1997 £	1996 £
Surplus on revaluation of land and buildings	£ 27,648	£ 28,800	£ -	£ -

Delgrove Properties Limited

Notes to the Financial Statements
for the year ended 31st March 1997

10. Share Capital

	1997 £	1996 £
Authorised		
100 Ordinary Shares of £1 each	£ 100	£ 100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	£ 100	£ 100

11. Revaluation Reserve

	1997 £	1996 £
Balance brought forward at 1st April 1996	122,232	-
Revaluation during the year	-	122,232
Balance carried forward at 31st March 1997	£ 122,232	£ 122,232

12. Profit And Loss Account

	1997 £	1996 £
Retained profits at 1st April 1996	20,038	15,931
Retained profit for the year	3,823	4,107
Retained profits at 31st March 1997	£ 23,861	£ 20,038

13. Reconciliation of Movements in Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	11,223	4,107
Dividends	(7,400)	-
Net addition to shareholders' funds	3,823	4,107
Opening shareholders' funds	142,370	138,263
Closing shareholders' funds	£ 146,193	£ 142,370

14. Employees

Number of employees

There were no employees during the year apart from the directors.

15. Control

The company is under the control of Mrs Freda Graham, a director of the company.