WINCHBOURNE LIMITED

Company No: 807607

FINANCIAL STATEMENTS

for the year ended

30 JUNE 1996

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP

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COMPANIES HOUSE 18/04/97

WINCHBOURNE LIMITED

DIRECTORS

Abraham Gluck
Harold Gluck

SECRETARY

Abraham Gluck

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

WINCHBOURNE LIMITED

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WINCHBOURNE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Company for the year ended 30 June 1996.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is property investment which remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 30 June 1996, are fully reflected in the attached Financial Statements together with the Notes thereon.

The directors do not recommend the payment of a dividend for the year under review.

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Note 7 to the Financial Statements.

LAND AND BUILDINGS

The company's investment properties are included in the Balance Sheet at directors valuation.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The Directors who served during the year and their interests in the Share Capital of the Company are as follows:

	Number of Ordinary Shares	
	1996	**1995**
Mr Abraham Gluck	35	35
Mr Harold Gluck	20	20

The Articles of Association do not require Directors to retire by rotation.

No Director has a Service Contract with the 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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

i) select suitable accounting policies and apply them consistently

ii) make judgements and estimates that are reasonable and prudent

DIRECTORS' RESPONSIBILITIES (Continued)

iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements

iv) 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 maintaining 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.

DONATIONS

During the year the Company made a charitable donation under Gift Aid of £9,211 (gross) (1995:£9,333). No political contributions were made.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, were appointed in October 1996 and are willing to continue in office. A resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

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A Gluck - Secretary

14 APR 1997

WINCHBOURNE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 £	1995 £
Net Rental Income		29,319	20,686
Administrative and Other Expenses	4	(13,824)	(13,561)
OPERATING PROFIT		15,495	7,125
Interest Payable	5	(495)	(1,169)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,000	5,956
Taxation	6	(3,185)	(1,200)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		11,815	4,756
Retained Profit Brought Forward		32,932	28,176
RETAINED PROFIT CARRIED FORWARD		£44,747	£32,932

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 6 to 10 form part of these Financial Statements.

WINCHBOURNE LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

	Notes	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible Assets	7		395,354		611,274
CURRENT ASSETS					
Debtors		2,688		2,688	
Cash at Bank		4,177		48	
		6,865		2,736	
CREDITORS: Amounts falling due within one year	8	(25,568)		(34,174)	
NET CURRENT LIABILITIES			18,703		(31,438)
			£376,651		£579,836
CAPITAL AND RESERVES					
Called up Share Capital	10		100		100
Profit and Loss Account			44,747		32,932
Other Reserves	11		331,804		546,804
			£376,651		£579,836

The immediately following page forms an integral part of this Balance Sheet

WINCHBOURNE LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

The Directors confirm that for the year ended 30 June 1996 the Company is entitled to exemption from audit under the provisions of Section 249A (1) Companies Act 1985 (the Act) and that no member or members have requested an audit pursuant to the provisions of Section 249B (2) of the Act.

The Directors acknowledge their responsibilities for ensuring that the Company maintains accounting records which comply with Section 221 of the Act and for preparing Accounts which give a true and fair view of the state of affairs of the Company at the end of its Financial Period and of its results for the Financial Period in accordance with the provisions of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to Financial Statements.

The Financial Statements were approved by the Board on .....199..
and signed on its behalf by

.....
A GLUCK

DIRECTORS

.....
H GLUCK

14 APR 1997

The notes on pages 6 to 10 form part of these Financial Statements.

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at directors valuation which is in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value.

1.3 DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of Freehold investment properties nor on Leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view.

Leases having an unexpired term of less than twenty years are amortised evenly over the remaining period of the lease.

Items of furniture and fittings are capitalised in the year in which they are acquired and depreciated at the rate of 15% per annum to write off their value over their anticipated useful life.

1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

1.5 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

3. TURNOVER AND NET RENTAL INCOME

The Turnover of the Company is represented by Rents and Charges Received in respect of its Investment Properties.

The Net Rental Income is as comprised as follows:

	1996 £	1995 £
Rents and Charges Receivable	37,514	30,722
Property Outgoings	8,195	10,036
	£29,319	£20,686

4. ADMINISTRATIVE AND OTHER EXPENSES

	1996 £	1995 £
Directors Remuneration	3,420	-
Management Fees	-	3,525
Auditors' Remuneration	1,175	600
General Expenses	18	103
Gift Aid Payment	9,211	9,333
	£13,824	£13,561

5. INTEREST PAYABLE

	1996 £	1995 £
On loans repayable within 5 years:		
Bank Loans and Overdrafts	495	1,169
	£495	£1,169

6. TAXATION

	1996 £	1995 £
Taxation based on the profit for the year		
Corporation Tax at 25%	3,935	1,200
Prior Year Adjustment	(750)	-
	£3,185	£1,200

7. TANGIBLE FIXED ASSETS

	Freehold £	Furniture & Fittings £	Total £
Investment Properties - at Cost or Valuation			
At 1 July 1995	600,000	19,427	619,427
Fall in Value	(215,000)	-	(215,000)
Additions	-	907	907
At 30 June 1996	£385,000	£20,334	£405,334

7. TANGIBLE FIXED ASSETS (Continued)

	Freehold	Furniture & Fittings	Total
	£	£	£
Depreciation:			
At 1 July 1995	-	8,153	8,153
	-	1,827	1,827
	£ -	£9,980	£9,980
Net Book Value:			
At 30 June 1996	£3,485,000	£10,354	£395,354
At 30 June 1995	£600,000	£11,274	£611,274

In accordance with the company's stated accounting policy (see note 1.3) no depreciation has been provided in respect of freehold or long-leasehold properties which are held for investment purposes.

The historical cost of the properties is £53,196.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	£
Bank Loans and Overdrafts	-	13,846
Corporation Tax	3,935	1,879
Loan Creditors	18,602	18,449
Other Creditors and Accruals		
Other Taxes	3,031	
	£25,568	£34,174

9. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised:		
100 Ordinary Shares of £1 each	100	100
Issued and Fully Paid:		
100 Ordinary Shares of £1 each	100	100

10. OTHER RESERVES

	Revaluation Reserve £	Total £
At 1 July 1995	546,804	546,804
Transfer during the year	(215,000)	(215,000)
At 30 June 1996	£331,804	£331,804