

WINCHBOURNE LIMITED

Company No: 807607

FINANCIAL STATEMENTS

for the year ended

30 JUNE 1998

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



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 1998.

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 1998, 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	
		1998	1997
Mr Abraham Gluck	- Beneficial Interest	15	35
	- Non-Beneficial Interest	20	-
Mr Harold Gluck	- Beneficial Interest	10	20
	- Non-Beneficial Interest	10	-

Mr A Gluck and Mr H Gluck are deemed to have a beneficial interest in their respective wives' Shareholdings.

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

WINCHBOURNE LIMITED

DIRECTORS' REPORT

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 £6,494 (gross) (1997:£7,792). No political contributions were made.

YEAR 2000

The Company is in the process of assessing the impact of the Year 2000 issue on its reporting systems and operations. The Year 2000 issue arises because many computer systems and applications currently use the 2-digit fields to designate a year. Consequently, certain data sensitive systems may therefore recognise the Year 2000 as 1900 or not at all, resulting in the applications not functioning or not operating correctly.

The Directors are satisfied that on-going reviews are appropriate to ensure that the Company's operations will not be adversely affected by the Year 2000 issue. It is envisaged that the financial costs of compliance are not significant to the Company.

CLOSE COMPANY

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

AUDITORS

The auditors, Cohen, Arnold & Co 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



.....
A Gluck - Secretary

27 OCT 1998

WINCHBOURNE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1998

	Notes	<u>1998</u> £	<u>1997</u> £
Net Rental Income	3	28,212	25,688
Administrative and Other Expenses	4	(13,134)	(14,077)
OPERATING PROFIT		15,078	11,611
Interest Payable	5	(5,806)	(655)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,272	10,956
Taxation	6	(1,418)	(1,602)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		7,854	9,354
Retained Profit Brought Forward		54,101	44,747
RETAINED PROFIT CARRIED FORWARD		£61,955	£54,101

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 1998

	Notes	£	<u>1998</u>	£	£	<u>1997</u>	£
FIXED ASSETS							
Tangible Assets	7		507,667			508,260	
CURRENT ASSETS							
Debtors	8	7,621			9,688		
Cash at Bank		3,264			3,337		
			10,885		13,025		
CREDITORS: Amounts falling due within one year	9	(10,997)			(21,584)		
NET CURRENT LIABILITIES				(112)		(8,559)	
			£507,555			£499,701	
CAPITAL AND RESERVES							
Called up Share Capital	10		100			100	
Profit and Loss Account			61,955			54,101	
Other Reserves	11		445,500			445,500	
			£507,555			£499,701	

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

WINCHBOURNE LIMITED

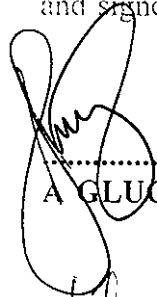
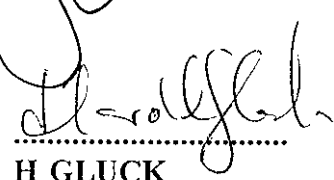
BALANCE SHEET AS AT 30 JUNE 1998

The Directors confirm that for the year ended 30 June 1998 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.

27 OCT 1998

The Financial Statements were approved by the Board on199..
and signed on its behalf by


.....
A GLUCK

.....
H GLUCK

DIRECTORS

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

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

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 25% 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.

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

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:

	<u>1998</u> £	<u>1997</u> £
Rents and Charges Receivable	52,652	42,221
Property Outgoings	(24,440)	(16,533)
	£28,212	£25,688

4. ADMINISTRATIVE AND OTHER EXPENSES

	<u>1998</u> £	<u>1997</u> £
Directors Remuneration	2,273	3,896
Wages and Salaries	2,272	-
Auditors' Remuneration	1,880	2,350
General Expenses	215	39
Gift Aid Payment	6,494	7,792
	£13,134	£14,077

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

5. INTEREST PAYABLE

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
On loans repayable within 5 years:		
Bank Loans and Overdrafts	5,806	655
	<u>£5,806</u>	<u>£655</u>

6. TAXATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Taxation based on the profit for the year		
Corporation Tax Provision	1,418	2,262
Prior Year Adjustment	-	(660)
	<u>£1,418</u>	<u>£1,602</u>

7. TANGIBLE FIXED ASSETS

	<u>Freehold</u>	<u>Furniture</u>	<u>Total</u>
	<u>£</u>	<u>& Fittings</u>	<u>£</u>
		<u>£</u>	
Investment Properties			
- at Cost or Valuation			
At 1 July 1997	500,000	20,993	520,993
Additions	-	1,963	1,963
At 30 June 1998	<u>£500,000</u>	<u>£22,956</u>	<u>£522,956</u>

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

7. TANGIBLE FIXED ASSETS (Continued)

	<u>Freehold</u>	<u>Furniture & Fittings</u>	<u>Total</u>
	£	£	£
Depreciation:			
At 1 July 1997	-	12,733	12,733
Charge for the Year	-	2,556	2,556
	£ -	£15,289	£15,289
Net Book Value:			
At 30 June 1998	£500,000	£7,667	£507,667
At 30 June 1997	£500,000	£8,260	£508,260

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 £54,500 (1997 : £54,500)

8. DEBTORS

	<u>1998</u>	<u>1997</u>
	£	£
Associated Undertakings	4,170	7,000
Corporation Tax Recoverable	2,026	-
Sundry Debtors	1,425	2,688
	£7,621	£9,688

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	£	£
Corporation Tax	1,418	236
Other Creditors and Accruals	8,190	19,190
Other Taxes	1,389	2,158
	£10,997	£21,584

10. CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	100	100
<u>Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100

11. OTHER RESERVES

	Revaluation Reserve	Total
	£	£
At 1 July 1997	445,500	445,500
Transfer during the year	-	-
At 30 June 1998	£445,500	£445,500

12. DIRECTORS' INTEREST IN CONTRACTS

Management of the Company's properties is carried out at normal commercial rates by Taskpoint Management Limited. During the year, £9,149 (1997: £4,778) was paid to Taskpoint Management Limited of which certain Directors of this Company are Directors and in whose Share Capital they have an interest.

13. CONTROLLING PARTIES

Mr A Gluck and Mr H Gluck together with their families own a controlling interest in the issued share capital of the company.

WINCHBOURNE LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

	<u>1998</u>		<u>1997</u>
	£	£	£
Rents and Other Charges Receivable	52,652		42,221
Less : Property Outgoings			
General and Water Rates	1,889		98
Insurance	1,288		2,171
Repairs and Maintenance	9,243		6,392
Lighting and Heating	155		188
Legal and Professional Charges	160		153
Management Commission	5,907		4,222
Letting Commission	3,242		556
Depreciation	2,556		2,753
	(24,440)		(16,533)
NET RENTAL INCOME	£28,212		£25,688