NIK INVESTMENTS LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

For the year ended
5th April 1998

Company number 814607

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COMPANIES HOUSE 05/02/99

DIRECTORS

Dr M M Choonara
Mrs H M Choonara
Mr K A Choonara

SECRETARY

Mrs H M Choonara

REGISTERED OFFICE

3 Albion Street
Old Trafford
Manchester

AUDITORS

Bukhari & Co
Chartered Accountants
389 Wilbraham Road
Chorlton-cum-Hardy
Manchester M21 OUT

BANKERS

Barclays Bank plc
587 Wilbraham Road
Chorlton-cum-Hardy
Manchester M21 1AL

DIRECTORS' REPORT
For the year ended 5th April 1998

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 5th April 1998.

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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the property ownership and letting of these properties.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £18,493. The directors recommend that this amount be dealt with as follows:

Ordinary dividends	£
Final proposed £72.72(1997-£72.72)per share	4,000
Transfer to reserves	14,493
	18,493

DIRECTORS' REPORT
For the year ended 5th April 1998

The directors have not revalued the company's investment properties which continue to be shown in the financial statements at cost. The directors are of the opinion that the value of these investment properties is at least equal to the value stated in the balance sheet.

FUTURE DEVELOPMENTS

The directors intend to continue with the existing letting policies of the company.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interests in the £1 ordinary share capital of the company were as follows:

Dr. M M Choonara	2
Mrs H M Choonara	2
Mr. K A Choonara	17

TAXATION STATUS

In the opinion of the directors the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Bukhari & Co. Chartered Accountants, be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 1 July 1998.

DR M M Choonara
DIRECTOR

BUKHARI & CO
CHARTERED ACCOUNTANTS

389 Wilbraham Road
Chorlton-cum-Hardy
Manchester M21 OUT

Accountants report to the members of Nik Investments Limited

We report on the financial statements for the year ended 5th April 1998 set out on pages 5 to 9.

Respective responsibilities of directors and reporting accountants.

As described on page 6 , the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion
We conducted our work in accordance with the Statements of Standards for Reporting Accountants issued by the Auditing Practices Board and our procedures consisted of comparing the financial statements with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion
In our opinion
1 the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
2 having regard only to, and on the basis of, the information contained in those accounting records:
   (a) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
   (b) the company satisfied the conditions, for exemption from an audit of the financial statements for the year, specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of the companies not entitled to the exemption specified in section 249B(1).

Bukhari & Co

Bukhari & Co **1 July 1998**
Chartered Accountants

PROFIT AND LOSS ACCOUNT
For the year ended 5th April 1998

	Notes	1998 £	1997 £
Turnover		17,311	17,784
External charges		(1,940)	(1,722)
		15,371	16,062
Staff costs		(3,750)	(3,150)
Depreciation		(3,365)	(1,036)
Operating charges		(4,641)	(5,629)
Other operating income		15,855	-
Operating profit	2	19,470	6,247
Interest receivable	3	421	172
Profit on ordinary activities before taxation		19,891	6,419
Tax on profit on ordinary activities	4	(1,398)	(1,205)
Profit on ordinary activities after taxation		18,493	5,214
Dividends	5	(4,000)	(4,000)
Profit for the financial year	10	14,493	1,214

All of the above results derive from continuing activities and there were no acquisitions in the year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 5th April 1998

All material gains and losses have been recognised in arriving at the profit for the year.

BALANCE SHEET
as at 5th April 1998

	Notes	1998 £	1998 £	1997 £	1997 £
FIXED ASSETS					
Tangible assets	6		40,422		36,085
CURRENT ASSETS					
Debtors	7	4,083		4,347	
Cash at bank and in hand		23,408		12,743	
		27,491		17,090	
CREDITORS: amounts falling due within one year	8	(11,383)		(11,138)	
Net current assets			16,108		5,952
Total assets less Current Liabilities			56,530		42,037
CAPITAL AND RESERVES					
Called up share capital	9		55		55
Profit and loss account	10		56,475		41,982
			56,530		42,037

DIRECTORS' STATEMENT

In preparing these unaudited accounts advantage has been taken of the exemptions offered by Section 249A(1) of the Companies Act 1985. No notice has been deposited by members under Section 249B(2) requiring an audit.

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 and which comply with the provisions of the Companies Act 1985. 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 the safeguarding of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements on pages 5 to 9 were approved by the Board on 1 July 1998.

DR M M Choonara
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5th April 1998

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements are prepared under the historical cost convention.

Turnover
Turnover represents rent receivable from let properties.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, other than investment properties, on a reducing balance basis to write off the assets over their estimated useful lives as follows:

Motor vehicles	- 25% per annum
Fixtures and fittings	- 20% per annum

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 is stated after charging and crediting

	1998 £	1997 £
Auditors' remuneration	350	250
Director's emoluments	3,750	3,150
Profit on disposal of assets	(15,855)	-

The only employees of the company are the directors and the staff costs represent management remuneration paid to the directors.

3. INTEREST RECEIVABLE

	1998 £	1997 £
on bank deposits	421	172

4. TAXATION

UK current year taxation		
UK corporation tax at 21% (1997-24%)	1,350	1,500
Prior years	48	(295)
	1,398	1,205

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5th April 1998

5. DIVIDENDS

	1998 £	1997 £
Ordinary:		
Proposed £72.72 (1997-£72.72) per share	4,000	4,000

6. TANGIBLE FIXED ASSETS

	Investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
Beginning of year	32,516	14,243	7,034	53,793
Additions	-	15,785	-	15,785
Disposals	(6,338)	(14,243)	-	(20,581)
End of year	26,178	15,785	7,034	48,997
Depreciation				
Beginning of year	-	12,498	5,210	17,708
Charge for the year	-	3,000	365	3,365
Disposals	-	(12,498)	-	(12,498)
End of year	-	3,000	5,575	8,575
Net book value				
Owned assets				
Beginning of year	32,516	1,745	1,824	36,085
End of year	26,178	12,785	1,459	40,422

7. DEBTORS

	1998 £	1997 £
ACT Recoverable	3,745	3,535
Prepayments and accrued income	338	812
	4,083	4,347

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5th April 1998

	1998 £	1997 £
8. CREDITORS: amounts falling due within one year		
Director's current account	1,942	1,942
Accruals and deferred income	4,187	4,196
Proposed dividend	4,000	4,000
Corporation tax payable	254	-
ACT Payable	1,000	1,000
	11,383	11,138

9. SHARE CAPITAL

	Authorised 1998 Number	Authorised 1997 Number	Allotted, called up and fully paid 1998 £	Allotted, called up and fully paid 1997 £
£1 ordinary	100	100	55	55

10. RESERVES

	1998 £
Beginning of year	41,982
Profit for the year	14,493
End of year	56,475

11. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	18,493	5,214
Dividends	(4,000)	(4,000)
Net addition to shareholders' funds	14,493	1,214
Opening shareholders' funds	42,037	40,823
Closing shareholders' funds	56,530	42,037