

965713' (RoC)

DOBERN PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997



DOERN PROPERTIES LIMITED

DIRECTORS: L.D. Kingston
R.M. Kingston

CHAIRMAN: L.D. Kingston

SECRETARY: R.M. Kingston

COMPANY NUMBER: 965713

REGISTERED OFFICE: Grosvenor House
3 Holstock Road
Ilford
Essex
IG1 1LG

BANKERS: The Royal Bank of Scotland plc
Enfield Branch
30/32 London Road
Enfield
Middlesex
EN2 6DT

SOLICITORS: Howard Schneider Spiro & Steele
Finchley House
707 High Road
North Finchley, London
N12 0BT

ACCOUNTANTS: Murray J. Goldburgh
15 Benham Court
King's Esplanade
Hove
Sussex
BN3 2WR

DOBERN PROPERTIES LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 1997

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DOBERN PROPERTIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1997

The directors present herewith their annual report, together with the unaudited financial statements of the company for the year ended 31st December 1997.

RESULTS AND DIVIDENDS

The surplus for the year after taxation was £8,007.

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

REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be that of property investment and management. The directors continue to consider the additional and alternative investments that are required to increase the company's portfolio and therefore its turnover and profitability.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of shares</u>	
	31st December 1997	1st January 1997
L.D. Kingston	184	184
R.M. Kingston	-	184

FIXED ASSETS

The movements in fixed assets during the year are set out in note 8 to the accounts.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently, to
- * make judgments and estimates that are reasonable and prudent, and to
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

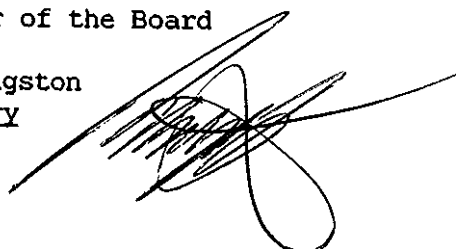
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

ACCOUNTANTS

It is proposed that the company's present accountant, Murray J. Goldburgh, Chartered Reporting Accountant, be reappointed as accountant to the company to hold office for the ensuing year.

By Order of the Board

R.M. Kingston
Secretary



2nd February 1998

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF
DOBERN PROPERTIES LIMITED

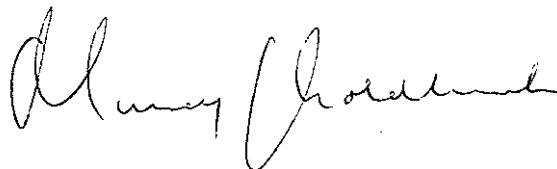
As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st December 1997, set out on pages 3 to 11, and you consider that the company is exempt from an audit and a report under Section 249A(2) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you in the fulfillment of your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us by you, and to the best of our knowledge and belief they are in accordance therewith.

Our review was limited primarily to enquiries of the directors and staff and analytical procedures applied to the financial data.

We have not carried out an audit in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

Murray J. Goldburgh
Hove, Sussex
Chartered Reporting Accountant



Date: 2nd MAR 1998

DOBERN PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
TURNOVER	3		32,990		28,967
ADMINISTRATION COSTS			23,043		77,950
OPERATING SURPLUS/(DEFICIT)	4/		9,947		(48,983)
Interest receivable	5	320		223	
Interest payable	6	(1)		(3)	
			319		220
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			10,266		(48,763)
Tax on ordinary activities	7		2,259		1,941
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAXATION			8,007		(50,704)
Retained (deficit)/surplus brought forward			(21,144)		29,560
RETAINED (DEFICIT) CARRIED FORWARD			£ (13,137)		£ (21,144)

The notes on pages 7 to 11 form part of these accounts.

Turnover and surplus for the year derive wholly from continuing operations.

DOBERN PROPERTIES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAXATION			8,007		(50,704)
Opening shareholders' funds			(21,144)		29,560
CLOSING SHAREHOLDERS' FUNDS			<u>£ (13,137)</u>		<u>£ (21,144)</u>

The notes on pages 7 to 11 form part of these accounts.

The only item which would appear on a 'Statement of Total Recognised Gains and Losses' is the surplus for the year as shown above.

DOBERN PROPERTIES LIMITED**BALANCE SHEET****AS AT 31ST DECEMBER 1997**

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
FIXED ASSETS					
Tangible assets	8		124,934		124,444
Investments	9		-		-
			<u>124,934</u>		<u>124,444</u>
CURRENT ASSETS					
Debtors	10	40,514		95,992	
Cash at bank and in hand		27,054		7,207	
		<u>67,568</u>		<u>103,199</u>	
CREDITORS - amounts falling due within one year	11	(191,797)		(234,945)	
NET CURRENT (LIABILITIES)			(124,229)		(131,746)
NET ASSETS/(LIABILITIES)			<u>£ 705</u>		<u>£ (7,302)</u>
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	12		400		400
Other reserve	13		13,442		13,442
Profit and loss account			(13,137)		(21,144)
			<u>£ 705</u>		<u>£ (7,302)</u>

DOERN PROPERTIES LIMITED

BALANCE SHEET - CONTINUED
AS AT 31ST DECEMBER 1997

The notes on pages 7 to 11 form part of these accounts.

EXEMPTION FROM AUDIT

In approving these financial statements as directors of the company we hereby confirm:

- a) that for the year in question the company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st December 1997; and
- c) that we acknowledge our responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its results for the year then ended and which otherwise comply with the provisions of the Companies Act relating to the accounts in accordance with the requirements of section 226, so far as applicable to the company.

REDUCED DISCLOSURE ALLOWED FOR SMALL COMPANIES

In preparing these financial statements, we have taken advantage of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies, and have done so on the grounds that, in our opinion, the company qualifies as a small company.

Approved by the Board of Directors on 2nd February 1998
(and signed on its behalf by)

L.D. Kingston

Director



DOBERN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

The following accounting policies have been selected and consistently applied by the directors.

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

1.2 Accounting standards

Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Company has taken advantage of the exemptions contained in Financial Reporting Standard Number 1 in as much as they apply to the requirement to produce a 'Cashflow Statement' on the grounds that the Company falls within the definition of a small company contained therein.

1.3 Turnover

This represents rents and ground rents receivable together with the invoiced amounts of fees and commissions receivable.

1.4 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than buildings and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings: 15% per annum on written down value

Whilst the directors acknowledge the requirements of Statement of Standard Accounting Practice 12 - 'Accounting for Depreciation' - in as much as they relate to the depreciation of buildings, they consider that a rate of depreciation of 0% is appropriate as the property will be fully maintained to its current standard and, therefore, its residual value will be no less than its current value.

2. FINANCIAL REPORTING STANDARD 3

In the opinion of the directors, all operations are continuing operations and there has been no acquisition of operations.

DOBERN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 1997

3. **TURNOVER**

The turnover and pre-tax Surplus/(deficit) are attributable to the Company's main activity.

The turnover arises entirely in the U.K.

4. **OPERATING SURPLUS/(DEFICIT)**

This is stated after charging (crediting):

Depreciation

<u>1997</u>	<u>1996</u>
£	£
121	35

5. **INTEREST RECEIVABLE**

Bank interest
Other interest

<u>1997</u>	<u>1996</u>
£	£
320	219
-	4
£ 320	£ 223

6. **INTEREST PAYABLE**

On bank overdrafts repayable within 5 years

<u>1997</u>	<u>1996</u>
£	£
1	3
£ 1	£ 3

7. **TAXATION**

7.1 The tax charge on the Surplus/(deficit) on ordinary activities for the year was as follows:

U.K. corporation tax

<u>1997</u>	<u>1996</u>
£	£
2,259	1,941

7.2 The company is a close company within the terms of section 282 of the Taxes Act 1970

7.3 Whilst the directors acknowledge the requirements of Statement of Standard Accounting Practice 15 - 'Accounting for deferred tax' - they consider that no provision need be made in these accounts in respect of taxation deferred by accelerated capital allowances as any adjustment would be immaterial.

DOBERN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 1997

8. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>	<u>Fixtures and fittings</u>	<u>Total</u>
	£	£	£
Cost:			
At 1st January 1997	124,249	1,704	125,953
Additions	-	611	611
At 31st December 1997	124,249	2,315	126,564
Depreciation:			
At 1st January 1997	-	1,509	1,509
Charge for year	-	121	121
At 31st December 1997	-	1,630	1,630
Net book value at 31st December 1997	£124,249	£ 685	£124,934
Net book value at 31st December 1996	£124,249	£ 195	£124,444
The net book values of land and building comprises:	<u>1997</u>	<u>1996</u>	
	£	£	
Freehold	9,266	9,266	
Long leasehold	114,983	114,983	
	£124,249	£124,249	

9. FIXED ASSET INVESTMENTS

The investments in Dinwill Limited and Lauries Properties Limited have been written off as all the assets concerned have been transferred to Dobern Properties Limited and all liabilities have been settled. It has been decided to retain the two companies as non-trading entities in order to preserve their names and to have the Companies available as vehicles for future trading ventures should they be required.

DOBERN PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31ST DECEMBER 1997**10. DEBTORS**

<u>1997</u>	<u>1996</u>
£	£
Trade debtors	40,514
	95,992
<u>£ 40,514</u>	<u>£ 95,992</u>

**11. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>1997</u>	<u>1996</u>
	£	£
Bank loans and overdraft	77,455	82,979
Trade creditors	7,167	11,649
Corporation tax	2,255	1,941
Directors' current accounts	41,289	39,421
Other creditors	42,131	83,455
Accruals	21,500	15,500
	<u>£191,797</u>	<u>£234,945</u>

12. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
	£	<u>1997</u>	<u>1996</u>
		£	£
400 Ordinary shares of £1 each	£ 400	£ 400	£ 400

13. DISTRIBUTABLE RESERVES

	<u>1997</u>	<u>1996</u>
	£	£
Distributable reserves arising on the acquisition of:		
Dinwill Limited	1,769	1,769
Lauries Properties Limited	11,673	11,673
	<u>£13,442</u>	<u>£13,442</u>

DOBERN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 1997

14. BALANCE SHEET DEFICIENCY

As at 31st December 1997 the company's current liabilities exceeded its current assets by £124,229 and the company was reliant on the support of its creditors to continue trading.

The directors have no reason to believe that this support will not continue to be forthcoming and have given assurances to the company's accountant, Murray J. Goldburgh, in this respect.