

1317708 (England and Wales)



S.C.H. (Properties) Limited
Directors' Report and Financial Statements
for the year ended 31 March 1996



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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S.C.H. (Properties) Limited

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S.C.H. (Properties) Limited

Directors' Report for the year ended 31 March 1996

The directors present their report and the financial statements for the year ended 31 March 1996.

Principal Activities and Review of the Business

The principal activity of the company is property dealing.

The results for the year and the financial position at the year end were considered satisfactory by the directors, who are optimistic of growth in the foreseeable future.

Results and Dividends

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

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £11,278 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 7 and 8 to the financial statements.

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	
		1996	1995
L Serlin	Ordinary shares	1	1
D J Serlin	Ordinary shares	1	1
S Serlin	Ordinary shares	-	-

Auditors

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

S.C.H. (Properties) Limited

Directors' Report for the year ended 31 March 1996(continued)

Directors' Responsibilities

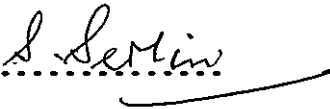
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 28 August 1996

S Serlin
Secretary



S.C.H. (Properties) Limited

Auditors' Report
to the shareholders of S.C.H. (Properties) Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention 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

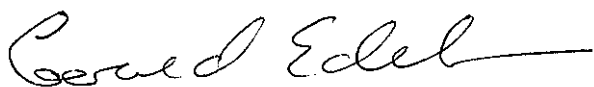
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.



Gerald Edelman

28 August 1996

Chartered Accountants
Registered Auditor

25 Harley Street
London W1N 2BR

S.C.H. (Properties) Limited

Profit and Loss Account
for the year ended 31 March 1996

	Notes	1996 £	1995 £
Other operating income		54,020	56,518
Administrative expenses		(41,652)	(55,305)
Operating profit	3	12,368	1,213
Other interest receivable and similar income	4	2,669	1,681
Interest payable and similar charges	5	(10)	(6)
Profit on ordinary activities before taxation		15,027	2,888
Tax on profit on ordinary activities	6	(3,749)	(862)
Retained profit for the year	13	£ 11,278	£ 2,026

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

S.C.H. (Properties) Limited

Balance Sheet as at 31 March 1996

	Notes	£	1996 £	£	1995 £
Fixed Assets					
Tangible assets	7		7,369		9,633
Investments	8		2		2
			<u>7,371</u>		<u>9,635</u>
Current Assets					
Stocks	9	150,864		150,864	
Debtors	10	38,187		38,497	
Cash at bank and in hand		61,091		57,120	
		<u>250,142</u>		<u>246,481</u>	
Creditors: amounts falling due within one year	11	(194,751)		(204,632)	
Net Current Assets			<u>55,391</u>		<u>41,849</u>
Total Assets Less Current Liabilities			<u>£ 62,762</u>		<u>£ 51,484</u>
Capital and Reserves					
Called up share capital	12		2		2
Profit and loss account	13		62,760		51,482
Shareholders' Funds	14		<u>£ 62,762</u>		<u>£ 51,484</u>

The financial statements were approved by the Board on 28 August 1996.

L Serlin

Director

D J Serlin

Director

S.C.H. (Properties) Limited

Notes to the Financial Statements for the year ended 31 March 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention 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 cashflow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	20% Reducing balance
Motor vehicle	-	25% Reducing balance

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Group Accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 248 of the Companies Act 1985.

2. Turnover

The turnover of the company is derived from its principal activity of property dealing wholly undertaken in the U.K.

3. Operating Profit

	1996 £	1995 £
Operating profit is stated after charging:		
Depreciation of tangible assets	2,444	3,211
Auditors' remuneration	3,938	3,938
and after crediting:		
Rents receivable	54,020	56,518

S.C.H. (Properties) Limited

Notes to the Financial Statements for the year ended 31 March 1996

4.	Other Interest Receivable and Similar Income	1996 £	1995 £
	Bank interest received	<u>2,669</u>	<u>1,681</u>
5.	Interest Payable	1996 £	1995 £
	On bank loans and overdrafts	<u>10</u>	<u>6</u>
		£ <u>10</u>	£ <u>6</u>
6.	Taxation	1996 £	1995 £
	U.K. Current year taxation		
	U.K. Corporation tax at 25% (1995 - 25%)	<u>3,749</u>	<u>862</u>
7.	Tangible Assets		
		Fixtures, fittings & equipment £	Motor vehicle £
	Cost		Total £
	At 1 April 1995	-	17,125
	Additions	<u>180</u>	<u>180</u>
	At 31 March 1996	<u>180</u>	<u>17,305</u>
	Depreciation		
	At 1 April 1995	-	7,492
	Charge for year	<u>36</u>	<u>2,444</u>
	At 31 March 1996	<u>36</u>	<u>9,936</u>
	Net book values		
	At 31 March 1996	£ <u>144</u>	£ <u>7,225</u>
	At 31 March 1995	£ <u>-</u>	£ <u>9,633</u>

S.C.H. (Properties) Limited

Notes to the Financial Statements for the year ended 31 March 1996

8.	Fixed Asset Investments	1996 £	1995 £
	Subsidiary undertakings	<u>2</u>	<u>2</u>
	Investment in subsidiary undertakings		Shares £
	Cost		
	At 1 April 1995 & at 31 March 1996		<u>2</u>
	Net Book Values		
	At 31 March 1996	£	<u>2</u>
	At 31 March 1995	£	<u>2</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertaking			
Heathway Investments Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Heathway Investments Limited	£49,366	£1,224

9.	Stocks	1996 £	1995 £
	Stock of properties	<u>£ 150,864</u>	<u>£ 150,864</u>
10.	Debtors	1996 £	1995 £
	Trade debtors	-	563
	Amounts owed by group undertaking	36,969	37,934
	Other debtors	758	-
	Prepayments and accrued income	460	-
		<u>£ 38,187</u>	<u>£ 38,497</u>

S.C.H. (Properties) Limited

Notes to the Financial Statements
for the year ended 31 March 1996

11.	Creditors: amounts falling due within one year	1996 £	1995 £
	Trade creditors	12,984	5,000
	Corporation tax	3,749	862
	Other taxes and social security costs	838	1,989
	Directors' current accounts	173,242	191,153
	Other creditors	-	1,690
	Accruals and deferred income	3,938	3,938
		<u>£ 194,751</u>	<u>£ 204,632</u>
12.	Share Capital	1996 £	1995 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
13.	Profit And Loss Account	1996 £	1995 £
	Retained profits at 1 April 1995	51,482	49,456
	Retained profit for the year	11,278	2,026
	Retained profits at 31 March 1996	<u>£ 62,760</u>	<u>£ 51,482</u>
14.	Reconciliation of Movements in Shareholders' Funds	1996 £	1995 £
	Profit for the financial year	11,278	2,026
	Opening shareholders' funds	51,484	49,458
	Closing shareholders' funds	<u>£ 62,762</u>	<u>£ 51,484</u>

S.C.H. (Properties) Limited

Notes to the Financial Statements
for the year ended 31 March 1996

15. Directors' Emoluments	1996 £	1995 £
Remuneration	<u>22,110</u>	<u>22,110</u>

16. Transactions With Directors

Included under creditors is the sum of £173,242 due to L & S Serlin. There are no terms as to interest or repayment in respect of this balance.

17. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Management	<u>2</u>	<u>2</u>

Employment costs

	£	£
Wages and salaries	22,110	22,110
Social security costs	<u>2,837</u>	<u>2,664</u>
	<u>£ 24,947</u>	<u>£ 24,774</u>