

Company Registration No. 1317708 (England and Wales)



S.C.H. (PROPERTIES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998



GERALD EDELMAN

CHARTERED ACCOUNTANTS

25 HARLEY STREET · LONDON W1N 2BR

TELEPHONE 0171 299 1400 · FAX 0171 631 0917

S.C.H. (PROPERTIES) LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 9

S.C.H. (PROPERTIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and financial statements for the year ended 31 March 1998.

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 3.

Directors

The following directors have held office since 1 April 1997:

L Serlin
D J Serlin
S Serlin

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 March 1998	1 April 1997
L Serlin	1	1
D J Serlin	1	1
S Serlin	-	-

By order of the board

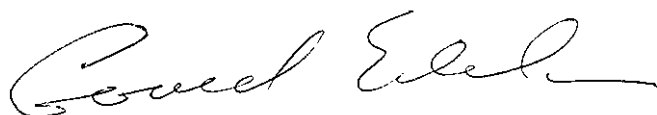
X
S Serlin
Director
18 November 1998

X


S.C.H. (PROPERTIES) LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF S.C.H. (PROPERTIES) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 1998, set out on pages 3 to 9 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 accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Gerald Edelman

18 November 1998

Chartered Accountants
Reporting Accountants

25 Harley Street
London
W1N 2BR

S.C.H. (PROPERTIES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
Administrative expenses		(41,523)	(37,126)
Other operating income		59,880	58,435
Operating profit	2	18,357	21,309
Other interest receivable and similar income	3	4,063	2,391
Interest payable and similar charges	4	-	(3)
Profit on ordinary activities before taxation		22,420	23,697
Tax on profit on ordinary activities	5	(5,038)	(6,021)
Profit on ordinary activities after taxation	12	17,382	17,676

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	6		16,216		5,532
Investments	7		2		2
			<u>16,218</u>		<u>5,534</u>
Current assets					
Stocks	8	150,864		150,864	
Debtors	9	21,540		29,384	
Cash at bank and in hand		71,006		61,666	
		<u>243,410</u>		<u>241,914</u>	
Creditors: amounts falling due within one year	10	(161,808)		(167,010)	
Net current assets			<u>81,602</u>		<u>74,904</u>
Total assets less current liabilities			<u>97,820</u>		<u>80,438</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		97,818		80,436
Shareholders' funds - equity interests	13		<u>97,820</u>		<u>80,438</u>

In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - 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 profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 18 November 1998

L Serlin
Director

D J Serlin
Director

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 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 & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Investments

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

1.5 Stock

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

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,397	1,837
and after crediting:		
Rents receivable	59,880	58,435
	<u> </u>	<u> </u>
3 Other interest receivable and similar income	1998	1997
	£	£
Bank interest	4,063	2,391
	<u> </u>	<u> </u>

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

4	Interest payable	1998	1997
		£	£
	On bank loans and overdrafts	-	3
5	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997- 24%)	5,038	5,600
	Prior years		
	U.K. Corporation tax	-	421
		5,038	6,021
6	Tangible fixed assets		
		Fixtures, fittings & equipment	Motor vehicles
		£	£
	Cost		
	At 1 April 1997	180	17,125
	Additions	-	21,500
	Disposals	-	(17,125)
	At 31 March 1998	180	21,500
	Depreciation		
	At 1 April 1997	67	11,706
	On disposals	-	(11,706)
	Charge for the year	22	5,375
	At 31 March 1998	89	5,375
	Net book value		
	At 31 March 1998	91	16,125
	At 31 March 1997	113	5,419

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 1997 & at 31 March 1998	2

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.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
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/(Loss) for the year
Heathway Investments Limited	62,703	6,777

8	Stocks	1998 £	1997 £
	Stock of properties	150,864	150,864

9	Debtors	1998 £	1997 £
	Trade debtors	780	-
	Amounts owed by parent and fellow subsidiary undertakings	20,361	28,969
	Prepayments and accrued income	399	415
		21,540	29,384

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

10 Creditors: amounts falling due within one year	1998	1997
	£	£
Bank loans and overdrafts	-	2,075
Trade creditors	5,905	1,144
Corporation tax	5,038	5,600
Directors' current accounts	132,736	154,253
Other creditors	14,250	-
Accruals and deferred income	3,879	3,938
	<u>161,808</u>	<u>167,010</u>
11 Share capital	1998	1997
	£	£
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>
12 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 April 1997		80,436
Retained profit for the year		<u>17,382</u>
Balance at 31 March 1998		<u>97,818</u>
13 Reconciliation of movements in shareholders' funds	1998	1997
	£	£
Profit for the financial year	17,382	17,676
Opening shareholders' funds	<u>80,438</u>	<u>62,762</u>
Closing shareholders' funds	<u>97,820</u>	<u>80,438</u>

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

14 Directors' emoluments	1998 £	1997 £
Emoluments for qualifying services	<u>22,110</u>	<u>22,110</u>

15 Transactions with directors

Included under creditors is the sum of £132736 (1997 £154,253) due to L & S Serlin. There are no terms as to interest or repayment in respect of this balance.

16 Employees

Number of employees

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

	1998 Number	1997 Number
Management	<u>2</u>	<u>2</u>
Employment costs		
	£	£
Wages and salaries	22,110	22,110
Social security costs	2,803	2,836
	<u>24,913</u>	<u>24,946</u>

17 Control

The ultimate controlling party is the family interests of Mr L Serlin and Mr D Serlin, both directors of the company.