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SOLENT PROJECTS LIMITED

Financial Statements

Year Ended 28 February 1997



SOLENT PROJECTS LIMITED

Company Information

Directors	P.G. Lister S.H. Tizzard
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Secretary	S.H. Tizzard
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Company Number	1867006
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Registered Office	59 Station Road, New Milton, Hants. BH25 6JB
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Reporting Accountants	Willis Parsons, National Westminster Bank Chambers, 59 Station Road, New Milton, Hants. BH25 6JB
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SOLENT PROJECTS LIMITED

**ACCOUNTS FOR THE YEAR ENDED
28TH FEBRUARY 1997**

INDEX

1	Report of the Directors
2	Accountants' Report
3	Profit and Loss Account
4	Balance Sheet
5 to 9	Notes to the Accounts
10	Trading and Profit and Loss Account
11	Detailed Expenses

1

Solent Projects Limited
REPORT OF THE DIRECTORS
For the year ended 28th February 1997

The Directors present their report and the Accounts for the year ended 28th February 1997.

STATEMENT OF 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 profits or loss 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 continued 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 the safeguarding of the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS DEVELOPMENTS

The Principal activities of the Company are those of property dealing and letting, helicopter and aircraft chartering and hiring and importing and retailing of motor vehicles.

DIRECTORS

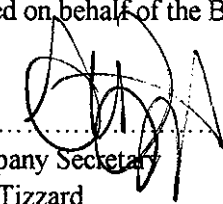
The Directors of the Company during the year are those listed below. Their interests in the ordinary share capital of the Company as recorded in the Company's register were:

	<u>At 28.2.97</u>	<u>At 1.3.96</u>
P.G. Lister	50	50
S.H. Tizzard	50	50

This Report has been prepared taking advantage of the special exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the Directors of the Company is entitled to these exemptions as a small company.

This Report was approved by the board on 29th October 1997.....

Signed on behalf of the Board of Directors


.....
Company Secretary
S.H. Tizzard

Solent Projects Limited
ACCOUNTANTS REPORT
For the year ended 28th February 1997

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF:

SOLENT PROJECTS LIMITED

We report on the Accounts for the year ended 28 February 1997 set out on pages 3 to 9.

Respective responsibilities of Directors and Reporting Accountant

As described on page 1 the Company's Directors are responsible for the preparation of the Accounts, and they consider that the Company is exempt from an audit.

In accordance with their instructions and in order to assist the Directors to fulfil their responsibilities we have prepared the Accounts on pages 3 to 9 from the accounting records and from the information supplied to us.

We have not performed an audit and we do not provide any assurance that the Accounts show a true and fair view, which remains the sole responsibility of the Directors.

It is our responsibility to carry out procedures designed to enable us to form an opinion.

Basis of Opinion

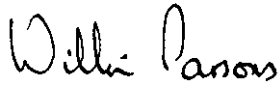
Our work was conducted in accordance with Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the Accounts with the accounting records of the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this Report. These procedures provide only assurance expressed on our opinion.

Opinion

In our opinion:

- (a) the Accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- (b) having regard to, and on the basis of, the information contained in those accounting records ,
 - (i) the Accounts have been drawn up in the manner specified in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for the exemption from an audit of the Accounts 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 companies not entitled to the exemption in Section 249B(1).

National Westminster Bank Chambers,
 59 Station Road,
 New Milton,
 Hants.
 BH25 6JB


WILLIS PARSONS
Chartered Accountants
and Reporting Accountants

Date 30th October 1997

Solent Projects Limited
PROFIT AND LOSS ACCOUNT
For the year ended 28th February 1997

		<u>1997</u>	<u>1996</u>
		£	£
	<u>Note</u>		
TURNOVER (Continuing operations)		175,373	1,105,172
COST OF SALES		<u>(146,060)</u>	<u>(912,108)</u>
GROSS PROFIT		29,313	193,064
Administrative Expenses		<u>(52,040)</u>	<u>(38,894)</u>
NET OPERATING (DEFICIT)/INCOME	2	<u>(22,727)</u>	<u>154,170</u>
(Continuing Operations)			
Other Income	3	55,347	48,764
Interest Payable and Similar Charges	4	<u>(31,931)</u>	<u>(28,943)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		689	173,991
Taxation	5	<u>(510)</u>	<u>(43,743)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		179	130,248
Balance brought forward		334,130	203,882
BALANCE AT 28TH FEBRUARY 1997		<u>334,309</u>	<u>334,130</u>

There were no recognised gains or losses for 1997 or 1996 other than those included in the Profit and Loss Account.

Solent Projects Limited
BALANCE SHEET
As at 28th February 1997

		1997	1996
	Note	£	£
FIXED ASSETS	7	856,595	433,649
CURRENT ASSETS			
Stock and Work-in-Progress	8	210,606	171,444
Debtors	9	100,033	461,743
Cash at Bank and in Hand		-	62
		<u>310,639</u>	<u>633,249</u>
CREDITORS - amounts falling due within one year			
Creditors	10	<u>732,187</u>	<u>631,700</u>
NET CURRENT ASSETS		(421,548)	1,549
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>435,047</u>	<u>435,198</u>
CREDITORS - amounts falling due after more than one year	12	(100,000)	(100,000)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Tax	13	<u>(638)</u>	<u>(968)</u>
		<u>334,409</u>	<u>334,230</u>
CAPITAL AND RESERVES			
Called up Share Capital	14	100	100
Profit and Loss Account		<u>334,309</u>	<u>334,130</u>
SHAREHOLDERS' FUNDS	16	<u>334,409</u>	<u>334,230</u>

The Directors of the Company confirm that:

- for the year in question the Company was entitled to the exemption conferred by Sub-Section 2 of Section 249A of the Companies Act 1985;
- no notice has been deposited under Sub-Section 2 of Section 249B in relation to its Accounts for the financial year;
- the Directors acknowledge their responsibilities for:
 - ensuring that the Company keeps accounting records which comply with section 221; and
 - preparing Accounts which give a true and fair view of the state of the affairs of the Company as at the end of 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 the 1985 Act relating to the Accounts.

The Directors have taken advantage of the special exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the Company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD

P. G. LISTER

Director

Date 29th October 1997

The annexed Notes form part of these Financial Statements

Solent Projects Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 28th February 1997

1. ACCOUNTING POLICIES

(a) Accounting Convention

The Accounts are prepared under the historical cost convention.

(b) Depreciation of Tangible Fixed Assets

The cost of tangible fixed assets is written off by the reducing balance method at the following rates:

Plant & Equipment	15%
Motor Vehicles	25%

(c) Stocks and Work-in-Progress

Stock are valued at the lower of cost and net realisable value. In the case of Work-in-Progress, cost comprises direct materials, direct labour and an appropriate proportion of fixed and variable overheads.

(d) Deferred Taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

(e) Hire Purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives.

(f) Turnover

Turnover represents invoiced sales net of VAT and Returns.

(g) Operating Leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

(h) Going Concern

The Balance Sheet shows the Company to have a deficit of current assets against current liabilities. The Accounts have been prepared on a going concern basis due to the continued support of the Bank and the Directors.

2 NET OPERATING (DEFICIT)/INCOME is stated after charging:

	<u>1997</u>	<u>1996</u>
	£	£
Lease of Motor Vehicle	4,260	2,130
Depreciation of Tangible Fixed Assets	3,696	4,269
Auditor's Remuneration	-	2,200
Disposal of Fixed Assets	<u>1,575</u>	<u>(673)</u>

Solent Projects Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 28th February 1997

3 OTHER INCOME

	<u>1997</u>	<u>1996</u>
	£	£
Rental Income (net)	55,347	48,705
Bank Interest Received	-	59
	<u>55,347</u>	<u>48,764</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

Included in Interest Payable and Similar Charges are amounts in respect of:	<u>1997</u>	<u>1996</u>
	£	£
Hire Purchase Interest	-	61

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	£	£
The charge based on the profit for the year comprises		
Corporation Tax	840	43,708
Transferred to Deferred Taxation	(330)	35
	<u>510</u>	<u>43,743</u>

6 RELATED PARTY TRANSACTIONS

During the year the Company undertook general trading activities with Terard Limited and Solreed Limited, of which P. G. Lister is a Director. At the year end there was a debtor from Solreed Limited of £91,446 (1996 - £69,182). In addition to this P. G. Lister is a Director of Solent Projects (Southern) Limited and there was a loan outstanding at the year end, included in other creditors, of £9,000 (1996 - £45,000). The Company incurs a management charge from this Company which totalled £25,607 for the year (1996 - £15,047).

The Company also undertook general trading activities with Bisterne Developments Limited, of which S. H. Tizzard is a Director.

Finally, the Company undertook work for partnerships of the two Directors. No balances were outstanding at the year end with these partnerships.

Solent Projects Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 28th February 1997

7 TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant & Equipment</u>	<u>Investment Properties</u>	<u>Total</u>
	£	£	£	£
Cost				
At 28th February 1996	20,538	19,195	416,959	456,692
Additions	2,331	1,070	424,815	428,216
Disposals	(2,800)	-	-	(2,800)
At 28th February 1997	<u>20,069</u>	<u>20,265</u>	<u>841,774</u>	<u>882,108</u>
Depreciation				
At 28th February 1996	12,103	10,940	-	23,043
On Disposals	(1,226)	-	-	(1,226)
Charge of the year	2,298	1,398	-	3,696
At 28th February 1997	<u>13,175</u>	<u>12,338</u>	<u>-</u>	<u>25,513</u>
Net Book Value				
At 28th February 1997	<u>6,894</u>	<u>7,927</u>	<u>841,774</u>	<u>856,595</u>
At 28th February 1996	<u>8,435</u>	<u>8,255</u>	<u>416,959</u>	<u>433,649</u>

The Directors consider the value of the Fixed Assets to be at least that shown above.

8 STOCKS AND WORK-IN-PROGRESS

	<u>1997</u>	<u>1996</u>
	£	£
Stock and Work-in-Progress	<u>210,606</u>	<u>171,444</u>

9 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	545	355,000
Other Debtors	99,488	106,743
	<u>100,033</u>	<u>461,743</u>

Solent Projects Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28th February 1997

10 CREDITORS - amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Bank Overdrafts	529,449	284,077
Trade Creditors	44,391	75,364
Corporation Tax	840	43,708
Other Creditors	27,329	88,448
Directors Current Accounts	130,178	140,103
	<u>732,187</u>	<u>631,700</u>

11 BANK OVERDRAFT

The bank borrowing is secured.

12 CREDITORS - amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
	£	£
Directors' Loan	<u>100,000</u>	<u>100,000</u>

13 DEFERRED TAXATION

The provision for deferred taxation is in respect of:

	<u>1997</u>	<u>1996</u>
	£	£
Accelerated Capital Allowances	<u>638</u>	<u>968</u>

14 CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
ORDINARY SHARES of £1 each	£	£
Authorised	<u>100</u>	<u>100</u>
Allotted and Fully Paid	<u>100</u>	<u>100</u>

There were no changes during the year.

Solent Projects Limited**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 28th February 1997**

15 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments at 28th February 1997 or at 28th February 1996. There was a contingent liability dated 23rd July 1992 in respect of Shell UK Limited for £1000 re grant of credit facilities in 1996 but no contingent liabilities at 28 February 1997.

16 MOVEMENT ON SHAREHOLDERS FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the year	179	130,248
Less: Dividends	-	-
	<u>179</u>	<u>130,248</u>
Opening Shareholders Funds	334,230	203,982
Closing Shareholders Funds	<u><u>334,409</u></u>	<u><u>334,230</u></u>