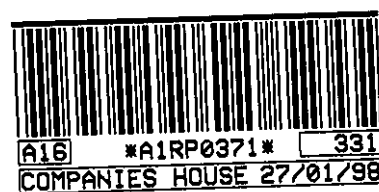


RUSHCATCH LIMITED
COMPANY NUMBER Q2027692
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997



RUSHCATCH LIMITED

CONTENTS

	Page
Officers & professional advisers	1
Directors' report	2
Directors' responsibilities	3
Accountants' report	4
Profit & loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11
Detailed profit & loss account	12

RUSHCATCH LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

P.J. Wheatley
R.I. Wells

Secretary

P.J. Wheatley

Registered Office

9 Bridle Close,
Surbiton Road,
Kingston Upon Thames,
Surrey KT1 2JW

Auditors

James Worley & Sons
9 Bridle Close,
Kingston Upon Thames,
Surrey KT1 2JW

Bankers

National Westminster Bank Plc,
73 High Street
Walton Upon Thames,
Surrey,
KT12 1DW

RUSHCATCH LIMITED

REPORT OF THE DIRECTORS

The directors submit herewith their report and financial statements for the year ended 31st March 1997.

ACTIVITIES

The principal activities of the company during the period were property investment and property development.

RESULTS

	£
Profit for the year before taxation	9,759
Taxation	(3,137)
Profit retained	<u>6,622</u>

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the property market has stabilised during the year under review, and that the current market values of the company's investment properties have not altered since the professional valuations carried out in 1994.

DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows :

	Ordinary shares of £1 each	
	31-3-97	31-3-96
P.J. Wheatley	1	1
R.I. Wells	1	1

AUDITORS

A resolution to re-appoint James Worley & Sons as auditors of the company will be proposed at the next Annual General Meeting.

CLOSE COMPANY STATUS

The directors consider that the company is a close company within the provisions of the Income and Taxes Act 1988.

BY ORDER OF THE BOARD



P.J. Wheatley
Secretary

Dated : 6th January 1998

RUSHCATCH LIMITED

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 appropriate accounting records which disclose with reasonable accuracy 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.

**ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
RUSHCATCH LIMITED**

We report on the accounts for the year ended 31st March 1997, set out on pages 5 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 3 the company's director is responsible for the preparation of the accounts, and they consider that the company is exempt from audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts 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

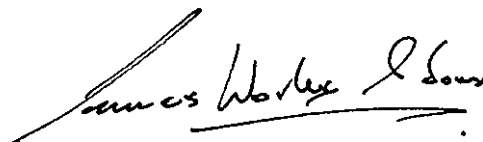
In our opinion:

(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 only to and on the basis of, the information contained in those accounting records:

- (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249(C) of the Act; and
- (ii) the company satisfied the conditions for 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 specified in section 249B(1).

Kingston upon Thames
Surrey
Dated: 6th January 1998


James Worley & Sons
Reporting Accountants

RUSHCATCH LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Note	1997 £	1996 £
Turnover	1	73,908	76,154
Cost of sales		40,239	37,951
Gross profit		<u>33,669</u>	<u>38,203</u>
Administration expenses		18,804	18,791
		<u>14,865</u>	<u>19,412</u>
Other income			
		<u>14,865</u>	<u>19,412</u>
Interest payable	8	5,106	5,244
Profit on ordinary activities before taxation	9	9,759	14,168
Taxation	10	3,137	4,534
Profit on ordinary activities after taxation, transferred to reserves	7	<u>6,622</u>	<u>9,634</u>

All disclosures relate to continuing activities. There were no other recognised gains or losses other than the profit for the year and previous year.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the year	6,622	9,634
Dividend	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	6,622	9,634
Opening shareholders' funds	<u>258,257</u>	<u>248,623</u>
Closing shareholders' funds	<u>264,879</u>	<u>258,257</u>

RUSHCATCH LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Investment property	2		428,500		429,000
Tangible	3		2,121		4,338
CURRENT ASSETS					
Cash at bank		1,575		638	
Debtors	4	4,382		5,785	
		<u>5,957</u>		<u>6,423</u>	
CREDITORS - AMOUNTS DUE WITHIN ONE YEAR	5	<u>171,699</u>		<u>181,504</u>	
NET CURRENT (LIABILITIES)			<u>(165,742)</u>		<u>(175,081)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>264,879</u>		<u>258,257</u>
PROVISIONS FOR LIABILITIES AND CHARGES	11				#REF!
NET ASSETS			<u>264,879</u>		<u>#REF!</u>
CAPITAL AND RESERVES					
Called up share capital	6		2		2
Reserves	7		<u>264,877</u>		<u>258,255</u>
SHAREHOLDERS' FUNDS			<u>264,879</u>		<u>258,257</u>

For the financial year ended 31st March 1997, the company was entitled to exemption from audit under section 249A(2) Companies Act 1985; and no notice has been deposited under section 249B(2). 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 affairs of the company as at the end of the 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 Companies Act 1985, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 6th January 1998.

Signed on behalf of the Board of Directors



P.J. Wheatley
Director

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

a) Accounting Policy

The financial statements are prepared under the historical cost convention except for certain investment properties which are included at directors' valuation.

b) Accounting Standards

The financial statements have been prepared under the applicable accounting standards.

c) Depreciation

In accordance with Statement of Standard Accounting Practice No. 19 :

- i) the investment properties are revalued periodically, and
- ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act 1985 would normally require the systematic annual depreciation of fixed assets, these properties are not held for consumption but for investment. The directors, therefore, believe that this accounting policy is necessary for the accounts to give a true and fair view.

The short leasehold property is also held for investment purposes and is amortised on a straight line basis over the remaining years of the lease.

Other tangible fixed assets are depreciated on a straight line basis at rates intended to write them off over their useful economic life.

Motor Vehicles	- 25%	per annum
Office Equipment	- 33 1/3%	per annum

d) Turnover

Turnover represents income receivable from rental properties and proceeds of property disposals.

e) Deferred taxation

Deferred taxation is provided at the latest known rate on the excess of the book values of fixed assets over their written down values for tax purposes, and on other timing differences.

f) Interest payable

Interest payable is written off to profit and loss account as it is incurred.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1997

2. FIXED ASSETS - INVESTMENT PROPERTY

	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £	Total £
Cost/valuation:				
At 1st April 1996	287,500	137,000	10,000	434,500
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31st March 1997	287,500	137,000	10,000	434,500
Accumulated depreciation:				
At 1st April 1996	-	-	5,500	5,500
Charge for the year	-	-	500	500
Disposal during year	-	-	-	-
At 31st March 1997	-	-	6,000	6,000
Net book value				
At 31st March 1997	287,500	137,000	4,000	428,500
Net book value				
At 31st March 1996	287,500	137,000	4,500	429,000

At 31st March 1994, the investment properties were valued on an open market value by the directors of the company. If the investment properties had not been revalued, they would have been included at cost of £860,569. No change has been made to these valuations for 1997.

If the investment properties had been sold at their 31st March 1997 value, taxation liabilities would crystallise as referred to in Note 11.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1997

3. FIXED ASSETS - TANGIBLE OTHER ASSETS

	Motor Vehicles £	Office Equipment £	Total £
Cost:			
At 1st April 1996	7,815	5,981	13,796
Additions	-	-	-
Disposals	-	-	-
At 31st March 1997	7,815	5,981	13,796
Accumulated depreciation:			
At 1st April 1996	3,906	5,552	9,458
Disposal in year	-	-	-
Charge for the year	1,953	264	2,217
At 31st March 1997	5,859	5,816	11,675
Net book value			
At 31st March 1997	1,956	165	2,121
Net book value			
At 31st March 1996	3,909	429	4,338

	1997 £	1996 £
4. DEBTORS		
Rent debtors	3,226	1,369
Amounts due from associated companies	-	2,047
Other debtors	111	609
Prepayments	1,045	1,760
	<u>4,382</u>	<u>5,785</u>

5. CREDITORS - amounts falling due within one year

Bank overdraft (secured)	66,856	51,969
Trade creditors	4,301	1,208
Rents received in advance	-	4,550
Accruals	44,385	38,800
Director's loan account	53,023	81,257
Corporation tax	3,134	3,720
	<u>171,699</u>	<u>181,504</u>

The bank overdraft is secured by way of a fixed charge over certain of the company's investment properties.

The director's loan is from Mr P.J. Wheatley. There are no terms for repayment and although the loan is interest bearing at market rates, no charge has been made for this year.

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1997

	1997 £	1996 £
6. CALLED UP SHARE CAPITAL		
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
2 ordinary shares of £1 each	2	2
7. RESERVES	Profit & Loss	Profit & Loss
Balance at 1st April 1996	258,255	248,621
Retained profit for the year	6,622	9,634
Balance at 31st March 1997	264,877	258,255

	1997 £	1996 £
8. INTEREST PAYABLE		
On bank overdraft	5,106	5,244
Interest on other loans	-	-
	5,106	5,244

9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation has been arrived at after charging:

Auditors Remuneration - audit	-	1,500
other services	1,200	850
Directors' Remuneration, including pension contributions	-	-
Depreciation	2,717	2,757
Wages and salaries	3,120	2,500

The average monthly number of employees, excluding directors, was 1 (1996:1).

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax based on profit for the year at 24% (1996 - 25%)	3,137	3,724
Corporation tax - prior year adjustment	-	810
Deferred Tax	-	-
	3,137	4,534

RUSHCATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31ST MARCH 1997

11. PROVISION FOR LIABILITIES AND CHARGES

£

Deferred Tax

Balance at 31st March 1997

The major elements of deferred taxation are as follows:

Accelerated capital allowances Other Timing Differences
Other timing differences

No provision is made in respect of the capital allowances claimed on one of the company's leasehold properties as it is held for investment purposes and the directors do not intend disposing of this property in the foreseeable future. The potential provision is £34,250 (1996 - £34,250).

12. FINANCIAL COMMITMENTS

Non-cancellable operating lease payments falling due within one year amount to £25,278 (1996 - £26,457) and relate to leases which expire:

	1997		1996	
	Land and Buildings	Other	Land and Buildings	Other
Within one year	-	-	-	-
Between two and five years	-	-	-	-
After five years	25,278	-	26,457	-

13. RELATED PARTY TRANSACTIONS

During the year the company paid £1,800 to Surrey Real Estates Ltd for the provision of management services.

14. CONTROL OF THE COMPANY

The company was under the control of Mr P.J.Wheatley, a director, throughout the year. As last year and as disclosed in the Directors' Report, Mr Wheatley owns 50% of the company's issued share capital.