

Registrar

Company Registration No. 2045708 (England and Wales)

DUSKSIDE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 1996



DUSKSIDE LIMITED

COMPANY INFORMATION

Director	C.J. Whalley
Secretary	R.A. Hickie FCA
Company Number	2045708
Registered Office	The Old Bank, 24 Battersea Park Road London SW11 4HY
Accountants	Creaseys Chartered Accountants 1 East Street Tonbridge Kent TN9 1AR

DUSKSIDE LIMITED

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DUSKSIDE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1996

The director presents his report and financial statements for the year ended 30 June 1996.

Review of the Business

The principal activity of the company continued to be that of property investment through its interest in Penhurst Property Partnership.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

Results and Dividends

The results for the year are set out on page 2.

The director does not recommend payment of an ordinary dividend.

Director

The following director has held office since 1 July 1995:

C.J. Whalley

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary Shares of £1 each	
	30 June 1996	1 July 1995
C.J. Whalley	1	1

By order of the Board

C.J. Whalley

Director

14.4.97

DUSKSIDE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 £	1995 £
Administrative expenses		-	(32,149)
Operating loss		-	(32,149)
Investment income	2	16,971	(15,579)
Profit/(loss) on ordinary activities before taxation		16,971	(47,728)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) on ordinary activities after taxation	7	16,971	(47,728)

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.

DUSKSIDE LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

	Notes	1996 £	£	1995 £	£
Current assets					
Creditors: amounts falling due within one year	4	(1,744)		(2,684)	
Total assets less current liabilities			(1,744)		(2,684)
Provisions for liabilities and charges	5		(44,145)		(60,176)
			<u>(45,889)</u>		<u>(62,860)</u>
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account	7		(45,891)		(62,862)
Shareholders' funds - equity interests	8		<u>(45,889)</u>		<u>(62,860)</u>

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 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 14th April '97.

C.J. Whalley
Director

DUSKSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements are prepared on the going concern basis on the understanding that continued support will be provided by Penhurst Property Partnership.

1.2 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.3 Associated undertakings

The company's share of profits less losses of associated undertakings is included in the profit and loss account, and the company's share of their net assets is included in the balance sheet. These amounts are taken from the latest audited financial statements of the undertakings concerned.

A copy of the financial statements of Penhurst Property Partnership is appended to these accounts.

2 Income from Investments	1996 £	1995 £
Income from participating interests	<u>16,971</u>	<u>(15,579)</u>

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

4 Creditors : amounts falling due within one year	1996 £	1995 £
Accruals and deferred income	<u>1,744</u>	<u>2,684</u>

DUSKSIDe LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

5 Provisions for liabilities and charges

	Interest in Partnership £
Balance at 1 July 1995	60,176
Drawings	940
Profit and loss account	(16,971)
Balance at 30 June 1996	44,145

6 Share Capital

	1996 £	1995 £
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	2	2

7 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 1995	(62,862)
Retained profit for the year	16,971
Balance at 30 June 1996	(45,891)

8 Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Profit/(Loss) for the financial year	16,971	(47,728)
Opening shareholders' funds	(62,860)	(15,132)
Closing shareholders' funds	(45,889)	(62,860)

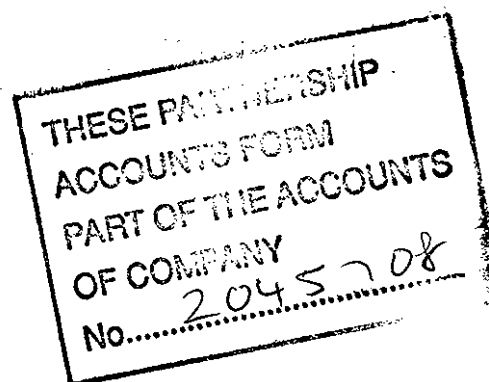
DUSKSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

9 Employees

Number of employees

There were no employees during the year apart from the director.



PENHURST PROPERTY PARTNERSHIP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1996

PENHURST PROPERTY PARTNERSHIP

PARTNERSHIP INFORMATION

Partners

Compton Hill Properties Limited
Staffbuild Limited
Duskside Limited
Homefirm Limited

Auditors

Creaseys
Chartered Accountants and Registered Auditors
1 East Street
Tonbridge
Kent
TN9 1AR

Business Address

The Old Bank, 24 Battersea Park Road
London
SW11 4HY

PENHURST PROPERTY PARTNERSHIP

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PENHURST PROPERTY PARTNERSHIP

PARTNERS' REPORT FOR THE YEAR ENDED 30 JUNE 1996

The partners present their report and financial statements for the year ended 30 June 1996.

Review of the Business

The principal activity of the partnership continued to be that of letting property.

The results for the year and the financial position at the year end were considered satisfactory by the partners who expect continued growth in the foreseeable future.

Results

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

Partners

The following companies have been partners since 1 July 1995:

Compton Hill Properties Limited
Staffbuild Limited
Duskside Limited
Homefirm Limited

Auditors

A resolution proposing that Creaseys be reappointed as auditors of the partnership will be put to the Annual General Meeting.

PENHURST PROPERTY PARTNERSHIP

PARTNERS' REPORT FOR THE YEAR ENDED 30 JUNE 1996

Partners' Responsibilities

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (Statutory Instrument 1993/1820) requires the partners to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing those financial statements, the partners 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 partnership will continue in business.

The partners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with Statutory Instrument 1993/1820. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Partnership

X  X
H. B. Mann 1997

PENHURST PROPERTY PARTNERSHIP

AUDITORS' REPORT

TO THE MEMBERS OF PENHURST PROPERTY PARTNERSHIP

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 7.

Respective responsibilities of partners and auditors

As described on page 2 the partners 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.

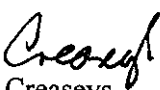
Basis of opinion

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 partners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership'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 partnership's affairs as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Partnership and Unlimited Companies (Accounts) Regulations 1993.


Creaseys

Chartered Accountants
Registered Auditor


6th June 1997

1 East Street
Tonbridge
Kent
TN9 1AR

PENHURST PROPERTY PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 £	1995 £
Turnover	2	340,039	307,833
Cost of sales		(74,159)	(134,948)
Gross profit		265,880	172,885
Administrative expenses		(15,879)	(49,739)
Other operating income		158	3,000
Operating profit	3	250,159	126,146
Profit on sale of properties	3	52,799	12,394
Profit on ordinary activities before interest		302,958	138,540
Other interest receivable and similar income	4	1,184	1,802
Interest payable and similar charges	5	(223,327)	(214,529)
Profit/(loss) on ordinary activities before taxation		80,815	(74,187)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation	14	80,815	(74,187)

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

PENHURST PROPERTY PARTNERSHIP

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 1996

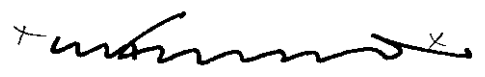
	1996	1995
	£	£
Profit/(loss) for the financial year	80,815	(74,187)
Unrealised surplus on revaluation of properties	1,051,156	-
Total gains and losses recognised since last financial statements	1,131,971	(74,187)

PENHURST PROPERTY PARTNERSHIP

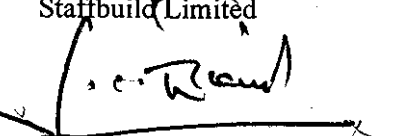
BALANCE SHEET AS AT 30 JUNE 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	7 and 8	3,603,292		2,875,790	
Investments	9		4		4
		<u>3,603,296</u>		<u>2,875,794</u>	
Current assets					
Debtors	10	8,650		470	
		<u>8,650</u>		<u>470</u>	
Creditors: amounts falling due within one year	11	(68,203)		(66,391)	
Net current liabilities		<u>(59,553)</u>		<u>(65,921)</u>	
Total assets less current liabilities		<u>3,543,743</u>		<u>2,809,873</u>	
Creditors Due After More Than One Year	12	(1,827,586)		(2,137,899)	
Net Assets		<u>1,716,157</u>		<u>671,974</u>	
Capital Accounts	13	1,000,000		1,000,000	
Current Accounts	14	(334,999)		(328,026)	
Revaluation Reserve	15	1,051,156		-	
		<u>1,716,157</u>		<u>671,974</u>	

Approved :



 Compton Hill Properties Limited Staffbuild Limited


 Duskside Limited Homefirm Limited

Date : 4/3/97

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investment properties.

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover represents rent receivable net of VAT (where applicable).

1.4 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 and Fittings	equal instalments at 33% per annum
Motor vehicles	equal instalments at 20% per annum

In accordance with SSAP 19, the investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The partners consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

No deferred taxation is provided in respect of the potential chargeable gains.

1.5 Investments

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

1.6 Deferred taxation

No provision for deferred taxation is made in these financial statements.

1.7 Group accounts

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

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

3 Operating Profit	1996	1995
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,144	398
Auditors' remuneration	7,050	-
	<u> </u>	<u> </u>

Auditors' remuneration includes amounts in respect of the audit of subsidiary undertakings.

The profit on sale of properties is disclosed as exceptional in accordance with FRS 3.

4 Other Interest Receivable and Similar Income	1996	1995
	£	£
Other interest	1,184	1,802
	<u> </u>	<u> </u>

5 Interest Payable	1996	1995
	£	£
On bank overdrafts	194	246
On bank loans and mortgages	223,133	214,283
	<u> </u>	<u> </u>
	<u>223,327</u>	<u>214,529</u>

6 Taxation

No provision has been made for corporation tax in these financial statements as the partner companies bear their taxation liabilities in their own financial statements.

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

7 Tangible Fixed Assets

	Fixtures and Fittings £
Cost	
At 1 July 1995	1,195
Additions	2,237
At 30 June 1996	3,432
Depreciation	
At 1 July 1995	398
Charge for the year	1,144
At 30 June 1996	1,542
Net book values	
At 30 June 1996	1,890
At 30 June 1995	797

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

8 Tangible Fixed Assets

	Investment properties £
Cost	
At 1 July 1995	2,874,993
Additions	15,239
Revaluation	1,051,156
Disposals	(339,986)
At 30 June 1996	3,601,402
Depreciation	
At 1 July 1995 & at 30 June 1996	-
Net book values	
At 30 June 1996	3,601,402
At 30 June 1995	2,874,993

The valuations of investment properties were made as at 30 June 1996 by the partners, on an open market basis.

On an historical cost basis these would have been included at an original cost of £2,550,246 (1995 - £2,874,993).

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

9 Fixed Asset Investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 1995 & at 30 June 1996	4
At 30 June 1995	4

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

Holdings of more than 10%

The partnership holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Penhurst (Rentals) Limited	England	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
Penhurst (Rentals) Limited	4	0
10 Debtors	1996	1995
	£	£
Other debtors	8,650	470
	<u>8,650</u>	<u>470</u>

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

11 Creditors : amounts falling due within one year	1996	1995
	£	£
Bank loans and overdrafts	39,571	51,514
Taxes and social security costs	1,206	-
Other creditors	9,291	8,062
Accruals and deferred income	18,135	6,815
	<u>68,203</u>	<u>66,391</u>
12 Creditors : amounts falling due after more than one year	1996	1995
	£	£
Bank loans	1,827,586	2,137,899
	<u>1,827,586</u>	<u>2,137,899</u>
Analysis of Loans		
Instalments not due within five years	995,586	1,247,899
	<u>995,586</u>	<u>1,247,899</u>
Loan maturity analysis		
Between one and two years	41,000	40,000
Between two and five years	791,000	850,000
In five years or more	995,586	1,247,899
	<u>995,586</u>	<u>1,247,899</u>

The loans are secured by fixed charges over the assets of the partnership.

Included in bank loans above are loans repayable by instalment at variable rates of interest over a period of up to 13 years. A loan of £617,000 is also included above which has no set repayment terms but the loan facility expires on 28 February 2000.

13 Partners' Capital Accounts	Compton Hill Properties Limited	Staffbuild Limited	Duskside Limited	Homefirm Limited	Total
	£	£	£	£	£
At 1 July 1995 and at 30 June 1996	500,000	500,000	-	-	1,000,000
	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>

PENHURST PROPERTY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

14 Partners' Current Accounts

	Compton Hill Properties Limited £	Staffbuild Limited £	Duskside Limited £	Homefirm Limited £	Total £
At 1 July 1995	(145,003)	(96,843)	(60,176)	(26,004)	(328,026)
Share of profit	33,942	12,931	16,971	16,971	80,815
	(111,061)	(83,912)	(43,205)	(9,033)	(247,211)
Drawings	(43,189)	(43,189)	(940)	(470)	(87,788)
At 30 June 1996	(154,250)	(127,101)	(44,145)	(9,503)	(334,999)

15 Revaluation Reserve

	1996 £	1995 £
Revaluation	1,051,156	-

The revaluation reserve will not be allocated to the partners until such time as the gains are realised.

16 Transactions With Directors

The partnership pays letting commissions to a company in which J.C. Elkington and R.A. Hickie, two directors of the subsidiary undertaking, are connected. These transactions are on an arms-length basis.

17 Employees

Number of employees

There were no employees during the year.