

PARIFIX LIMITED
FINANCIAL STATEMENTS

31ST AUGUST 1998

Registered number: 2260607

P.M.R. JACKSON & CO.

ACCOUNTANTS



PARIFIX LIMITED
FINANCIAL STATEMENTS
for the year ended 31st August 1998

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
---	------------

PARIFIX LIMITED

COMPANY INFORMATION

31st August 1998

NUMBER	2260607
DIRECTORS	P.K. Walster BSc FRICS W.W. Scholter FSVA
SECRETARY	P.K. Walster BSc FRICS
REGISTERED OFFICE	Aldergate House High Street Arnold Nottingham NG5 7DZ
BANKERS	National Westminster Bank Plc 536 Valley Road Basford Nottingham NG5 1JD
AUDITORS	Jackson & Co. Chartered Certified Accountants & Registered Auditors Venture House Cross Street Arnold Nottingham NG5 7PJ

PARIFIX LIMITED

DIRECTORS' REPORT

31st August 1998

The directors present their report and the audited financial statements for the year ended 31st August 1998.

Principal activity

The principal activity of the company continues to be the provision of management services.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st August 1998 Ordinary shares	1st September 1997 Ordinary shares
P.K. Walster BSc FRICS	1	1
W.W. Scholter FSVA	1	1

Future developments

The company together with its associated undertakings is known as the Aldergate Group. The companies specialise in long term development proposals and negotiate on planning and similar matters. The cost of planning appeals etc. are not reflected in stock values. The companies anticipate that in the future stock held will be realised at a value in excess of that shown as at the year end.

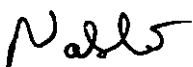
Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Jackson & Co. will continue in office.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



P.K. Walster BSc FRICS
Director

Dated 28.6.99

PARIFIX 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 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.

On behalf of the board



P.K. Walster BSc FRICS
Director

Dated 28.6.99

PARIFIX LIMITED
AUDITORS' REPORT

Auditors' report to the members of

Parifix Limited

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

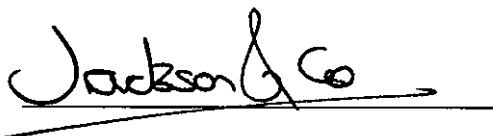
Basis of opinion

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 error or other irregularity. 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 31st August 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jackson & Co.
Chartered Certified Accountants
& Registered Auditors
Venture House
Cross Street
Arnold
Nottingham
NG5 7PJ

Dated 29 June 1999.

PARIFIX LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st August 1998

	Note	1998 £	1997 £
Turnover	2	1,260,450	79,501
Net operating expenses			
Administrative expenses		(706,069)	(97,181)
Other operating income		37,295	178
Operating profit/(loss)	3	591,676	(17,502)
Interest paid	5	(295,600)	-
Profit/(loss) on ordinary activities before taxation		296,076	(17,502)
Taxation	6	(7,832)	-
Profit/(loss) on ordinary activities after taxation		288,244	(17,502)
retained for the year	12		

Movements in reserves are shown in note 12.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the profit/(loss) for the year.

PARIFIX LIMITED

BALANCE SHEET

at 31st August 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	7,175	7,148
Current assets			
Debtors	8	1,777,623	322,976
Cash at bank and in hand		133,877	1,377
		<u>1,911,500</u>	<u>324,353</u>
Creditors: amounts falling due within one year	9	(1,902,582)	(603,653)
Net current assets/(liabilities)		<u>8,918</u>	<u>(279,300)</u>
Total assets less current liabilities		<u>16,093</u>	<u>(272,152)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	16,091	(272,154)
Total shareholders' funds	10	<u>16,093</u>	<u>(272,152)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 6 were approved by the board of directors and signed on its behalf by:



P.K. Walster BSc FRICS

Director

28.6.99

Dated _____

PARIFIX LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and equipment	25% written down value
Motor vehicles	25% written down value
Fixtures and fittings	25% written down value

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

3 Operating profit/(loss)

	1998 £	1997 £
Operating profit/(loss) is stated after crediting:		
Interest receivable	37,295	178
and after charging:		
Auditors' remuneration	300	-
Depreciation of tangible fixed assets (note 7):		
Owned assets	2,392	2,383
	<u>2,692</u>	<u>2,383</u>

PARIFIX LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1998

4 Directors emoluments

	1998 £	1997 £
Mr. P.K. Walster	280025	-
Mr. W.W. Scholter	305625	-
	<u> </u>	<u> </u>

5 Interest payable

	1998 £	1997 £
Loan interest paid	295,600	-
	<u> </u>	<u> </u>

6 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 24/21%)	7,832	-
	<u> </u>	<u> </u>

7 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1st September 1997	37,282
Additions	2,418
	<u> </u>
31st August 1998	39,700
Depreciation	
1st September 1997	30,134
Charge for year	2,392
	<u> </u>
31st August 1998	32,526
Net book amount	
31st August 1998	7,175
	<u> </u>
1st September 1997	7,148
	<u> </u>

PARIFIX LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1998

8 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Other debtors	14,487	-
Amounts owing from associated companies	1,610,020	321,312
Other debtors	152,568	1,101
Prepayments	548	563
	<u>1,777,623</u>	<u>322,976</u>

9 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	14,487	696
Other creditors	196	-
Owing to associated companies	414,577	145,973
Corporation tax	7,832	-
Other taxation and social security	213,636	898
P.K. Walster loan account	859,501	454,969
Accruals	392,353	1,117
	<u>1,902,582</u>	<u>603,653</u>

10 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) shareholders' funds	288,244	(17,502)
Opening shareholders' funds	<u>(272,151)</u>	<u>(254,650)</u>
Closing shareholders' funds	<u>16,093</u>	<u>(272,152)</u>

PARIFIX LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1998

11 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	100	100	100	100
Allotted called up and fully paid				
Ordinary shares of £1 each	2	2	2	2

12 Profit and loss account

	1998 £
1st September 1997	(272,153)
Retained profit for the year	288,244
31st August 1998	16,091

13 Directors' interests and loans

During the year the company received loans from Mr. P.K. Walster who is a majority shareholder. These transactions are summarised below.

	Balance as at 1.9.97 £	Maximum balance in the year £	Balance as at 31.8.98 £
Mr. P.K. Walster	(454,969)	(859,501)	(859,501)

The amounts owing as at 31.8.98 are included in note 9. During the year Mr. P.K. Walster made a loan to the company of £850,000. This amount is included in the outstanding balance above.

PARIFIX LIMITED

NOTES ON FINANCIAL STATEMENTS

31st August 1998

14 Related parties

During the year the company transacted with the following companies in which the directors and sole shareholders have a material interest. These transactions were carried out upon an arms length basis and in the normal course of business.

	Balance as at 1.9.97 £	Maximum balance in the year £	Balance as at 31.8.98 £
Progeny Properties Limited	537	537	537
Aldergate Investment Limited	18,602	868,645	868,645
Aldergate Projects Limited	1,436	309,106	309,079
Aldergate Developments Limited	121,313	229,896	125,924
Aldergate Land Limited	-	307,018	305,835
Aldergate Properties Limited	157,128	(530,797)	(377,176)
Aldergate Estates Limited	22,296	783,114	(37,401)

During the year the company received the following amounts for management services rendered.

	£
Aldergate Properties Limited	1,002,250
Aldergate Estates Limited	257,200
Aldergate Land Limited	1,000
	<u>1,260,450</u>