

KINGSBURN PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 1998

The directors submit their report and the financial statements for the period ended 30 June 1998.

PRINCIPAL ACTIVITY

The company was incorporated on 3 July 1997. The principal activity of the company is to manage its investment properties.

DIRECTORS AND THEIR INTERESTS

The directors during the period and their interests in the share capital of the company were as follows :-

	<u>Ordinary shares of £1 each</u> <u>1998</u>
PBC Jones	1
MA Duncalf	1
R Jakubowski	1
MG Mason	1

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD:-

Registered Office
16 Wynnstay Road
Colwyn Bay
LL29 8NB



MG Mason

Date: 29 April 1999

KINGSBURN PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 1998

	<u>Note</u>	<u>1998</u> £
<u>TURNOVER</u>	2	28,105
Administrative expenses		(21,680)
		<u>6,425</u>
Finance charges		(22,321)
<u>LOSS ON ORDINARY ACTIVITY</u> <u>BEFORE TAXATION</u>		(15,896)
Taxation	3	-
<u>RETAINED LOSS CARRIED FORWARD</u>		<u>£(15,896)</u>

KINGSBURN PROPERTIES LIMITED

BALANCE SHEET

AT 30 JUNE 1998

	<u>Note</u>	<u>1998</u>
		£ £
<u>FIXED ASSETS</u>	4	466,032
<u>CURRENT ASSETS</u>		
Cash and bank		215
Sundry debtors and prepayments		114
		<u>329</u>
<u>CREDITORS</u> - due within one year	5	(125,579)
<u>NET CURRENT LIABILITIES</u>		<u>(125,250)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		340,782
<u>CREDITORS</u> - due in more than one year	6	(356,674)
		<u>£(15,892)</u>
<u>CAPITAL AND RESERVES</u>		
Ordinary share capital	7	4
Profit and loss account		(15,896)
		<u>£(15,892)</u>

KINGSBURN PROPERTIES LIMITED

BALANCE SHEET

AT 30 JUNE 1998

Continued..

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B.

The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; 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 have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the board:



MG Mason - Director

Date: 29 April 1999

KINGSBURN PROPERTIES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention.

Investment property

The investment properties are to be revalued annually and the aggregate surplus or deficit transferred to the revaluation reserve.

In accordance with Statement of Standard Accounting Practice 19, no depreciation is charged against the investment properties.

Depreciation

Depreciation is calculated to write down the fixtures and fittings over their useful economic lives. The rate applied has been: 15% reducing balance.

Deferred taxation

Provision is made for deferred taxation using the liability method in respect of the taxation effect for all timing differences which are expected to reverse in the foreseeable future.

2. TURNOVER

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activity, which is continuing, and is wholly derived within the United Kingdom.

3. TAXATION

No provision is required for either current or deferred taxation at 30 June 1998 in view of the availability of losses.

KINGSBURN PROPERTIES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 1998

4. FIXED ASSETS

	<u>Investment Freehold Properties £</u>	<u>Fixtures & fittings £</u>	<u>Total £</u>
<u>COST</u>			
Additions in the period	456,610	11,085	467,695
At 30 June 1998	<u>£456,610</u>	<u>£11,085</u>	<u>£467,695</u>
<u>DEPRECIATION</u>			
Charge for the period	-	1,663	1,663
	<u>£-</u>	<u>£1,663</u>	<u>£1,663</u>
<u>NET BOOK VALUE</u>			
At 30 June 1998	<u>£456,610</u>	<u>£9,422</u>	<u>£466,032</u>

At the balance sheet date, the cost of the investment properties was considered by the directors to be equivalent to open market value for existing use.

5. CREDITORS - due within one year

	<u>1998 £</u>
Bank overdraft	101,374
Trade creditors and accruals	11,261
Bank loan	12,944
	<u>£125,579</u>

The bank overdraft and loan are secured.

KINGSBURN PROPERTIES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 1998

6.	<u>CREDITORS</u> - due in more than one year	<u>1998</u>
		£
	Directors' loans	169,618
	Bank loan	187,056
		£356,674
	Repayable after more than five years:	
		<u>1998</u>
		£
	Bank loan	£121,638
	The bank loan is secured.	
7.	<u>SHARE CAPITAL</u>	<u>1998</u>
	Ordinary shares of £1 each:-	
	Authorised	£1,000
	Allotted, called up and fully paid	£4
	During the period 4 £1 ordinary shares were issued for consideration of £4.	