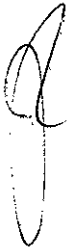


Denarius Investment Company Limited

Abbreviated accounts
for the year ended 30 April 1996

Registered no: 80962



**Report of the auditors to the director
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Denarius Investment Company Limited for the year ended 30 April 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the director's statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part I of Schedule 8 to that Act in respect of the year ended 30 April 1995, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that schedule.

On 10 June 1997 we reported, as Auditors of Denarius Investment Company Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1997, and our audit report was as follows:

"We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention (as modified to include revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective responsibilities of the director and auditors

As described on page 2 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 director 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 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 company's affairs as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Reeves & Neylan
Chartered Accountants & Registered Auditors
Perth
10 June 1997

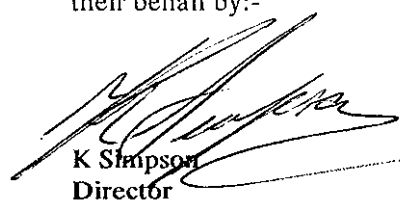
Denarius Investment Company Limited

Balance sheet at 30 April 1996

	Note	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	1		517,941		510,340
Investments	2		-		37,938
			<u>517,941</u>		<u>548,278</u>
Current assets					
Debtors	3	14,808		256,218	
Creditors: amounts falling due within one year	4	<u>140,145</u>		<u>452,173</u>	
Net current liabilities			<u>(125,337)</u>		<u>(195,955)</u>
Net assets			<u>392,604</u>		<u>352,323</u>
Capital and reserves					
Called up share capital	5		90,000		90,000
Revaluation reserve			148,586		148,586
Profit and loss account			<u>154,018</u>		<u>113,737</u>
			<u>392,604</u>		<u>352,323</u>

In preparing these abbreviated accounts, the directors have relied upon exemptions for individual accounts under Sections 246 and 247 of the Companies Act 1985 on the grounds that the Company is entitled to the benefit of those sections as a small company.

The abbreviated accounts were approved by the board of directors on 10 June 1997 and signed on their behalf by:-


K Simpson
Director

The accounting policies and notes on pages 3 to 5 form part of these financial statements.

Denarius Investment Company Limited

Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

These financial statements are prepared in accordance with the historical cost convention as modified to include revaluation of investment properties.

Consolidation of accounts

The directors have taken advantage of the exemption conferred by S248 of the Companies Act 1985 which exempts a small group from preparing consolidated accounts.

Tangible fixed assets

All tangible fixed assets are recorded at cost together with any incidental costs of acquisition.

Certain of the company's properties are held for long term investment and, in accordance with SSAP19:

- (i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.
- (ii) No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years of the lease remaining.

The directors consider that this accounting policy results in the accounts giving a true and fair view.

In accordance with SSAP12, no depreciation is provided on land included in heritable property.

Cash flow statement

The company is exempt from the requirement to publish a cash flow statement under FRS1.

Deferred taxation

Provision is made for deferred taxation, using the liability method, all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension scheme arrangements

The company operates a defined contribution pension scheme for the benefit of its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Denarius Investment Company Limited

Notes to the abbreviated accounts for the year ended 30 April 1996

1 Tangible fixed assets

	Total £	Heritable property £	Investment properties £
Cost			
At 1 May 1995	510,340	170,340	340,000
Additions in year	7,601	7,601	-
At 30 April 1996	517,941	177,941	340,000
Depreciation			
At 1 May 1995	-	-	-
Charge for year	-	-	-
At 30 April 1996	-	-	-
Net book value			
At 30 April 1996	517,941	177,941	340,000
At 1 May 1995	510,340	170,340	340,000

The company's investment properties were valued on 10 May 1994 at £340,000 by J & E Shepherd, Chartered Surveyors. The director, Mr Simpson, has confirmed that this value was fair and reasonable at 30 April 1996. The historical cost of the properties is £191,414.

2 Investments

	1996 £	1995 £
Shares in group undertaking	-	37,938

The company owns 100% of the issued ordinary share capital of Cal-Arabian Limited, a company registered in Scotland, whose principal activity is the provision of services to the property development industry. During the year ended 30 April 1996, Cal-Arabian Limited had losses of £46,713 (1995 - £117) and its net liabilities at that date were £24,885.

3 Debtors

	1996 £	1995 £
Trade debtors	1,100	6,218
Other debtors	13,708	250,000
	14,808	256,218

Denarius Investment Company Limited

Notes to the abbreviated accounts for the year ended 30 April 1996

4 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdraft	61,976	211,493
Trade creditors	22,834	47,440
Amounts owed to group undertakings	10,638	5,490
Corporation tax payable	-	739
Accruals	6,346	5,662
Deferred income	2,420	1,838
Deposits held	4,500	625
Directors' loans	19,359	178,682
VAT	12,072	204
	<u>140,145</u>	<u>452,173</u>

The bank overdraft is secured by a floating charge over the assets of the company.

5 Called up share capital

	1996 £	1995 £
Authorised		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>

6 Transactions involving the director

Income for the year includes factoring services for the director, Mr K Simpson, to the market value of £5,834 (1995 - £5,298).