

PICONE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER 1996



R. CARUSO & CO.
Chartered Certified Accountants

PICONE PROPERTIES LIMITED

COMPANY PARTICULARS

Directors	Mr. A. Picone Mr. S. Picone Mrs. A. Picone Mrs. M. Picone
Secretary	Mr. S. Picone
Registered Office	Pardix House Cadmore Lane Cheshunt Herts EN8 9LQ
Company Registration No.	2790671
Bankers	Midland Bank Plc 109 High street Waltham Cross Herts EN8 7AJ

PICONE PROPERTIES LIMITED

CONTENTS

	Page
Report of the Directors	1 - 2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Accounts	5 -7

PICONE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 30th September 1996

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the holding of investment properties.

REVIEW OF BUSINESS

A summary of the results of the year's activities is given on page 3 of the accounts.

The directors consider the profit achieved before taxation of £5,585 and after taxation of £4,554 and the state of the company's affairs to be satisfactory.

DIVIDENDS

The directors made an interim dividend payment of £3,200. The directors do not recommend the payment of a final dividend.

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

FREEHOLD INVESTMENT PROPERTIES

The freehold investment properties are held for long term investment. The directors consider the open market values to be approximately equal to the net book value shown in the accounts.

DIRECTORS

The directors in office and their beneficial interests in the issued ordinary share capital at the beginning and end of the year were as follows:

	<u>30th September 1996</u>	<u>30th September 1995</u>
A. Picone	50	50
S. Picone	50	50
Mrs. A. Picone	50	50
Mrs. M. Picone	50	50

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the 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:-

- a) select suitable accounting policies and then apply them consistently
- b) make judgments and estimates that are reasonable and prudent
- c) 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. 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.

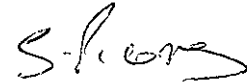
PICONE PROPERTIES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

CLOSE COMPANY

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Signed on behalf of the Board

A handwritten signature in dark ink, appearing to read 'S. Picone', written in a cursive style.

S. Picone

7th May 1997

SECRETARY

PICONE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1996

Continuing Operations			
	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	2	14,042	12,414
Cost of Sales		<u>2,913</u>	<u>1,538</u>
GROSS PROFIT		11,129	10,876
Administrative Expenses		<u>9,310</u>	<u>9,201</u>
OPERATING PROFIT	3	1,819	1,675
Interest Receivable		<u>3,766</u>	<u>3,107</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,585	4,782
TAXATION	6	<u>1,031</u>	<u>894</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,554	3,888
DIVIDENDS	7	<u>3,200</u>	<u>3,200</u>
RETAINED PROFIT FOR THE YEAR		1,354	688
RETAINED PROFIT BROUGHT FORWARD		2,068	1,380
RETAINED PROFIT CARRIED FORWARD		<u><u>3,422</u></u>	<u><u>2,068</u></u>

The are no recognised gains or losses other than the profits achieved in the two financial years.

The notes on pages 5 to 7 form part of these financial statements

PICONE PROPERTIES LIMITED

BALANCE SHEET - 30TH SEPTEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Freehold Investment Properties	8	199,038	80,076
Tangible assets	9	<u>772</u>	<u>122</u>
		199,810	80,198
CURRENT ASSETS			
Debtors	10	208	221
Cash at Bank and in Hand		<u>63,148</u>	<u>76,193</u>
		63,356	76,414
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	11	<u>70,530</u>	<u>74,344</u>
NET CURRENT ASSETS			
		<u>-7,174</u>	<u>2,070</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		192,636	82,268
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	12	189,014	80,000
		<u>3,622</u>	<u>2,268</u>
CAPITAL AND RESERVES			
Called up Share Capital	13	200	200
Profit and Loss Account		3,422	2,068
Equity Shareholders' Funds	14	<u>3,622</u>	<u>2,268</u>

The directors have taken advantage of the exemption conferred by S249A(1) not to have these accounts audited and confirm that no notice has been deposited under S249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with S221 of the Companies Act 1985, and
- ii) The accounts give a true and fair view of the state of the affairs of the company as at 30th September 1996 and of its profit for the year then ended in accordance with the requirements of S226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These financial statements were approved by the board on 7th May 1997 and signed on its behalf.

Mr. A. Picone
Director

The notes on pages 5 to 7 form part of these financial statements

PICONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS - 30TH SEPTEMBER 1996

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover represents rents receivable.

(c) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Furniture and Furnishings - 15% on written down value

No depreciation is provided on freehold investment properties in accordance with SSAP 19.

2 TURNOVER

The whole turnover and profit before taxation is attributable to the one principal activity of the company wholly undertaken in the UK.

3 OPERATING PROFIT

The operating profit is stated after charging:-

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation of Tangible Fixed Assets	<u>25</u>	<u>22</u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	<u>1996</u>	<u>1995</u>
	£	£
Salaries	7,800	7,820
Social Security Costs	0	0
	<u>7,800</u>	<u>7,820</u>

The average weekly number of employees, including directors, during the year were as follows:

Office and Management	<u>4</u>	<u>4</u>
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PICONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS - 30TH SEPTEMBER 1996 (CONTINUED)

5 DIRECTORS' REMUNERATION

	<u>1996</u>	<u>1995</u>
	£	£
Directors' emoluments	<u>7,800</u>	<u>7,820</u>

6 TAXATION

	<u>1996</u>	<u>1995</u>
	£	£
UK current year taxation		
UK Corporation tax at 24.5% (1995 - 25%)	<u>1,031</u>	<u>894</u>

7 DIVIDEND

	<u>1996</u>	<u>1995</u>
	£	£
Interim dividend paid on ordinary share capital at £16.00 (Last year £16.00) per share	<u>3,200</u>	<u>3,200</u>

8 FREEHOLD INVESTMENT PROPERTIES

	<u>1996</u>	<u>1995</u>
	£	£
Cost at 1st October 1995	80,076	80,076
Additions at Cost	118,962	0
Cost at 30th September 1996	<u>199,038</u>	<u>80,076</u>

The directors consider the current open market values to be approximately equal to the net book value shown.

9 TANGIBLE FIXED ASSETS

	<u>Furniture & Furnishings</u>	<u>Total</u>
COST		
At 1st October 1995 and 30th September 1996	<u>865</u>	<u>865</u>
ACCUMULATED DEPRECIATION		
At 1st October 1995	68	68
Charge for the year	25	25
At 30th September 1996	<u>93</u>	<u>93</u>
NET BOOK VALUE		
At 30th September 1996	<u>772</u>	<u>772</u>
At 30th September 1995	<u>122</u>	<u>122</u>

PICONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS - 30TH SEPTEMBER 1996 (CONTINUED)

10 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade Debtors	0	0
Prepayments	208	221
	<u>208</u>	<u>221</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u>	<u>1995</u>
	£	£
Other Creditors	688	500
Social Security and Other Taxes	0	0
Directors' Loan Accounts	59,836	64,003
Accruals	8,975	8,947
Corporation Tax	1,031	894
	<u>70,530</u>	<u>74,344</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1996</u>	<u>1995</u>
	£	£
Directors' Loan Accounts	<u>189,014</u>	<u>80,000</u>

13 CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised equity		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
Ordinary shares of £1 each	<u>200</u>	<u>200</u>

14 MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the year	4,554	3,888
Less: Dividends	<u>3,200</u>	<u>3,200</u>
Net additions to shareholders' funds	1,354	688
Opening shareholders' funds	2,268	1,580
Closing shareholders' funds	<u>3,622</u>	<u>2,268</u>