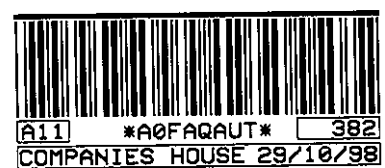


Registration Number 671198

T & H Properties (Shirley) Limited
Directors' Report and Financial Statements
for the year ended 31 December 1997



T & H Properties (Shirley) Limited

Company Information

Directors	Mr E Isaacs Mrs H M Isaacs Mrs E G Jackson
Secretary	Mrs H M Isaacs
Company Number	671198
Registered Office	162 Shirley Church Road Shirley Surrey CR0 5AF
Business Address	162 Shirley Church Road Shirley Surrey CR0 5AF
Bankers	National Westminster Bank Plc 12 High Street Dartford Kent DA1 1DD Barclays Bank Plc 3-5 King Street Reading Berkshire RG1 2HD

T & H Properties (Shirley) Limited

Contents

	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3 - 4
Notes to the Financial Statements	5 - 6

T & H Properties (Shirley) Limited

**Directors' Report
for the year ended 31 December 1997**

The directors present their report and the financial statements for the year ended 31 December 1997.

Principal Activity and Review of the Business

The principal activity of the company during the year remained unchanged, being that of property dealings.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	1997	1996
Mrs H M Isaacs	50	50
Mrs E G Jackson	50	50

Directors' Responsibilities

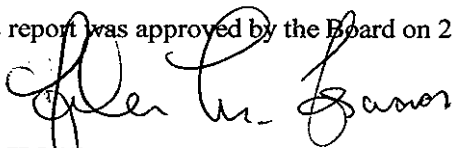
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- 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.

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

This report was approved by the Board on 27 October 1998 and signed on its behalf by



Mrs H M Isaacs
Secretary

T & H Properties (Shirley) Limited

**Profit and Loss Account
for the year ended 31 December 1997**

		1997	1996
	Notes	£	£
Turnover	2	81,500	310,000
Cost of sales		<u>(75,501)</u>	<u>(294,780)</u>
Gross profit		5,999	15,220
Administrative expenses		<u>(5,559)</u>	<u>(12,610)</u>
Operating profit		440	2,610
Interest payable and similar charges	3	<u>(5,521)</u>	<u>(21,254)</u>
(Loss) for the year		<u>(5,081)</u>	<u>(18,644)</u>
Accumulated (loss) brought forward		<u>(109,832)</u>	<u>(91,188)</u>
Accumulated (loss) carried forward		<u><u>(114,913)</u></u>	<u><u>(109,832)</u></u>

The notes on pages 5 to 6 form an integral part of these financial statements.

T & H Properties (Shirley) Limited

**Balance Sheet
as at 31 December 1997**

	Notes	1997		1996	
		£	£	£	£
Current Assets					
Stocks		40,000		111,501	
Debtors	4	60,343		59,597	
Cash at bank and in hand		140		17	
		<u>100,483</u>		<u>171,115</u>	
Creditors: amounts falling due within one year	5	<u>(215,296)</u>		<u>(214,166)</u>	
Net Current Liabilities			<u>(114,813)</u>		<u>(43,051)</u>
Total Assets Less Current Liabilities			<u>(114,813)</u>		<u>(43,051)</u>
Creditors: amounts falling due after more than one year	6		-		<u>(66,681)</u>
Deficiency of Assets			<u>(114,813)</u>		<u>(109,732)</u>
Capital and Reserves					
Called up share capital	7		100		100
Profit and loss account			<u>(114,913)</u>		<u>(109,832)</u>
Shareholders' Funds			<u>(114,813)</u>		<u>(109,732)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 6 form an integral part of these financial statements.

T & H Properties (Shirley) Limited

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 1997**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 1997 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

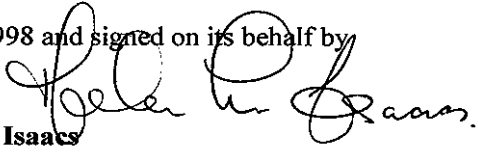
(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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.

The financial statements approved by the Board on 27 October 1998 and signed on its behalf by



Mr E Isaacs
Director



Mrs H M Isaacs
Director

The notes on pages 5 to 6 form an integral part of these financial statements.

T & H Properties (Shirley) Limited

Notes to the Financial Statements for the year ended 31 December 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3 Stock

Stock is valued at the lower of cost and net realisable value.

2. Turnover

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

3. Interest payable and similar charges

	1997	1996
	£	£
On loans and overdrafts	5,521	15,656
On loans repayable in five years or more	-	5,598
	<u>5,521</u>	<u>21,254</u>

4. Debtors

	1997	1996
	£	£
Other debtors	<u>60,343</u>	<u>59,597</u>

5. Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdraft	-	38,123
Bank loan	38,202	-
Amounts owed to group undertaking	18,090	18,352
Other taxes and social security costs	32	32
Directors' accounts	155,282	154,444
Accruals and deferred income	3,690	3,215
	<u>215,296</u>	<u>214,166</u>

T & H Properties (Shirley) Limited

**Notes to the Financial Statements
for the year ended 31 December 1997**

..... continued

6. Creditors: amounts falling due after more than one year	1997	1996
	£	£
Bank loan	-	66,681
	<u> </u>	<u> </u>
7. Share capital	1997	1996
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>