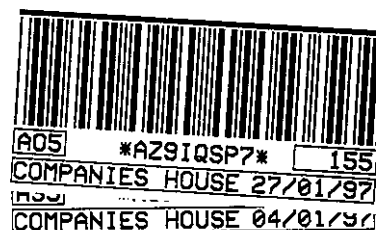


920913

HABITRON LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1996



HABITRON LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

COMPANY NUMBER:	920913
DIRECTORS:	P.W. Hessey R. Scott-White B.S. Hookins E.B. Hessey
SECRETARY:	B.S. Hookins
REGISTERED OFFICE:	42 West Street Carshalton Surrey SM5 2PT

CONTENTS

	<u>Page</u>
Directors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5-7
Detailed Trading and Profit and Loss Account	8

HABITRON LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 1996.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 1995 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 March 1996 in the shares of the company, according to the register of directors' interests, was as shown below:

	Ordinary shares of £1 each	
	31 March 1996	31 March 1995
P.W. Hessey	52	52
R. Scott-White	21	21
B.S. Hookins	21	21
E.B. Hessey	-	-

Approved by the board on 13th September 1996 and signed on its behalf by:

.....
Secretary



HABITRON LIMITED

PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 1996

	Notes	<u>1996</u> £	<u>1995</u> £
TURNOVER		-	7,500
Cost of sales		<u>-</u>	<u>7,500</u>
GROSS PROFIT/LOSS		-	-
Administration costs		(2,618)	(2,762)
Other operating income	4	<u>14,989</u>	<u>17,423</u>
OPERATING PROFIT (LOSS)		12,371	14,661
Interest payable and similar charges	5	<u>(18,031)</u>	<u>(18,299)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,660)	(3,638)
Tax on ordinary activities		<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE YEAR		(5,660)	(3,638)
Retained losses brought forward		<u>(288,876)</u>	<u>(285,238)</u>
RETAINED LOSSES CARRIED FORWARD		<u>(294,536)</u>	<u>(288,876)</u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

The loss on ordinary activities before taxation and the retained loss have been calculated on the historical cost basis.

HABITRON LIMITED

BALANCE SHEET at 31 March 1996

	Notes	£	1996 £	£	1995 £
CURRENT ASSETS					
Stocks and work in progress	6	185,500		185,500	
Debtors	7	117,338		116,943	
Cash at bank and in hand		<u>7,465</u>		<u>17,552</u>	
		310,303		319,995	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
	8	<u>(372,557)</u>		<u>(371,755)</u>	
NET CURRENT LIABILITIES			<u>(62,254)</u>		<u>(51,760)</u>
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	9		<u>(232,182)</u>		<u>(237,016)</u>
NET LIABILITIES			<u>(294,436)</u>		<u>(288,776)</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account			<u>(294,536)</u>		<u>(288,876)</u>
			<u>(294,436)</u>		<u>(288,776)</u>

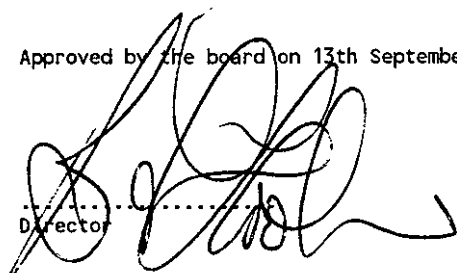
For the year ended 31 March 1996 the company was entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. No notice has been deposited with the company under Section 249B(1) of that Act requiring an audit to be carried out.

The directors acknowledge their responsibility for

- ensuring the company keeps accounting records in accordance with Section 221 of the Companies Act 1985; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit or loss for that financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as they are applicable to the company.

Approved by the board on 13th September 1996 and signed on its behalf by:

.....
Director



HABITRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 1996

1. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis despite the company making trading losses and having significant net liabilities. The directors believe that the company will be able to continue as a going concern as the principal creditors are shareholders (who have indicated that they will not require payment of their outstanding balances until such time as the company has sufficient funds available to do so without affecting its ability to continue trading) and the Halifax Building Society whose loan relates to the major stock property, as indicated in note 6.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents the value of property sales excluding value added tax.

(c) Stocks and work in progress

Stocks and work in progress are stated at the lower of costs and net realisable value. Cost consists of materials and direct labour costs, together with an appropriate proportion of overheads.

3. TURNOVER

The company operates in the U.K. and the whole of its turnover is to the U.K. market.

4. OTHER OPERATING INCOME

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Rent receivable	20,400	19,428
Letting fees	(2,040)	(2,049)
Property expenses	(5,291)	(1,887)
Legal expenses	(120)	(12)
Management fee	<u>2,040</u>	<u>1,943</u>
	<u>14,989</u>	<u>17,423</u>

HABITRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 1996

5.	INTEREST PAYABLE AND SIMILAR CHARGES	<u>1996</u> £	<u>1995</u> £
	Bank loans and overdrafts	7,396	7,625
	Mortgage loans	<u>10,635</u>	<u>10,674</u>
		<u>18,031</u>	<u>18,299</u>

6.	STOCKS	<u>1996</u> £	<u>1995</u> £
	Land and developed properties	<u>185,500</u>	<u>185,500</u>

Stocks have been written down to estimated net realisable value where, in the opinion of the directors, this is less than cost.

7.	DEBTORS	<u>1996</u> £	<u>1995</u> £
	Amounts owed by related undertakings	209	209
	Other debtors	116,097	115,497
	Prepayments	<u>1,032</u>	<u>1,237</u>
		<u>117,338</u>	<u>116,943</u>

The other debtor represents monies due from a joint venture development and as such is unlikely to be repaid until such time as the development is sold. One half of the net rental income is included in the company's profit and loss account and the property is included within stocks at £185,500, being one half of the total estimated net realisable value. The company took out a mortgage to finance this development and the entire mortgage liability of £232,183 is included within creditors.

8.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1996</u> £	<u>1995</u> £
	Bank loans and overdrafts	61,639	80,837
	Trade creditors	1,456	1,456
	Directors' current accounts	297,187	277,187
	Other creditors	<u>12,275</u>	<u>12,275</u>
		<u>372,557</u>	<u>371,755</u>

HABITRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 1996

9.	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1996</u> £	<u>1995</u> £
	Bank loans	<u>232,182</u>	<u>237,016</u>
	Amounts repayable by instalments:		
	Loans not wholly repayable within five years:		
	Repayable within five years	17,000	16,590
	Repayable after five years	<u>215,182</u>	<u>220,426</u>
		<u>232,182</u>	<u>237,016</u>
10.	SHARE CAPITAL	Authorised, allotted and fully paid <u>1996 and 1995</u>	
	100 ordinary shares of £1 each	<u>100</u>	

HABITRON LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 1996

	£	<u>1996</u>	£	£	<u>1995</u>	£
SALES			-			7,500
COST OF SALES						
Opening stock and work in progress	185,500			193,000		
Less: Closing stock and work in progress	<u>(185,500)</u>		-	<u>(185,500)</u>		7,500
GROSS PROFIT (LOSS)			-			-
ADMINISTRATIVE EXPENSES:						
Insurance	2,301			2,203		
General expenses:						
General expenses	317			222		
Audit and accountancy	-			88		
Professional subscriptions	-			249		
TOTAL OVERHEAD EXPENSES			<u>(2,618)</u>			<u>(2,762)</u>
			(2,618)			(2,762)
OTHER OPERATING INCOME						
Rents receivable	20,400			19,428		
Less: Letting fees	(2,040)			(2,049)		
Property expenses	(5,291)			(1,887)		
Legal expenses	(120)			(12)		
Management fees	<u>2,040</u>		<u>14,989</u>	<u>1,943</u>		<u>17,423</u>
			12,371			14,661
OTHER EXPENSES						
Interest payable:						
Bank interest	7,396			7,625		
Mortgage loan interest	<u>10,635</u>			<u>10,674</u>		
			<u>18,031</u>			<u>18,299</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(5,660)</u>			<u>(3,638)</u>