

657354

EARLIBA FINANCE COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 1997

FIK & Co
Certified Accountants
Registered Auditors
11 Buttermarket
Ipswich
IP1 1BQ



EARLIBA FINANCE COMPANY LIMITED

Director: A H V Thompson
Secretary: G Farley
Registered Office: 12 Upper Brook Street
Ipswich
Suffolk

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EARLIBA FINANCE COMPANY LIMITED

DIRECTORS REPORT

The Director presents his report together with the accounts for the year ended 31 March 1997.

The Director of the Company and his shareholding at 31 March 1997 was:-

	1997	1996
A H V Thompson	146	146

The principal activity of the Company is the letting of its residential properties.

The loss for the year after tax was £120,022 (1996: profit £117,274). A dividend of £348,087 has been paid (1996: £Nil).

A resolution to reappoint FISK & Co and to authorise the Director to fix their remuneration will be proposed in accordance with Section 384 of the Companies Act 1985, at the Annual General Meeting.



.....
A H V Thompson
Director

..... *31st December 1997*
Date

Registered Office:

12 Upper Brook Street
Ipswich
Suffolk
IP4 1EE

EARLIBA FINANCE COMPANY LIMITED
PREPARATION OF FINANCIAL STATEMENTS

31 MARCH 1997

Company law requires the director 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 and loss of the company for that period. In preparing those financial statements, the director is required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Company Act 1985. He is 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.

REPORT OF THE AUDITORS TO THE MEMBERS
OF EARLIBA FINANCE COMPANY LIMITED

We have audited the financial statements set out on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's director is 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 at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

FISK & Co
Registered Auditors
Certified Accountants
11 Buttermarket
Ipswich
IP1 1BQ

FISK & Co

Date: 3 / 12 / 97

EARLIBA FINANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1997

	Notes	1997 £	1996 £
Turnover	2	356,126	338,278
Direct costs		<u>441,718</u>	<u>199,650</u>
		(85,592)	138,628
Administration costs		<u>5,537</u>	<u>5,166</u>
Operating Profit	3	(91,129)	133,462
Interest receivable		<u>12,297</u>	<u>21,312</u>
Profit on ordinary activities before taxation		(78,832)	154,774
Taxation	5	<u>41,188</u>	<u>37,500</u>
Profit on ordinary activities after taxation		(120,020)	117,274
Dividends		<u>348,087</u>	<u>-</u>
Retained (loss)/profit for year		<u>£(468,107)</u>	<u>£117,274</u>

The notes on pages 6 to 8 form part of these financial statements.

EARLIBA FINANCE COMPANY LIMITED

BALANCE SHEET
as at 31 March 1997

	Notes	1997 £	1996 £
Fixed Assets			
Tangible assets	6	298,281	293,097
Current Assets			
Debtors	7	72,281	134,420
Cash at bank		95,448	380,862
		<u>167,729</u>	<u>515,282</u>
Creditors			
Amounts falling due within one year	8	178,919	53,181
Net current (liabilities)/assets		<u>(11,190)</u>	<u>462,101</u>
Total assets less current liabilities		287,091	755,198
Deferred taxation	5	<u>-</u>	<u>-</u>
Total net assets		<u>£287,091</u>	<u>£755,198</u>
Capital and Reserves			
Called up share capital	9	146	146
Profit and loss account	10	286,945	755,052
		<u>£287,091</u>	<u>£755,198</u>



A H V Thompson
Director

3rd. December 1997

Date of approval

The notes on pages 6 to 8 form part of these financial statements.

EARLIBA FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 March 1997

1 Accounting policies

(a) Basis of accounting

The financial statements of the Company are prepared under the historical cost convention.

(b) Turnover

Turnover represents rents receivable net of value added tax.

(c) Tangible Assets

Land is not depreciated. Properties are maintained to ensure that their value does not diminish over time. In the opinion of the Director depreciation would be immaterial and has not been charged.

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

Plant and equipment	-	25% on written down value
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2 Turnover

Turnover and pre tax profits are attributable to the Company's main activity, and arise entirely in the United Kingdom.

3 Operating Profits

Are stated after charging:

	1997 £	1996 £
Auditors remuneration	1,529	1,500
Management and maintenance fees	171,552	168,803
And after crediting:		
Rents receivable	<u>356,126</u>	<u>338,278</u>

4 Employee Information

There were no employees in the year.

EARLIBA FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

Continued

5.1 Taxation

The charge on the profits of the ordinary activities was as follows:

	1997 £	1996 £
Corporation tax - prior years	-	(1,671)
Corporation tax - current	41,188	39,171
Deferred taxation	-	-
	<u>41,188</u>	<u>37,500</u>

5.2 Deferred taxation relates to short term timing differences. All potential deferred taxation liabilities are included in the accounts.

6 Tangible Fixed Assets

	Freehold land & Buildings	Plant Equipment	Total
Cost:			
At beginning of year	284,557	13,480	298,037
Additions	-	9,758	9,758
Disposals	-	-	-
	<u>£284,557</u>	<u>£23,238</u>	<u>£307,795</u>
Depreciation:			
At beginning of year	-	4,940	4,940
Charge for year	-	4,574	4,574
	<u>-</u>	<u>9,514</u>	<u>9,514</u>
Carried forward	-	9,514	9,514
Net value:			
31 March 1997	<u>£284,557</u>	<u>£13,724</u>	<u>£298,281</u>
31 March 1996	<u>£284,557</u>	<u>£8,540</u>	<u>£293,097</u>

In the opinion of the Director the current value of the Company's properties is substantially higher than cost.

EARLIBA FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

Continued

7 Debtors

	1997 £	1996 £
Trade debtors	10,773	127,779
Prepayments and sundry	7,430	6,641
Advance corporation tax	54,078	-
	<u>72,281</u>	<u>134,420</u>

8 Creditors

	1997 £	1996 £
Dividend payable	-	-
Trade creditors	82,122	49,028
Accruals and provisions	1,530	1,527
Corporation tax	8,245	2,628
Advance corporation tax	87,022	-
	<u>178,919</u>	<u>53,181</u>

9 Share Capital

	Authorised	Allotted, issued and fully paid	
		1997	1996
Ordinary shares of £1 each	1,000	146	146

10 Retained Profit

	1997 £	1996 £
Brought forward 1 April 1996	755,052	783,938
Retained profit for year	(468,107)	117,274
Distribution	-	(146,160)
	<u>286,945</u>	<u>755,052</u>
Carried forward 31 March 1997		

11 There were no capital commitments at the year end.

EARLIBA FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

Continued

12 Related Party Transactions

During the year a management charge was paid to the company director to act as managing agent for all the company's properties. This was based on normal commercial terms.