

REGISTERED NUMBER: 430892 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 APRIL 1998
FOR
EUSTON TRUST LIMITED



EUSTON TRUST LIMITED

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FOR THE YEAR ENDED 9 APRIL 1998

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EUSTON TRUST LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 9 APRIL 1998

DIRECTORS:

R C Harvey
Mrs G A Harvey
Mrs K L Kinsey

SECRETARY:

Mr R C Harvey

REGISTERED OFFICE:

89 Whiteladies Road
Clifton
Bristol
BS8 2NT

REGISTERED NUMBER:

430892 (England and Wales)

AUDITORS:

PORTER GEE & CO.
Chartered Accountants
Registered Auditor
Walmar House
288 - 292 Regent Street
London
W1R 5HF

EUSTON TRUST LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 9 APRIL 1998

The directors present their report with the financial statements of the company for the year ended 9 April 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

R C Harvey
Mrs G A Harvey
Mrs K L Kinsey

The directors holding office at 9 April 1998 did not hold any beneficial interest in the issued share capital of the company at 10 April 1997 or 9 April 1998.

The directors' beneficial shareholdings in Euston Group Limited, the company's holding company, are set out in the financial statements of that company.

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 judgments 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.

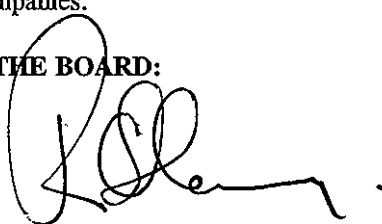
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCOUNTING EXEMPTION

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

ON BEHALF OF THE BOARD:

R C HARVEY
DIRECTOR



Dated: 30 October 1998

EUSTON TRUST LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
EUSTON TRUST LIMITED

We have audited the financial statements on pages four to ten which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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 judgments made by the directors 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.

Qualified opinion arising from the absence of market value of investment properties

As explained in note 8 to the financial statements, the directors do not consider it appropriate to give an indication of the market value of the company's freehold properties, as required by Statement of Standard Accounting Practice No. 19 for investment properties.

Except for this matter, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 9 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

PORTER GEE & CO.
Chartered Accountants
Registered Auditor
Walmar House
288 - 292 Regent Street
London
W1R 5HF


Dated: 30 October 1998

EUSTON TRUST LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 9 APRIL 1998

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
GROSS RENTS RECEIVABLE	2		574,105		474,090
Property Expenses			<u>175,232</u>		<u>231,347</u>
NET PROPERTY REVENUE			398,873		242,743
Administrative expenses			<u>173,951</u>		<u>220,844</u>
OPERATING PROFIT	3		224,923		21,899
Dividend receivable from subsidiary		20,000		32,000	
Interest receivable and similar income	4	<u>6,342</u>		<u>2,342</u>	
			<u>26,342</u>		<u>34,342</u>
			251,265		56,241
Interest payable and similar charges			<u>12,972</u>		<u>37,578</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			238,293		18,663
Tax on profit on ordinary activities	5		<u>57,706</u>		<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			180,587		18,663
Extraordinary items after taxation	6		<u>253,128</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR			433,715		18,663
Dividends	7		<u>111,000</u>		<u>159,000</u>
RETAINED PROFIT FOR THE YEAR			322,715		(140,337)
Retained profit brought forward			<u>173,185</u>		<u>313,522</u>
			495,900		173,185
Extraordinary items transferred to capital reserve	6		<u>(253,128)</u>		<u>-</u>
RETAINED PROFIT CARRIED FORWARD			<u>£242,772</u>		<u>£173,185</u>

The notes form part of these financial statements

EUSTON TRUST LIMITED**BALANCE SHEET**
9 APRIL 1998

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		520,217		870,374
Investments	9		<u>615,970</u>		<u>615,970</u>
			1,136,187		1,486,344
CURRENT ASSETS:					
Debtors	10	726,895		621,657	
Cash at bank and in hand	16	<u>263,781</u>		<u>49,423</u>	
		990,676		671,080	
CREDITORS: Amounts falling due within one year	11	<u>680,906</u>		<u>618,686</u>	
NET CURRENT ASSETS:			<u>309,770</u>		<u>52,394</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,445,957		1,538,738
CREDITORS: Amounts falling due after more than one year	12		-		<u>415,496</u>
NET ASSETS			<u>£1,445,957</u>		<u>£1,123,242</u>
CAPITAL AND RESERVES:					
Called up share capital	13		110,000		110,000
Capital reserve	14		1,093,185		840,057
Profit and loss account			<u>242,772</u>		<u>173,185</u>
SHAREHOLDERS' FUNDS			<u>£1,445,957</u>		<u>£1,123,242</u>

These financial statements have been 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.

ON BEHALF OF THE BOARD:

R C HARVEY- DIRECTOR

MRS G A HARVEY- DIRECTOR

Approved by the Board on 30 October 1998

The notes form part of these financial statements

EUSTON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 APRIL 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Tangible fixed assets

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

Fixtures, Fittings & Equipment	- 10% on cost
Motor vehicles	- 20% on cost
Office Equipment	- 25% on cost

No depreciation has been provided against the freehold properties as these are held for investment purposes. It is considered that the residual values of the properties would be sufficiently high and their lengths of useful life so long that any depreciation charge would be insignificant.

Pensions

The company operates an approved executive pension scheme. Contributions payable for the year are charged in the profit and loss account.

Capital Profits and Losses

Capital profits and losses arising in respect of the company's freehold properties are retained within the company's capital reserve.

Freehold Properties

The company's freehold properties are stated at historical cost with no indication being given of estimated current market value.

2. GROSS RENTS RECEIVABLE

The gross rents receivable and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1998	1997
	£	£
Depreciation	9,135	10,900
Loss on disposal of fixed assets	1,235	-
Auditors' remuneration	9,000	7,989
Pension costs	<u>7,000</u>	<u>56,000</u>
Directors' emoluments and other benefits etc	<u>113,149</u>	<u>116,129</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1998	1997
	£	£
Deposit account interest	<u>6,342</u>	<u>2,342</u>

EUSTON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 9 APRIL 1998**

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1998 £	1997 £
UK Corporation Tax	<u>57,706</u>	<u>-</u>

UK Corporation Tax has been charged at 31 % (1997 - not applicable).

6. EXTRAORDINARY ITEMS

	1998 £	1997 £
Income:		
Profit on sale of freehold property, net of related tax.	<u>253,128</u>	<u>-</u>

In accordance with the company's accounting policy, the capital profit has been transferred to Capital Reserve(note 14)

7. DIVIDENDS

	1998 £	1997 £
10,000 Ordinary Shares shares of £1 each		
Interim-Paid at Nil (1997 840 %)	-	84,000
Final-Proposed at 1110% (1997 750 %)	<u>111,000</u>	<u>75,000</u>
	<u>111,000</u>	<u>159,000</u>

8. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures, Fittings & Equipm- ent	Motor vehicles	Totals
	£	£	£	£
COST:				
At 10 April 1997	823,464	58,651	55,848	937,963
Additions	15,742	7,623	-	23,365
Disposals	<u>(361,703)</u>	<u>(2,064)</u>	<u>(13,424)</u>	<u>(377,191)</u>
At 9 April 1998	<u>477,503</u>	<u>64,210</u>	<u>42,424</u>	<u>584,137</u>
DEPRECIATION:				
At 10 April 1997	-	17,111	50,478	67,589
Charge for year	-	6,449	2,686	9,135
Eliminated on disposals	-	<u>(2,064)</u>	<u>(10,740)</u>	<u>(12,804)</u>
At 9 April 1998	-	<u>21,496</u>	<u>42,424</u>	<u>63,920</u>
NET BOOK VALUE:				
At 9 April 1998	<u>477,503</u>	<u>42,714</u>	<u>-</u>	<u>659,734</u>
At 9 April 1997	<u>823,464</u>	<u>41,540</u>	<u>5,370</u>	<u>870,374</u>

EUSTON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 APRIL 1998

8. TANGIBLE FIXED ASSETS - continued

The directors consider that no useful purpose would be served by giving an indication of their estimate of the open market value of the company's freehold properties, particularly at these uncertain times, other than to confirm that these values are at least above cost.

No depreciation is provided against the freehold property as it is the practice of the company to maintain the assets in a continual state of repair. Accordingly the residual value of the properties are considered to be sufficiently high and their lengths of life so long that any depreciation would be insignificant.

9. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Bolderwood Property & Investments Limited

Nature of business: Property investment

	%
Class of shares:	holding
Ordinary	100.00

Investments (neither listed nor unlisted) were as follows:

	1998 £	1997 £
Investment in subsidiary at cost	<u>615,970</u>	<u>615,970</u>
	<u>615,970</u>	<u>615,970</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998 £	1997 £
Rent Receivable	64,229	-
Prepayments & accrued income	20,000	32,300
Amount due from Holding Company	<u>642,666</u>	<u>589,357</u>
	<u>726,895</u>	<u>621,657</u>

EUSTON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 APRIL 1998

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998	1997
	£	£
Bank loans and overdrafts	-	40,945
Trade creditors	26,620	-
Deposit from tenants(Note 16)	54,369	45,491
Amounts due to Fellow Subsidiaries	433,678	435,678
Dividend proposed	111,000	75,000
Social security & other taxes	8,533	11,572
Taxation	36,706	-
Accrued expenses	10,000	10,000
	<u>680,906</u>	<u>618,686</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1998	1997
	£	£
Bank loans	<u>-</u>	<u>415,496</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>-</u>	<u>225,435</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998	1997
			£	£
10,000	Ordinary Shares	£1	10,000	10,000
100,000	Deferred Shares	£1	<u>100,000</u>	<u>100,000</u>
			<u>110,000</u>	<u>110,000</u>

EUSTON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 9 APRIL 1998

14. CAPITAL RESERVE

	1998	1997
	£	£
Balance at 10 April 1997	840,057	840,057
Capital profit on sale of freehold property, net of related taxation (Note 6)	<u>253,128</u>	<u>-</u>
Balance at 9 April 1998	<u><u>1,093,185</u></u>	<u><u>840,057</u></u>

15. ULTIMATE PARENT COMPANY

The Company remained a wholly owned subsidiary of Euston Group Ltd, a company incorporated in England, throughout the year ended 9 April 1998.

16. BANK BALANCES AND DEPOSITS

This includes £53,849 of deposits from tenants lodged as security.