

FELVILLE INVESTMENT CO. LIMITED

Company No: 719605

**ABBREVIATED
FINANCIAL STATEMENTS**

for the year ended

31 MARCH 1997

**COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP**



FELVILLE INVESTMENT CO. LIMITED

DIRECTORS

A Sprung
S Klein

SECRETARY

Mrs I Sprung

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

FELVILLE INVESTMENT CO. LIMITED

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FOR THE YEAR ENDED 31 MARCH 1997

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AUDITORS' REPORT TO FELVILLE INVESTMENT CO. LIMITED

PURSUANT TO PARAGRAPH 24 OF

SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 8 together with the full financial statements of Felville Investment Co. Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1997.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 March 1997 and the abbreviated financial statements on pages 3 to 8 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 6 April 1998, we reported, as auditors of Felville Investment Co. Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1997, and our audit report was as follows:

"We have audited the Financial Statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of Land and Buildings and the Accounting Policies set out in Note 1.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

AUDITORS' REPORT TO FELVILLE INVESTMENT CO. LIMITED

PURSUANT TO PARAGRAPH 24 OF

SCHEDULE 8 TO THE COMPANIES ACT 1985

BASIS OF OPINION

We have 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 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 and to give reasonable assurance that the Financial Statements are free from material mis-statement, 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 Results for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985."

London

Date: 6 April 1998

Cohen, Arnold & Co.
COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

FELVILLE INVESTMENT CO. LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	Notes	<u>1997</u>		<u>1996</u>	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	2	129,523		137,500	
Investments	3	451,350		451,350	
		<hr/>	580,873	<hr/>	588,850
CURRENT ASSETS					
Stocks	1.3	248,900		223,700	
Debtors		476,177		471,419	
Cash at Bank		3,978		8,692	
		<hr/>		<hr/>	
		729,055		703,811	
CREDITORS: Amounts falling due within one year		<hr/>		<hr/>	
		(470,617)		(482,810)	
NET CURRENT ASSETS			258,438		221,001
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>		<hr/>
			839,311		809,851
CREDITORS: Amounts falling due after more than one year	4		<hr/>		<hr/>
			(273,984)		(305,000)
			<hr/>		<hr/>
			£565,327		£504,851
CAPITAL AND RESERVES			<hr/>		<hr/>
Called up Share Capital	5		1,000		1,000
Other Reserves	6		725,644		725,644
Profit and Loss Account			(161,317)		(221,793)
			<hr/>		<hr/>
			£565,327		£504,851
			<hr/>		<hr/>

I have relied upon the exemptions for individual financial statements under Section A of Part III of Schedule 8 of the Companies Act 1985 and have done so on the basis that the company is entitled to the benefit of those exemptions as a small company.

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S KLEIN **DIRECTOR**

Date: 6/4/98

The notes on pages 4 to 8 form part of these Abbreviated Financial Statements

FELVILLE INVESTMENT CO. LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain Land and Buildings and in accordance with applicable Accounting Standards.

1.2 DEPRECIATION

Fixed Assets are depreciated over their estimated useful lives by the reducing balance method at the following rates:

Plant and Machinery	20% per annum
Fixtures and Fittings	25% per annum
Motor Vehicles	25% per annum
Computer Equipment	25% per annum
Freehold Buildings	2% per annum

Assets are depreciated in year of acquisition but not in the year of disposal.

No provision is made for the depreciation of freehold buildings held for Investment purposes.

1.3 STOCKS

These are valued on a first in, first out basis at the lower of cost and net realisable value.

FELVILLE INVESTMENT CO. LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES (Cont'd)

1.4 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No: 1) on the basis of its being a "small company" as defined by Section 247 of the Companies Act 1985.

1.5 CONSOLIDATION

The Company and its Subsidiary Undertaking comprise a small group. The Company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group financial statements.

2. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Office Equipment</u> £	<u>Furniture & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Plant & Machinery</u> £	<u>Total</u> £
Cost						
At 31 March 1996	123,035	62,247	48,997	28,500	23,258	286,037
Additions	-	-	-	-	5,018	5,018
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	123,035	62,247	48,997	28,500	28,276	291,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 31 March 1996	26,345	58,469	36,238	7,125	20,360	148,537
Charge for the year	1,934	944	3,190	5,344	1,583	12,995
Disposal	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	28,279	59,413	39,428	12,469	21,943	161,532
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FELVILLE INVESTMENT CO. LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

2. TANGIBLE FIXED ASSETS (Cont.)

	<u>Freehold Property</u> £	<u>Office Equipment</u> £	<u>Furniture & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Plant & Machinery</u> £	<u>Total</u> £
Net Book Value						
At 31 March 1997	£94,756	£2,834	£9,569	£16,031	£6,333	£129,523
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	£96,690	£3,778	£12,759	£21,375	£2,898	£137,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

3. INVESTMENTS

	<u>Freehold Property At Valuation</u> £	<u>Subsidiary Undertaking At Cost</u> £	<u>Shares At Cost</u> £	<u>Total</u> £
Balance Brought Forward at 1 April 1996 and Balance Carried Forward at 31 March 1997	£450,000	£100	£1,250	£451,350
	<hr/>	<hr/>	<hr/>	<hr/>

Included in Investments is Freehold Property at Directors Valuation. No depreciation is provided on Freehold Property Investments in order that in the Directors' opinion a true and fair view can be given by these Financial Statements. The effect of this policy is unquantifiable given that the Property is Freehold and an objective write-off period cannot therefore be established.

The historic cost of the investment property is £91,375.

The Company's investment in its subsidiary undertaking represents the cost of acquisition of the whole of the ordinary share capital of Felville Properties Limited, a company which is engaged in Property Investment.

FELVILLE INVESTMENT CO. LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

3. INVESTMENTS (Cont.)

The Capital and Reserves and Profits attributable to the Company from its wholly owned subsidiary undertaking for which group financial statements have not been prepared under the exemption conferred by S248(1) Companies Act 1985 is as follows:

	<u>Net Assets</u> £	<u>Profit (Loss) on Ordinary Activities Before Taxation</u> £
Felville Properties Limited	£29,981	£8,028
	<u> </u>	<u> </u>

4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1997</u> £	<u>1996</u> £
Bank Loan repayable in instalments by 2003	£273,984	£305,000
	<u> </u>	<u> </u>

The Bank Loan is secured by fixed charges on the Company's Freehold Property and bears interest at 2.5% above base rate.

5. SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
<u>Authorised:</u>		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	<u> </u>	<u> </u>
<u>Issued and Fully Paid:</u>		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	<u> </u>	<u> </u>

FELVILLE INVESTMENT CO. LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

6. OTHER RESERVES

As At 1 April 1996
and 31 March 1997
£

Capital Reserve	367,019
Revaluation Reserve	358,625
	<hr/>
	£725,644
	<hr/> <hr/>

7. CONTINGENT LIABILITY

The Company has given a guarantee in respect of a Bank Loan granted to its Subsidiary Undertaking in the sum of £230,000. This is also supported by way of fixed legal charge over the Company's Investment Property which is included in the Balance Sheet at £450,000. It is not anticipated that the Company will be called upon to pay any amounts under the guarantee.