

MIGDAL INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

LOPIAN GROSS BARNETT & CO
CHARTERED ACCOUNTANTS

HARVESTER HOUSE
37 PETER STREET
MANCHESTER
M2 5QD



MIGDAL INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS

D M Halpern
Mrs F Halpern
A A Halpern
Jacob Halpern

SECRETARY

Josef Halpern

REGISTERED OFFICE

Harvester House
37 Peter Street
Manchester M2 5QD

REGISTERED NUMBER

621868

REPORTING ACCOUNTANTS

Lopian Gross Barnett & Co
Chartered Accountants
Harvester House
37 Peter Street
Manchester M2 5QD

MIGDAL INVESTMENT LIMITED

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REPORT OF THE DIRECTORS

The directors present their annual report together with the financial statements of the company for the year ended 31 March 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is the holding of investment properties and the receipt of rents. The company has also traded in property.

DIRECTORS

The directors in office during the year, and their beneficial interests in the company's issued ordinary share capital, were as follows:-

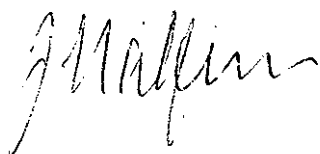
	1996	1995
D M Halpern	246	246
Mrs F Halpern	91	91
A A Halpern	-	-
Jacob Halpern	306	306

Messrs D M and A A Halpern are Trustees of a Settlement which holds 2,143 £1 shares in the company. Mr A A Halpern is a beneficiary under a marriage settlement, the Trustees of which hold 357 £1 shares.

In preparing the above report the directors have taken advantage of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 7 JANUARY 1997

J HALPERN
Secretary



ON THE UNAUDITED ACCOUNTS OF
MIGDAL INVESTMENTS LTD

We report on the accounts for the year ended 31 March 1996, set out on pages 1 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

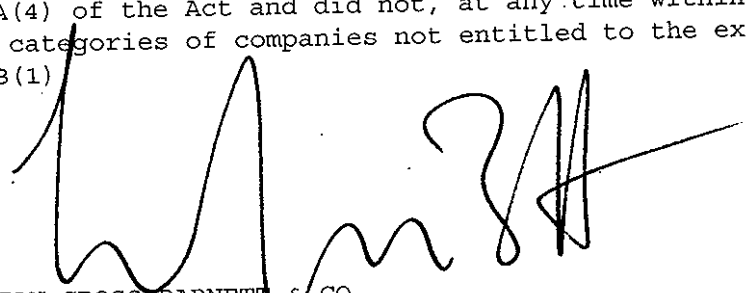
As described on page 4, the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985. Having regard to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act and the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



LOPIAN GROSS BARNETT & CO
REPORTING ACCOUNTANTS
CHARTERED ACCOUNTANTS
HARVESTER HOUSE
37 PETER STREET
MANCHESTER M2 5QD

9 JANUARY 1997

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1996

	NOTES	1996 £	1995 £
TURNOVER	1	48,498	-
Cost of sales		(48,605)	(367)
		-----	-----
GROSS LOSS		(107)	(367)
Net property income		56,473	62,737
		-----	-----
		56,366	62,370
Administrative expenses		(16,978)	(25,134)
		-----	-----
Operating profit	2	39,388	37,236
Profit on investments	3	-	691
Other income		547	403
Interest payable		(30,870)	(33,501)
		-----	-----
Profit on ordinary activities before taxation		9,065	4,829
Taxation	4	(1,424)	(2,945)
		-----	-----
Profit for the financial year after taxation		7,641	1,884
		=====	=====
Retained profit for the financial year		7,641	1,884
Retained profit at 1 April 1995		380,650	378,766
		-----	-----
RETAINED PROFIT AT 31 MARCH 1996		388,291	380,650
		=====	=====

The company has no recognised gains or losses other than those passing through the profit and loss account.

BALANCE SHEET AS AT 31 MARCH 1996

	NOTES	1996 £	1995 £
FIXED ASSETS			
Tangible assets	5	601,162	602,651
CURRENT ASSETS			
Stock	6	192,623	180,123
Debtors	7	215,355	136,328
Cash in hand and at bank		983	109,362
		-----	-----
		408,961	425,813
CREDITORS: Amounts falling due within one year	8	18,683	20,665
		-----	-----
NET CURRENT ASSETS		390,278	405,148
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		991,440	1,007,799
CREDITORS: Amounts falling due after more than one year			
	9	314,800	338,800
		-----	-----
		676,640	668,999
		=====	=====
CAPITAL AND RESERVES			
Share capital	10	5,000	5,000
Capital reserve	11	283,349	283,349
Profit and loss account		388,291	380,650
		-----	-----
	13	676,640	668,999
		=====	=====

In preparing these financial statements the director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(2) of the Companies Act 1985, no notice has been deposited under Section 249B(2) of the Companies Act 1985 and the director acknowledges his responsibilities for -

- (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- (ii) preparing accounts 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 financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985 and, in the director's opinion, the company is entitled to these exemptions as a small company.

SIGNED AND APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON 7 JANUARY 1997

JACOB HALPERN.....DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation prior to 1984 of certain land and buildings, and in accordance with accepted accounting principles and includes the results of the company's operations as indicated in the Directors' Report, all of which are continuing.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, "Cash Flow Statements".

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Depreciation was provided for at 25% in respect of van and 15% on fixtures and fittings.

Investment properties have not been revalued as required by SSAP 19. No depreciation has been provided, which represents a departure from the Companies Act requirements. The effect of this has not been quantified due to the lack of information on the split of land and buildings.

Stock

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

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Turnover

Turnover represents amounts receivable in respect of trading properties sold during the year.

2 OPERATING PROFIT is stated after charging:

	1996	1995
	£	£
Depreciation of tangible fixed assets	1,929	2,345
Directors' emoluments for services as directors	4,400	2,400
	=====	=====

3 PROFIT ON INVESTMENTS

	1996	1995
	£	£
Profit on disposal of property	-	691
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONT)

4 TAXATION

	1996 £	1995 £
Corporation Tax for the year @ 25%	(2,199)	(2,945)
Underprovision in previous year	775	-
	-----	-----
	(1,424)	(2,945)
	=====	=====

5 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Van £	Fixtures & Fittings £	Total £
<u>Cost or valuation</u>				
At 1 April 1995	592,846	12,396	13,288	618,530
Addition/Disposal	-	-	440	440
	-----	-----	-----	-----
At 31 March 1996	592,846	12,396	13,728	618,970
	=====	=====	=====	=====
<u>Depreciation</u>				
At 1 April 1995	-	8,474	7,405	15,879
Charge for the year	-	980	949	1,929
	-----	-----	-----	-----
At 31 March 1996	-	9,454	8,354	17,808
	=====	=====	=====	=====
<u>Net Book Value</u>				
At 31 March 1996	592,846	2,942	5,374	601,162
	=====	=====	=====	=====
At 31 March 1995	592,846	3,922	5,883	602,651
	=====	=====	=====	=====

The net book value of land and buildings at 31 March 1996 is made up as follows:

	1996 £	1995 £
Cost	510,070	510,107
Revaluation b/f	82,776	82,776
Disposal	-	(37)
	-----	-----
	592,846	592,846
	=====	=====

6 STOCKS

	1996 £	1995 £
Property stock at cost	190,123	177,623
Sundry repair materials	2,500	2,500
	-----	-----
	192,623	180,123
	=====	=====

7 DEBTORS

	1996 £	1995 £
Trade debtors	11,534	6,370
Other debtors	203,821	129,958
	-----	-----
	215,355	136,328
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONT)

8 CREDITORS: Amounts falling due within one year -

	1996	1995
	£	£
Trade creditors and accruals	17,865	16,203
Other creditors	746	746
Bank overdraft (secured)	72	3,716
	-----	-----
	18,683	20,665
	=====	=====

9 CREDITORS: Amounts falling due after more than one year -

	1996	1995
	£	£
Bank loan (secured)	314,800	338,800
	=====	=====

10 CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Ordinary Shares of £1 each:		
Authorised	5,000	5,000
	=====	=====
Called up and Fully Paid	5,000	5,000
	=====	=====

11 CAPITAL RESERVE

	1996	1995
	£	£
Capital reserve	200,573	200,573
Reserve on revaluation	82,776	82,776
	-----	-----
	283,349	283,349
	=====	=====

12 CONTINGENT LIABILITIES

No provision has been made for the taxation, if any, arising on the chargeable gain that would be payable in the event of a sale of the company's property at the amount at which the property is stated in the financial statements.

13 RECONCILIATION OF MOVEMENTS OF SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year after taxation	7,641	1,884
Opening shareholders' funds at 1 April 1995	668,999	667,115
	-----	-----
Closing shareholders' funds at 31 March 1996	676,640	668,999
	=====	=====