

MARSU PROPERTIES LIMITED

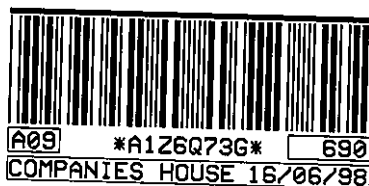
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 22nd AUGUST 1997

Company registration number: 00667811

Date of incorporation:

SAGOO & CO.  
Chartered Accountants  
& Registered Auditors  
122 High Street Acton  
London W3 6QX



MARSU PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 22nd AUGUST 1997

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**The following pages do not form part of the financial statements.**

Cash flow statement	Appendix 1
Detailed trading, profit and loss account	Appendix 2

MARSU PROPERTIES LIMITEDTHE DIRECTORS' REPORT  
FOR THE YEAR ENDED 22nd AUGUST 1997

The directors present their report and the company's financial statements for the year ended 22nd August 1997.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of property trading, development and financing.

There were no significant changes in the operation of the company's business during the year under review. In the opinion of the directors the company was in a satisfactory position at the 22nd August 1997.

The results for the year, the company's financial position, and the amounts transferred to reserves are shown in the attached financial statements.

**DIVIDENDS**

The directors have not recommended a dividend.

**TRANSFERS TO RESERVES**

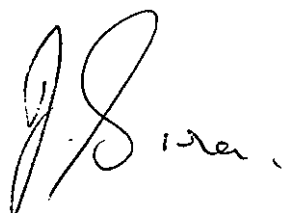
The profit retained for the year amounting to £59 will be taken to the profit and loss account and carried forward to next year.

**DIRECTORS**

The directors who served in office during the year and their beneficial interests in the company's shares were as follows:

	Class of Shares	At 22 Aug 1997	At 23 Aug 1996
Mr. G. S. Sira	Ordinary	-	-
Mr. D. A. Barker	Ordinary	-	-
		<u>          </u>	<u>          </u>

Signed on behalf of the directors



Company secretary

Approved by the directors on

27/5/98

ACCOUNTANTS' REPORT TO THE DIRECTORS  
OF MARSU PROPERTIES LIMITED

FOR THE YEAR ENDED 22nd AUGUST 1997

We have prepared the financial statements on pages 3 to 11 without carrying out an audit or examination, for the year ended 22nd August 1997.

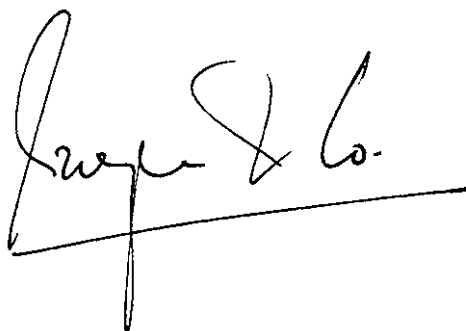
As described on page 5, the company's directors are responsible for the preparation of the financial statements, and in their opinion the company is exempt from an audit.

Our engagement was restricted to the preparation of the financial statements from the books and records supplied, and in accordance with the information and explanations given by the directors of the company.

We have not conducted an audit on the financial statements in accordance with Auditing Standards or an examination in accordance with the Statement of Standards for reporting accountants and accordingly we express no opinion thereon.

Our work does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

SAGOO & CO.  
Chartered Accountants  
& Registered Auditors  
122 High Street Acton  
London W3 6QX



Date:

28/9/98

MARSU PROPERTIES LIMITEDPROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 22nd AUGUST 1997

	Note	1997 £	1996 £
Turnover	2	28,640	27,228
Administrative expenses		(26,474)	(25,528)
Operating profit	3	2,166	1,700
Interest payable and similar charges	6	(1,817)	-
Profit on ordinary activities before taxation		349	1,700
Tax on profit on ordinary activities	7	(290)	(459)
Retained Profit for the financial year		59	1,241

**Total recognised gains and losses**

The company had no recognised gains or losses other than the profit for the above two financial years.

**Continuing Operations**

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 7 to 11 form part of these financial statements.

MARSU PROPERTIES LIMITEDFOR THE YEAR ENDED 22nd AUGUST 1997STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1997 £	1996 £
Profit for the financial year	59	1,241
Other recognised gains and losses	-	-
Total gains and losses recognised since the last annual report	<u>59</u>	<u>1,241</u>

The notes on pages 7 to 11 form part of these financial statements.

MARSU PROPERTIES LIMITEDBALANCE SHEET AS AT 22nd AUGUST 1997

	Note	1997		1996	
		£	£	£	£
<b>Current assets</b>					
Stocks	8	48,585		48,585	
Debtors	9	263,646		155,355	
Cash at bank and in hand		6,127		1,436	
		<u>318,358</u>		<u>205,376</u>	
Creditors: Amounts falling due within one year	10	(12,256)		(6,498)	
<b>Net current assets</b>			306,102		198,878
<b>Total assets less current liabilities</b>			<u>306,102</u>		<u>198,878</u>
Creditors: Amounts falling due after more than one year	11		(107,165)		-
<b>Net assets</b>			<u>198,937</u>		<u>198,878</u>
			£		£
<b>Capital and reserves:</b>					
Called up equity share capital	12		30,000		30,000
Revaluation reserve	13		16,137		16,137
Profit and loss account	14		152,800		152,741
<b>Shareholders' funds</b>			<u>198,937</u>		<u>198,878</u>

The directors are of the opinion that the company is entitled to take advantage of the exemptions conferred by subsection (1) of section 249A of the Companies Act 1985, and the financial statements have been prepared on that basis.

The directors confirm that no notice has been deposited under subsection (2) of section 249B of the Companies Act 1985 in relation to the company's accounts for the financial year.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements that 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 for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.

The notes on pages 7 to 11 form part of these financial statements.

MARSU PROPERTIES LIMITED

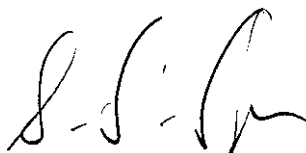
BALANCE SHEET AS AT 22nd AUGUST 1997

Continued ....

These financial statements were approved by the directors on:

27/5/98.

Mr. G. S. Sira



Mr. D. A. Barker



The notes on pages 7 to 11 form part of these financial statements.



MARSU PROPERTIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 22nd AUGUST 1997**1. ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, using the following accounting policies:

**CASH FLOW STATEMENT**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**TURNOVER**

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Turnover is derived from the companys principle activity during the year and represents amounts of rental income received during the year.

**STOCK**

Stock comprises of freehold and leasehold land and properties which has been valued at the lower of cost and net realisable value, after making due allowance for market conditions.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

	1997 £	1996 £
Turnover:		
United Kingdom	28,640	27,228

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	1997 £	1996 £
Auditors' fees	353	375

MARSU PROPERTIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 22nd AUGUST 1997**3. OPERATING PROFIT - ANALYSIS OF AUDITORS' FEES**

The auditors' fees are in respect of the following services provided to the company during the year:

	1997 £	1996 £
Audit fees	350	375
	<u>350</u>	<u>375</u>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the year amounted to 2 (1996 - 2).

**EMPLOYMENT COSTS**

The company's employees have not received any remuneration, or any other kind of emoluments, during the year, (1996 - £Nil).

**5. DIRECTORS' REMUNERATION**

	1997 £	1996 £
Emoluments for services as directors	-	-
	<u>-</u>	<u>-</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
Bank interest payable	1,750	-
Interest on Corporation Tax	67	-
	<u>1,817</u>	<u>-</u>

MARSU PROPERTIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 22nd AUGUST 1997**7. TAXATION ON ORDINARY ACTIVITIES**

	1997 £	1996 £
Current year corporation tax at 21%	<u>290</u>	<u>459</u>

**8. STOCKS**

	1997 £	1996 £
Total stock	<u>48,585</u>	<u>48,585</u>

**9. DEBTORS**

	1997 £	1996 £
Amounts owed by undertakings in which the company has a participating interest	263,055	154,794
Other debtors	<u>591</u>	<u>561</u>
	<u>263,646</u>	<u>155,355</u>

All debtors are recoverable within one year of the balance sheet date.

**10. CREDITORS: Amounts falling due within one year**

	1997 £	1996 £
Bank loans and overdrafts	8,333	-
Other creditors:		
Corporation tax	290	3,397
Other creditors	<u>3,633</u>	<u>3,101</u>
	3,923	6,498
	<u>12,256</u>	<u>6,498</u>

MARSU PROPERTIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 22nd AUGUST 1997**11. CREDITORS: Amounts falling due after more than one year**

	1997 £	1996 £
Bank loans and overdrafts	107,165	-

**12. SHARE CAPITAL****Authorised share capital:**

	1997 £	1996 £
30,000 Equity ordinary shares of £1 each	30,000	30,000

**Allotted, called up and fully paid:**

	1997 £	1996 £
Equity share capital:		
Ordinary share capital brought forward	30,000	30,000
	30,000	30,000

**13. REVALUATION RESERVE**

There was no movement on the revaluation reserve during the year.

**14. PROFIT AND LOSS ACCOUNT**

	1997 £	1996 £
Balance brought forward	152,741	151,500
Profit for the financial year	59	1,241
Balance carried forward	152,800	152,741

MARSU PROPERTIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 22nd AUGUST 1997**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1997	1996
	£	£
Profit for the financial year	59	1,241
Net addition to funds	59	1,241
Opening shareholders' funds	198,878	197,637
Closing shareholders' funds	198,937	198,878