

ALPHACHOICE LIMITED

Company No: 2848235

FINANCIAL STATEMENTS

for the year ended

31 MARCH 1997



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

ALPHACHOICE LIMITED

DIRECTORS

Mr D M Halpern
Mrs R Halpern

SECRETARY

Mrs R Halpern

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

ALPHACHOICE LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

Page

1 - 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 - 9	Notes to the Financial Statements

ALPHACHOICE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is property investment ; no change of the Company's principal activity is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 31 March 1997, are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the period under review.

LAND AND BUILDINGS

The Company's investment property is included in the Balance Sheet at Directors' Valuation as shown in Note 7 to the Financial Statements.

DIRECTORS

The Directors who served throughout the year were Mr D M Halpern and Mrs R Halpern.

No Director has a service contract and no emoluments were received by the Directors from the Company in the year under review.

DIRECTORS' INTEREST IN SHARE CAPITAL

The whole of the Issued Share Capital of the Company is owned by Charitworth Limited, a Company incorporated in England for charitable purposes, of which Mr and Mrs D Halpern are Governors.

No Director has a beneficial interest in the share capital of the Company.

ALPHACHOICE LIMITED

DIRECTORS' REPORT

DIRECTOR'S 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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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.

CHARITABLE DONATIONS AND POLITICAL CONTRIBUTIONS

The Company made Charitable Donations of £249,342 for the year under review. No Political Contributions were made.

CLOSE COMPANY

The Company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

.....
Mrs R Halpern - Secretary

26
..... March 1998

REPORT OF THE AUDITORS

TO THE MEMBERS

- OF -

ALPHACHOICE LIMITED

We have audited the Financial Statements on pages 4 to 9 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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.

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: 26 March 1998



COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

ALPHACHOICE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 31 MARCH 1997

	Notes	<u>1997</u> £	<u>1996</u> £
Rent Receivable	3	338,060	337,141
Administrative Expenses	4	(1,136)	(1,436)
		<hr/>	<hr/>
OPERATING PROFIT		336,924	335,705
Gift Aid Payment		(249,342)	(228,000)
Interest Payable	5	(91,837)	(109,627)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,255)	(1,922)
Taxation	6	(1,671)	(-)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD		(5,926)	(1,922)
Retained Profit Brought Forward		23,433	25,355
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		<u>£17,507</u>	<u>£23,433</u>

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 6 to 9 form part of these Financial Statements.

ALPHACHOICE LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	Notes	£	<u>1997</u>	£	£	<u>1996</u>	£
FIXED ASSETS							
Tangible Assets	7		1,900,000			1,900,000	
CURRENT ASSETS							
Cash at Bank		502			9		
CREDITORS: Amounts falling due within one year	8	(1,107,895)			(856,476)		
NET CURRENT LIABILITIES			(1,107,393)			(856,467)	
TOTAL ASSETS LESS CURRENT LIABILITIES			792,607			1,043,533	
CREDITORS: Amounts Falling Due After More Than One Year	9		(775,000)			(1,020,000)	
NET ASSETS			£17,607			£23,533	
CAPITAL AND RESERVES							
Called up Share Capital	10		100			100	
Profit and Loss Account			17,507			23,433	
			£17,607			£23,533	

The Financial Statements were approved by the Board on 26th March 1998 and signed on its behalf by

.....
MR D M HALPERN

DIRECTORS

.....
MRS R HALPERN

The notes on pages 6 to 9 form part of these Financial Statements.

ALPHACHOICE LIMITED

NOTES TO THE 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 and in accordance with applicable Accounting Standards except for the policy of accounting for investment properties referred to in note 1.2 below.

1.2 INVESTMENT PROPERTY

Investment property is included in the Balance Sheet at Directors' Valuation.

1.3 DEPRECIATION AND AMORTISATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of Leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view.

1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

1.5 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 Companies Act 1985.

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

ALPHACHOICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

3. TURNOVER AND RENTAL INCOME

The Turnover of the Company is represented by Rents Receivable in respect of its Investment Property.

4. ADMINISTRATIVE EXPENSES

	<u>1997</u> £	<u>1996</u> £
Auditors' Remuneration	1,000	1,000
Other Administrative Costs	136	436
	<hr/>	<hr/>
	£1,136	£1,436
	<hr/>	<hr/>

5. INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
On loans repayable within five years:		
Mortgage and Other Loans	£91,837	£109,627
	<hr/>	<hr/>

6. TAXATION

	<u>1997</u>	<u>1996</u>
Corporation Tax:		
Underprovision in prior accounting period	£1,671	£ -
	<hr/>	<hr/>

7. TANGIBLE FIXED ASSETS

	<u>Leasehold Investment Property</u>
At 31 March 1997 and 31 March 1996	£1,900,000
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The property is stated a Directors' Valuation as at 31 March 1997 (1996: At Directors' Valuation as at 31 March 1996). The Valuation is equal to the cost of acquisition.

ALPHACHOICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u> £	<u>1996</u> £
Current Instalment of Bank Loan	245,000	225,000
Bank Overdraft	81,474	101,742
Amount due to Fellow Subsidiary Undertaking	550,227	359,382
Rents charged and paid in advance	84,539	84,539
Schedule 16 Taxation	143,509	83,667
Other Creditors and Accruals	3,146	2,146
	<hr/>	<hr/>
	£1,107,895	£856,476
	<hr/>	<hr/>

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

	<u>Interest Rate</u>	<u>1997</u> £	<u>1996</u> £
Bank Loan repayable by instalment the last of which falls due in December 2000	7.8%	1,020,000	1,245,000
Amounts repayable prior to 31 March 1998		(245,000)	(225,000)
		<hr/>	<hr/>
At 31 March 1997		£775,000	£1,020,000
		<hr/>	<hr/>
The loan is repayable as follows:			
Within five years		£775,000	£1,020,000
		<hr/>	<hr/>

The loan is secured by a fixed legal charge over the Company's Leasehold Investment Property included in the Financial Statements at £1,900,000.

ALPHACHOICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

10. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1995</u>
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	£100	£100
	<u> </u>	<u> </u>
<u>Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	£100	£100
	<u> </u>	<u> </u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROL

The Company is controlled by its ultimate parent undertaking, Charitworth Limited, a Company registered in England and incorporated for charitable purposes.