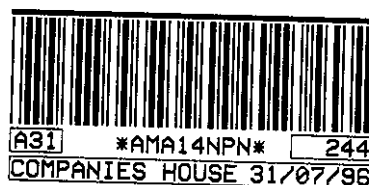


Vic Hallam Holdings PLC

Directors' report and financial statements

31 December 1995

Registered number 301131



Vic Hallam Holdings PLC

Financial statements

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Vic Hallam Holdings PLC

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The principal activities of the group, the manufacture and erection of permanent and re-locatable buildings, including design and technical services and the hiring of portable accommodation units, ceased this year due to the cessation of trade of Vic Hallam Limited. Income continued to be generated from the letting of office units at the freehold site.

Business review

The company generated profit from the run down of Vic Hallam Limited as sales and profits were recognised as contracts were completed. The office units are only partially let and outgoings will exceed income for the foreseeable future.

Results and dividend

The results for the year show a retained profit for the year of £48,000 which has been taken to reserves. The directors do not recommend the payment of a dividend (1994: *£nil*).

Directors

The present directors of the company and those who have served throughout the year are:

DE Burt	
JA Jackson	- resigned 27 November 1995
JJ Freeman	- resigned 10 March 1995
RJ Mackie	- appointed 27 November 1995

Directors' interests

No director has any interest, direct or indirect, in any contract entered into by the group, or any beneficial interests in the share capital of the company.

Mr DE Burt has a beneficial interest in the shares of Hillsgdown Holdings plc which amounts to 306,666 shares as at 31 December 1995 (1994: 306,666) and 35,000 share options (1994: 35,000). Mr RJ Mackie is a director of Hillsgdown Holdings plc and his interests in the shares of Hillsgdown Holdings plc are shown in that company's financial statements.

Vic Hallam Holdings PLC

Directors' report *(continued)*

Employees

The group is an equal opportunities employer.

Disabled persons are employed and trained whenever aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled, an attempt is made to continue his or her employment and to arrange appropriate retraining or transfer.

Fixed assets

The level of tangible fixed assets maintained by the group has fallen due to the cessation of trade of Vic Hallam Limited. The movements in tangible fixed assets are detailed in note 10 to the financial statements.

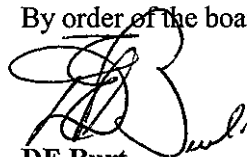
Charitable donations

During the year the group made charitable contributions of £nil (1994: £649).

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DE Burt
Director

29.4.96

Mill Dam Lane
Monkhill
Pontefract
WF8 2NS

Vic Hallam Holdings PLC

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 group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



5 Stuart Street
DERBY
DE1 2EQ

Auditors' report to the members of Vic Hallam Holdings PLC

We have audited the financial statements on pages 5 to 20.

Respective responsibilities of directors and auditors

As described on page 3, 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature of a KPMG representative, written in dark ink.

*Chartered Accountants
Registered Auditors*

29 April 1996

Vic Hallam Holdings PLC

Consolidated profit and loss account for the year ended 31 December 1995

	Notes	1995 £000	1994 £000
Turnover			
Continuing operations	2	115	80
Discontinued operations	2	1,633	6,837
		<u>1,748</u>	<u>6,917</u>
Cost of sales	3	(1,212)	(6,731)
		<u>536</u>	<u>186</u>
Gross profit			
Net operating expenses	3	(198)	(721)
		<u>169</u>	<u>(113)</u>
Operating profit/(loss)			
Continuing operations		169	(113)
Discontinued operations		169	(422)
		<u>338</u>	<u>(535)</u>
Provision for loss on discontinued operations	4	-	(207)
Profit on disposal of discontinued operations		89	-
Release of 1994 provision		207	-
		<u>296</u>	<u>-</u>
Profit/(loss) on ordinary activities before interest		634	(742)
Net interest receivable and similar income	5	386	268
Amounts written off investments	11	(25)	-
		<u>995</u>	<u>(474)</u>
Profit/(loss) on ordinary activities before taxation	6		
Tax on profit/(loss) on ordinary activities	9	(947)	285
		<u>48</u>	<u>(189)</u>
Retained profit/(loss) for the financial year		<u>48</u>	<u>(189)</u>

The notes on pages 9 to 20 form part of these financial statements.

Vic Hallam Holdings PLC

Consolidated statement of total recognised gains and losses

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account.

Note of consolidated historical cost profits and losses

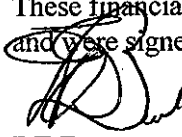
	1995 £000	1994 £000
Reported profit/(loss) on ordinary activities before taxation	995	(474)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	15	26
Historical cost loss on ordinary activities before taxation	<u>1,010</u>	<u>(448)</u>
Historical cost loss for the year retained after taxation	<u>63</u>	<u>(163)</u>

Vic Hallam Holdings PLC

Consolidated balance sheet at 31 December 1995

	Notes	1995 £000	1994 £000
Fixed assets			
Tangible assets	10	2,156	3,404
Investments	11	-	25
		<u>2,156</u>	<u>3,429</u>
Current assets			
Stocks	12	-	389
Debtors	13	6,659	5,489
Cash at bank and in hand		445	1,059
		<u>7,104</u>	<u>6,937</u>
Creditors: amounts falling due within one year	14	(897)	(1,862)
Net current assets		<u>6,207</u>	<u>5,075</u>
Total assets less current liabilities		<u>8,363</u>	<u>8,504</u>
Provisions for liabilities and charges	15	(149)	(338)
		<u>8,214</u>	<u>8,166</u>
Capital and reserves			
Called up share capital	17	9,087	9,087
Revaluation reserve	18	2,192	2,192
Capital redemption reserve	18	163	163
Profit and loss account	18	(3,228)	(3,276)
Attributable to:			
- Equity		8,127	8,079
- Non-equity		87	87
Equity and non-equity shareholders' funds	19	<u>8,214</u>	<u>8,166</u>

These financial statements were approved by the board of directors on 29.4.96
and were signed on its behalf by:


DE Burt
Director

The notes on pages 9 to 20 form part of these financial statements.

Vic Hallam Holdings PLC

Company balance sheet at 31 December 1995

	Notes	1995 £000	1994 £000
Fixed assets			
Tangible assets	10	2,144	2,585
Investments	11	10	35
		<u>2,154</u>	<u>2,620</u>
Current assets			
Debtors	13	7,268	6,172
Cash at bank and in hand		358	761
		<u>7,626</u>	<u>6,933</u>
Creditors: amounts falling due within one year	14	<u>(215)</u>	<u>(213)</u>
Net current assets		<u>7,411</u>	<u>6,720</u>
Total assets less current liabilities		<u>9,565</u>	<u>9,340</u>
Provisions for liabilities and charges	15	<u>(148)</u>	<u>(120)</u>
		<u>9,417</u>	<u>9,220</u>
Capital and reserves			
Called up share capital	17	9,087	9,087
Revaluation reserve	18	2,192	2,192
Capital redemption reserve	18	163	163
Profit and loss account	18	(2,025)	(2,222)
Attributable to:			
- Equity		9,330	9,133
- Non-Equity		87	87
Equity and non-equity shareholders' funds	19	<u>9,417</u>	<u>9,220</u>

These financial statements were approved by the board of directors on 29.4.96 and were signed on its behalf by:


DE Burt
Director

The notes on pages 9 to 20 form part of these financial statements.

Vic Hallam Holdings PLC

Notes

(forming part of the financial statements)

1 Principal accounting policies

Basis of accounting and consolidation:

The financial statements have been consistently prepared in accordance with applicable accounting standards, under the historical cost convention as modified by the revaluation of the group's freehold properties. Due to the decision taken by the ultimate parent undertaking, Hillsdown Holdings plc, to close down the business of Vic Hallam Limited, the company's principal subsidiary undertaking, the consolidated financial statements comprise the financial statements of the company (prepared on a going concern basis) and the audited financial statements of its principal subsidiary prepared on a break-up basis, with provisions being set up where necessary.

Associated undertakings are included within the consolidated financial statements at the cost of investment.

A separate profit and loss account dealing with the results of the company only has not been presented, as permitted by section 230 of the Companies Act 1985.

Cash flow statement:

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

The accounting policies of the group were as follows:

Stocks and work in progress:

Stocks and work in progress were valued at the lower of cost and net realisable value. Cost included the actual cost of raw materials and where appropriate a proportion of labour and overheads.

Progress payments received and application for payments on account were deducted from site work in progress.

Depreciation:

Depreciation was calculated on the net cost or revaluation at rates estimated to write off the relevant assets by equal annual amounts over their useful lives. The rates applicable are shown below:

Freehold buildings	5%
Plant and equipment	10 - 25%
Hire-fleet	20%
Motor vehicles	25%

Deferred taxation:

A provision was made for deferred taxation where there was a reasonable probability of payment in the foreseeable future.

Vic Hallam Holdings PLC

Notes (continued)

1 Principal accounting policies (continued)

Contractual claims:

Contractual claims on behalf of the group, in respect of work done, were not taken into account until certified for payment by the Architect and accepted by the client.

Operating leases:

Rentals paid for leased items are included in the amount charged against the result for the hire of plant and machinery.

Foreign exchange:

Transactions denominated in foreign currencies are translated into Sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currency are translated into Sterling at the exchange rates ruling on the balance sheet date.

Pension scheme:

Pension costs are charged to the profit and loss account in accordance with the accruals concept set by the accounting standard on pensions (SSAP 24).

2 Turnover

The turnover shown represents amounts receivable in respect of goods supplied to customers, excluding value added tax, within the United Kingdom, during the period.

3 Cost of sales and net operating expenses

	1995			1994		
	Contin- uing £000	Discon- tinued £000	Total £000	Contin- uing £000	Discon- tinued £000	Total £000
Cost of sales	(39)	1,251	1,212	192	6,539	6,731
	==	==	==	==	==	==
Net operating expenses						
Distribution costs	-	40	40	-	228	228
Administrative expenses	77	173	250	-	531	531
Other operating income	(92)	-	(92)	-	(38)	(38)
	==	==	==	==	==	==
	(15)	213	198	-	721	721
	==	==	==	==	==	==

4 Provision for loss on discontinued operations

In 1994 the amount of £207,000 relates to the costs associated with the termination of the subsidiary's operations.

Vic Hallam Holdings PLC

Notes (continued)

5	Other interest receivable and similar income	1995	1994
		£000	£000
	Group undertakings	266	163
	Bank	84	93
	Other	36	12
		<u>386</u>	<u>268</u>
		<u><u> </u></u>	<u><u> </u></u>
6	Loss on ordinary activities before taxation	£000	£000
	<i>The loss on ordinary activities before taxation has been arrived at after charging/(crediting) the following items:</i>		
	Directors' emoluments - in connection with the management of the affairs of the company or any subsidiary undertakings	5	55
	Auditors' remuneration - for audit work	8	7
	Auditors' remuneration - for non-audit work	-	-
	Depreciation	143	563
	Profit on disposal of tangible fixed assets	(113)	(39)
	Hire of plant and machinery	5	113
		<u> </u>	<u> </u>
		<u><u> </u></u>	<u><u> </u></u>
7	Particulars of staff	Number	Number
	<i>The average number of employees during the period was:</i>		
	Management	1	5
	Administration	8	27
	Production and Distribution	15	82
	Other	3	11
		<u>27</u>	<u>125</u>
		<u><u> </u></u>	<u><u> </u></u>
	<i>Employment costs (including Directors' emoluments) during the year amounted to:</i>	£000	£000
	Wages and salaries	375	1,635
	Social security costs	36	154
	Contributions to group pension scheme	13	49
		<u>424</u>	<u>1,838</u>
		<u><u> </u></u>	<u><u> </u></u>
8	Remuneration in respect of directors of the company	£000	£000
	<i>Emoluments, including pension contributions:</i>		
	Of the chairman	-	-
	Of the highest paid director	5	59
		<u> </u>	<u> </u>
		<u><u> </u></u>	<u><u> </u></u>

Vic Hallam Holdings PLC

Notes (continued)

8 Remuneration in respect of directors of the company (continued)

	1995	1994
<i>The emoluments, excluding pension contributions, of the directors were within the following ranges:</i>	Number of directors	
£0 - £5,000	4	2
£55,001 - £60,000	-	1
	<u> </u>	<u> </u>

9 Taxation

	£000	£000
UK corporation tax payable/(receivable) at 33% (1994: 33%)	688	(281)
Over provision in prior years	110	(4)
Deferred taxation (see note 15)	149	-
	<u> </u>	<u> </u>
	947	(285)
	<u> </u>	<u> </u>

10 Tangible fixed assets

Group:	Freehold property £000	Leasehold property £000	Plant and equipment £000	Total £000
<i>Cost or valuation:</i>				
At 1 January 1995	2,799	3	5,800	8,602
Additions	5	-	17	22
Disposals	(475)	-	(5,710)	(6,185)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1995	2,329	3	107	2,439
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation:</i>				
At 1 January 1995	234	3	4,961	5,198
Charge for year	39	-	104	143
Disposals	(67)	-	(4,991)	(5,058)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1995	206	3	74	283
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value:</i>				
At 31 December 1995	2,123	-	33	2,156
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1994	2,565	-	839	3,404
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Vic Hallam Holdings PLC

Notes (continued)

10 Tangible fixed assets (continued)

Freehold land and buildings were revalued by an independent Chartered Surveyor on 1 January 1991, on an open market basis.

Included in freehold property is £824,000 in respect of gross depreciable assets (1994: £1,120,000).

The historical cost and related depreciation of freehold properties are set out below:

Group:	£000
<i>Historical cost:</i>	
At 1 January 1995	1,817
Additions	5
Disposals	(475)
	<hr/>
At 31 December 1995	1,347
	<hr/>
<i>Depreciation based on cost:</i>	
At 1 January 1995	470
Charge for year	24
Disposals	(67)
	<hr/>
At 31 December 1995	427
	<hr/>
<i>Net historical cost value:</i>	
At 31 December 1995	920
	<hr/>
At 31 December 1994	1,347
	<hr/>

Vic Hallam Holdings PLC

Notes (continued)

10 Tangible fixed assets (continued)

Company:	Freehold property £000	Leasehold property £000	Plant and equipment £000	Total £000
<i>Cost or valuation:</i>				
At 1 January 1995	2,799	3	36	2,838
Additions	5	-	4	9
Transfers to group	-	-	12	12
Disposals	(475)	-	(3)	(478)
At 31 December 1995	2,329	3	49	2,381
<i>Depreciation:</i>				
At 1 January 1995	234	3	16	253
Charge for year	39	-	6	45
Transfers to group	-	-	9	9
Disposals	(67)	-	(3)	(70)
At 31 December 1995	206	3	28	237
<i>Net book value:</i>				
At 31 December 1995	2,123	-	21	2,144
At 31 December 1994	2,565	-	20	2,585

Freehold land and buildings were revalued by an independent Chartered Surveyor on 1 January 1991, on an open market basis.

Included in freehold property is £824,000 in respect of gross depreciable assets (1994: £1,120,000).

Vic Hallam Holdings PLC

Notes (continued)

10 Tangible fixed assets (continued)

The historical cost and related depreciation of freehold properties are set out below:

Company:	£000	
<i>Historical cost:</i>		
At 1 January 1995	1,817	
Additions	5	
Disposals	(475)	
	<hr/>	
At 31 December 1995	1,347	
	<hr/>	
<i>Depreciation based on cost:</i>		
At 1 January 1995	470	
Charge for year	24	
Disposals	(67)	
	<hr/>	
At 31 December 1995	427	
	<hr/>	
<i>Net historical cost value:</i>		
At 31 December 1995	920	
	<hr/>	
At 31 December 1994	1,347	
	<hr/>	

11 Investments

	1995	1994
Group:	£000	£000
Interest in associated undertaking	-	25
	<hr/>	<hr/>
Company:		
Participating interests	-	25
Shares in group undertakings	10	10
	<hr/>	<hr/>
	10	35
	<hr/>	<hr/>

Vic Hallam Holdings PLC

Notes (continued)

11 Investments (continued)

The shares in group undertakings relate to a subsidiary undertaking of the company, which is 100% owned, incorporated in Great Britain and registered in England and Wales, and has been included within the consolidation. The details of which are as follows:

	Nominal value of shares	Percentage holding of £1 ordinary shares	Nature of Business
Vic Hallam Limited	£10,000	100	Manufacture and erection of system building and hire of portable accommodation units

The associated undertaking is ESP Hallam Limited (50% of the ordinary share capital is owned by the company) which used to build indoor tennis courts but is now dormant. This company has historically been included within the consolidation at its cost of investment but was written off to £nil value on 31 December 1995. ESP Hallam Limited is registered in England and Wales.

12 Stocks

Group	1995 £000	1994 £000
Raw materials and consumables	-	204
Work in progress	-	185
	<u>-</u>	<u>389</u>

13 Debtors

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Trade debtors	44	1,972	39	11
Amounts owed by group undertakings:				
Parent undertakings or fellow subsidiary undertakings	6,600	3,169	6,600	3,166
Subsidiary undertakings	-	-	552	2,945
Amounts owed by undertaking in which the company has a participating interest	5	5	-	-
Prepayments and accrued income	5	50	5	-
Other taxes	5	293	72	50
	<u>6,659</u>	<u>5,489</u>	<u>7,268</u>	<u>6,172</u>

Vic Hallam Holdings PLC

Notes (continued)

13 Debtors (continued)	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Included within the above are:				
Debtors: amounts falling due after more than 1 year				
Amounts owed by group undertakings:				
Parent undertakings or fellow subsidiary undertakings of the group	-	3,166	-	3,166
Subsidiary undertakings of the company	-	-	-	1,399
	<u>-</u>	<u>3,166</u>	<u>-</u>	<u>4,565</u>
	<u>-</u>	<u>3,166</u>	<u>-</u>	<u>4,565</u>
14 Creditors: amounts falling due within one year	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Trade creditors	99	812	7	-
Amounts owed to group undertakings:				
Parent undertakings or fellow subsidiary undertakings	-	-	-	-
Other creditors including taxation and social security	687	136	165	172
Accruals and deferred income	111	914	43	41
	<u>897</u>	<u>1,862</u>	<u>215</u>	<u>213</u>
	<u>897</u>	<u>1,862</u>	<u>215</u>	<u>213</u>
Other creditors including taxation and social security comprise:	£000	£000	£000	£000
Corporation tax	687	-	165	172
Other taxes	-	22	-	-
Social security	-	114	-	-
	<u>687</u>	<u>136</u>	<u>165</u>	<u>172</u>
	<u>687</u>	<u>136</u>	<u>165</u>	<u>172</u>

Vic Hallam Holdings PLC

Notes (continued)

15 Provisions for liabilities and charges

Group	Deferred taxation		Other provisions		Total	
	1995 £000	1994 £000	1995 £000	1994 £000	1995 £000	1994 £000
Balance at 1 January	-	-	338	136	338	136
Provided during the year	149	-	-	207	149	207
Released during the year	-	-	(120)	-	(120)	-
Profit on disposal of discontinued operations	-	-	89	-	89	-
Utilised during the year	-	-	(11)	(5)	(11)	(5)
Termination provision released during the year	-	-	(296)	-	(296)	-
Balance at 31 December	149	-	-	338	149	338
Company	£000	£000	£000	£000	£000	£000
Balance at 1 January	-	-	120	-	120	-
Utilised in the year	-	-	-	-	-	-
Provided during the year	148	-	-	-	148	-
Transferred from group undertakings	-	-	-	120	-	120
Released during the year	-	-	(120)	-	(120)	-
Balance at 31 December	148	-	-	120	148	120

The amounts provided for deferred taxation and the full potential provision, calculated on the liability method, are set out below:

Group	1995		1994	
	Amount Provided £000	Full Potential Liability £000	Amount Provided £000	Full Potential Liability £000
Accelerated capital allowances	149	149	-	-

An amount of £149,000 has been provided for deferred tax (1994: £nil).

In 1994 no provision for deferred taxation was made in relation to the surplus on the revaluation of freehold land and buildings included in the revaluation reserve. The maximum potential liability arising on this revaluation would have been £428,000.

Vic Hallam Holdings PLC

Notes (continued)

16 Capital commitments

	1995 £000	1994 £000
Group and company		
Authorised and contracted for	Nil	Nil
	==	==
Authorised but not contracted for	Nil	Nil
	==	==

17 Share capital

	1995 £000	1994 £000
<i>Authorised, allotted, called up and fully paid:</i>		
36,000,000 ordinary shares of 25p each	9,000	9,000
87,000 5.6% redeemable cumulative preference shares of £1 each	87	87
	==	==
	9,087	9,087
	==	==

The preference shares can be redeemed by the company giving not less than three months' previous notice in writing to the registered holder of the preference shares of its intention to redeem. The redemption price shall be par together with any arrears or accruals of dividend, whether declared or undeclared or earned or not, up to the date of redemption.

The registered holder of the preference shares has waived its right to the cumulative dividend for the foreseeable future.

18 Reserves

	Capital redemption reserve		Revaluation reserve		Profit and loss account	
	1995 £000	1994 £000	1995 £000	1994 £000	1995 £000	1994 £000
Group:						
At 1 January	163	163	2,192	2,192	(3,276)	(3,087)
Retained profit/(loss) for the financial year	-	-	-	-	48	(189)
	==	==	==	==	==	==
At 31 December	163	163	2,192	2,192	(3,228)	(3,276)
	==	==	==	==	==	==
Company:	£000	£000	£000	£000	£000	£000
At 1 January	163	163	2,192	2,192	(2,222)	(2,299)
Retained profit for the financial year	-	-	-	-	197	77
	==	==	==	==	==	==
At 31 December	163	163	2,192	2,192	(2,025)	(2,222)
	==	==	==	==	==	==

Vic Hallam Holdings PLC

Notes (continued)

19 Reconciliation of movements in equity and non-equity shareholders' funds

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Profit/(loss) for the financial year	48	(189)	197	77
Opening equity and non-equity shareholders' funds	8,166	8,355	9,220	9,143
Closing equity and non-equity shareholders' funds	8,214	8,166	9,417	9,220

20 Contingent liabilities and commitments

The group had contingent liabilities of £18,745 (1994: £38,745) in respect of performance and duty deferment bonds.

21 Pensions

The company is a member of a Group Scheme, the HF Meat and Food Processing Pension Scheme.

The method of accounting for pension costs complies with the accounting standard on pensions (SSAP 24) and full details of the Group Scheme can be found in the financial statements of Hillsdown Ambient Food Group Limited.

The pension cost for 1995 was £13,453 (1994: £48,592).

22 Parent company

The ultimate parent undertaking is Hillsdown Holdings plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements may be obtained from Hillsdown Holdings plc, Hillsdown House, 32 Hampstead High Street, London, NW3 1QD.

Vic Hallam Limited

Director's report and financial statements

31 December 1995

Registered number 387108



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Vic Hallam Limited

Financial statements

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Vic Hallam Limited

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The principal activities of the company were the manufacture and erection of permanent and re-locatable buildings, including design and technical services and the hiring of portable accommodation units. This trade ceased during the year.

Business review

The company generated profit from the run down of its activities as sales and profits were recognised on completion of contracts.

Results and dividend

The results for the year show a retained loss for the year of £149,000 which has been taken to reserves. The director does not recommend the payment of a dividend (1994: £nil).

Directors

The present director of the company and those who have served throughout the year are:

DE Burt

JJ Freeman - resigned 10 February 1995

G Halifax - appointed 3 March 1995, resigned 1 June 1995

Director's interests

No director has any interest, direct or indirect, in any contract entered into by the company, or any beneficial interests in the share capital of the company.

Mr DE Burt has a beneficial interest in the shares of Hillsdown Holdings plc which amounts to 306,666 shares as at 31 December 1995 (1994: 306,666) and 35,000 share options (1994: 35,000).

Employees

The company was an equal opportunities employer.

Disabled persons were employed and trained whenever aptitudes and abilities allowed and suitable vacancies were available. Where an employee became disabled, an attempt was made to continue his or her employment and to arrange appropriate retraining or transfer.

Vic Hallam Limited

Directors' report *(continued)*

Fixed assets

The level of tangible fixed assets maintained by the company has fallen due to the cessation of trade. The movements in tangible fixed assets are detailed in note 10 to the financial statements.

Charitable donations

During the year the company made charitable contributions of £nil (1994: £649).

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DE Burt
Director

29.4.96

Mill Dam Lane
Monkhill
Pontefract
WF8 2NS

Vic Hallam Limited

Statement of director's responsibilities

Company law requires the director 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 these financial statements have been prepared on a break-up basis.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



5 Stuart Street
DERBY
DE1 2EQ

Auditors' report to the members of Vic Hallam Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3, the company's director is 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

29 April 1996

Vic Hallam Limited

Profit and loss account

for the year ended 31 December 1995

	Notes	1995 £000	1994 £000
Turnover			
Discontinued operations	2	1,633	6,837
Cost of sales	3	(1,251)	(6,538)
Gross profit		382	299
Net operating expenses	3	(213)	(721)
Operating profit/(loss)			
Discontinued operations		169	(422)
Provision for loss on discontinued operations	4	-	(207)
Profit on disposal of discontinued operations		89	-
Release of 1994 provision		207	-
		296	-
Net interest receivable/(payable)	5	51	(37)
Profit/(loss) on ordinary activities before taxation	6	516	(666)
Tax on profit/(loss) on ordinary activities	9	(665)	400
Retained loss for the financial year	19	(149)	(266)

Statement of total recognised gains and losses

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account.

Note of historical cost profits and losses

The result disclosed in the profit and loss account has been prepared on an unmodified historical cost basis.

The notes on pages 7 to 13 form part of these financial statements.

Vic Hallam Limited

Balance sheet

at 31 December 1995

	Notes	1995 £000	1994 £000
Fixed assets			
Tangible assets	10	12	819
Current assets			
Stocks	11	-	389
Debtors	12	10	2,484
Cash at bank and in hand		87	298
		<u>97</u>	<u>3,171</u>
Creditors: amounts falling due within one year	13	<u>(1,301)</u>	<u>(3,418)</u>
Net current liabilities		<u>(1,204)</u>	<u>(247)</u>
Total assets less current liabilities		<u>(1,192)</u>	<u>572</u>
Creditors: amounts falling due after more than one year	14	-	(1,399)
Provisions for liabilities and charges	15	(1)	(217)
		<u>(1,193)</u>	<u>(1,044)</u>
Capital and reserves			
Called up share capital	17	10	10
Profit and loss account	18	(1,203)	(1,054)
Equity shareholders' funds	19	<u>(1,193)</u>	<u>(1,044)</u>

These financial statements were approved by the director on

29.4.96



DE Burt
Director

The notes on pages 7 to 13 form part of these financial statements.

Vic Hallam Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

Basis of accounting:

The financial statements have been consistently prepared in accordance with applicable accounting standards, under the historical cost convention. Due to the decision taken by the ultimate parent undertaking, Hillsgdown Holdings plc, to close down the business, the financial statements have been prepared on a break-up basis, with provisions being set up/utilised where necessary.

The immediate parent undertaking, Vic Hallam Holdings PLC has indicated that it will continue to support the company for the foreseeable future.

Cash flow statement:

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

The accounting policies of the company were as follows:

Stocks and work in progress:

Stocks and work in progress were valued at the lower of cost and net realisable value. Cost included the actual cost of raw materials and where appropriate a proportion of labour and overheads.

Progress payments received and application for payments on account were deducted from site work in progress.

Depreciation:

Depreciation was calculated on the net cost at rates estimated to write off the relevant assets by equal annual amounts over their useful lives. The rates applicable are shown below:

Plant and equipment	10 - 25%
Hire-fleet	20%
Motor vehicles	25%

Deferred taxation:

A provision was made for deferred taxation where there was a reasonable probability of payment in the foreseeable future.

Contractual claims:

Contractual claims on behalf of the company, in respect of work done, were not taken into account until certified for payment by the Architect and accepted by the client.

Vic Hallam Limited

Notes (continued)

1 Principal accounting policies (continued)

Operating leases:

Rentals paid for leased items are included in the amount charged against the result for the hire of plant and machinery.

Pension scheme:

Pension costs are charged to the profit and loss account in accordance with the accruals concept set by the accounting standard on pensions (SSAP 24).

Foreign exchange:

Transactions denominated in foreign currencies are translated into Sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currency are translated into Sterling at the exchange rates ruling on the balance sheet date.

2 Turnover

The turnover shown represents amounts receivable in respect of goods supplied to customers, excluding value added tax, within the United Kingdom, during the period.

3 Cost of sales and net operating expenses

	Discontinued operations 1995 £000	Discontinued operations 1994 £000
Cost of sales	1,251	6,538
Net operating expenses		
Distribution costs	40	229
Administrative expenses	173	531
Other operating income	-	(39)
	213	721

4 Provision for loss on discontinued operations

In 1994 the amount of £207,480 related to the costs associated with the termination of the remaining operations of Vic Hallam Limited.

5 Net interest receivable/(payable)

	£000	£000
Group undertakings	-	(62)
Bank	15	13
Other	36	12
	51	(37)

Vic Hallam Limited

Notes (continued)

6	Profit/(loss) on ordinary activities before taxation	1995	1994
		£000	£000
	<i>The profit/(loss) on ordinary activities before taxation has been arrived at after charging/(crediting) the following items:</i>		
	Directors' emoluments - in connection with the management of the affairs of the company	5	55
	Auditors' remuneration - for audit work	-	8
	Auditors' remuneration - for non-audit work	-	-
	Depreciation	98	500
	Profit on disposal of fixed assets	(21)	(39)
	Hire of plant and machinery	5	113
		<hr/>	<hr/>
7	Particulars of staff	1995	1994
		Number	Number
	<i>The average number of employees during the period was:</i>		
	Management	1	5
	Administration	8	27
	Production and Distribution	15	82
	Other	3	11
		<hr/>	<hr/>
		27	125
		<hr/>	<hr/>
	<i>Employment costs (including Directors' emoluments) during the year amounted to:</i>	£000	£000
	Wages and salaries	355	1,626
	Social security costs	35	153
	Contributions to group pension scheme	13	49
		<hr/>	<hr/>
		403	1,828
		<hr/>	<hr/>
8	Remuneration in respect of directors of the company	£000	£000
	<i>Emoluments, including benefits in kind and pension contributions:</i>		
	Of the chairman	-	-
	Of the highest paid director	5	59
		<hr/>	<hr/>
	<i>The emoluments, including benefits in kind but excluding pension contributions, of the directors were within the following ranges:</i>	Number of directors	
	£0 - £5,000	3	1
	£55,001 - £60,000	-	1
		<hr/>	<hr/>

Vic Hallam Limited

Notes (continued)

9	Taxation	1995	1994
		£000	£000
	UK corporation tax payable/(receivable) at 33% (1994: 33%)	523	(400)
	Adjustment in respect of prior year	141	-
	Deferred taxation (see note 15)	1	-
		665	(400)
		=====	=====
10	Tangible fixed assets		
		Plant and equipment	
		£000	
	<i>Cost or valuation:</i>		
	At 1 January 1995	5,764	
	Additions	13	
	Transfers to group	(12)	
	Disposals	(5,707)	
		58	
	At 31 December 1995	=====	
	<i>Depreciation:</i>		
	At 1 January 1995	4,945	
	Charge for year	98	
	Transfers to group	(9)	
	Disposals	(4,988)	
		46	
	At 31 December 1995	=====	
	<i>Net book value:</i>		
	At 31 December 1995	12	
		=====	
	At 31 December 1994	819	
		=====	
11	Stocks	1995	1994
		£000	£000
	Raw materials and consumables	-	204
	Work in progress	-	185
		-	389
		=====	=====

Vic Hallam Limited

Notes (continued)

12 Debtors	1995	1994
	£000	£000
Trade debtors	5	1,960
Amounts owed by group undertakings:		
Parent undertakings or fellow subsidiary undertakings	-	3
Other group undertakings	5	5
Corporation tax	-	466
Other taxes	-	-
Prepayments and accrued income	-	50
	<u>10</u>	<u>2,484</u>
	<u><u>10</u></u>	<u><u>2,484</u></u>
13 Creditors: amounts falling due within one year	£000	£000
Trade creditors	92	813
Amounts owed to group undertakings:		
Parent undertakings or fellow subsidiary undertakings	552	1,547
Other creditors including taxation and social security	589	186
Accruals and deferred income	68	872
	<u>1,301</u>	<u>3,418</u>
	<u><u>1,301</u></u>	<u><u>3,418</u></u>
<i>Other creditors including taxation and social security comprise:</i>	£000	£000
Corporation tax	522	-
Other taxes	67	72
Social security	-	114
	<u>589</u>	<u>186</u>
	<u><u>589</u></u>	<u><u>186</u></u>
14 Creditors: amounts falling due after more than one year	£000	£000
Amounts owed to group undertakings:		
Parent undertakings or fellow subsidiary undertakings of the company	-	1,399
	<u>-</u>	<u>1,399</u>
	<u><u>-</u></u>	<u><u>1,399</u></u>

Vic Hallam Limited

Notes (continued)

15 Provisions for liabilities and charges

	Deferred taxation		Other provisions		Total	
	1995	1994	1995	1994	1995	1994
	£000	£000	£000	£000	£000	£000
Balance at 1 January	-	-	217	136	217	136
Utilised during the year	-	-	(10)	(6)	(10)	(6)
Transferred to group undertaking	-	-	-	(120)	-	(120)
Profit on disposal of discontinued operations	-	-	89	-	89	-
Provided during the year	1	-	-	207	1	207
Termination provision released during year	-	-	(296)	-	(296)	-
Balance at 31 December	1	-	-	217	1	217

The amounts provided for deferred taxation and the full potential provision, calculated on the liability method, are set out below:

	1995		1994	
	Amount Provided £000	Full Potential Liability £000	Amount Provided £000	Full Potential Liability £000
Accelerated capital allowances	1	1	-	-
	==	==	==	==
16 Capital commitments			1995 £000	1994 £000
Authorised and contracted for			Nil	Nil
			==	==
17 Share capital			£	£
Authorised, allotted, called up and fully paid: 10,000 ordinary shares of £1 each			10,000	10,000
			==	==
18 Reserves			Profit and loss account	
			1995 £000	1994 £000
At 1 January			(1,054)	(788)
Retained loss for the financial year			(149)	(266)
At 31 December			(1,203)	(1,054)
			==	==

Vic Hallam Limited

Notes (continued)

19 Reconciliation of movements in equity shareholders' funds

	1995 £000	1994 £000
Loss for the financial year	(149)	(266)
Net reduction to equity shareholders' funds	(149)	(266)
Opening equity shareholders' funds	(1,044)	(778)
Closing equity shareholders' funds	(1,193)	(1,044)

20 Contingent liabilities and commitments

The company had contingent liabilities of £18,745 (1994: £38,745) in respect of performance bonds.

21 Pensions

The company is a member of a Group Scheme, the HF Meat and Food Processing Pension Scheme.

The method of accounting for pension costs complies with the accounting standard on pensions (SSAP 24) and full details of the Group Scheme can be found in the financial statements of Hillsdown Ambient Food Group Limited.

The pension cost for 1995 was £12,843 (1994: £48,592) and £nil was accrued at the year end (1994: £3,020).

22 Parent company

The immediate parent undertaking is Vic Hallam Holdings plc, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking is Hillsdown Holdings plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements may be obtained from Hillsdown Holdings plc, Hillsdown House, 32 Hampstead High Street, London, NW3 1QD.