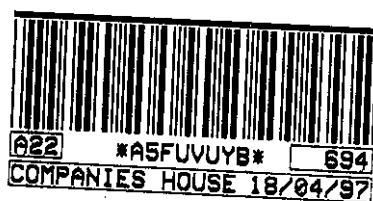


**WALLWORTHS LIMITED**  
(Registered number 433318)

**ANNUAL REPORT**  
**FOR THE 52 WEEKS ENDED 29 SEPTEMBER 1996**



**PANNELL KERR FORSTER**  
Chartered Accountants

A001711.96

**WALLWORTHS LIMITED**  
**ANNUAL REPORT**  
**52 WEEKS ENDED 29 SEPTEMBER 1996**

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**WALLWORTHS LIMITED  
DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the 52 weeks ended 29 September 1996.

**RESULTS AND DIVIDENDS**

The results for the period and the state of the company's affairs are as set out in the attached financial statements.

The directors recommend the payment of a dividend of £15.108 per ordinary share (1995 : £Nil) and 5 pence per preference share (1995 : £Nil). The retained loss for the period of £1,547,555 (1995 profit : £124,294) will be carried to reserves.

**REVIEW OF THE BUSINESS**

The company's principal activity is the leasing of property and plant to group companies.

The directors consider the results for the period and the financial position to be satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

**DIRECTORS**

The directors during the period were as follows:

I S Hutcheson  
Acatos & Hutcheson plc  
I C Caunt  
R Jongkind

Messrs Hutcheson, Caunt and Jongkind are also directors of the parent company, Acatos & Hutcheson plc. Their interests in the share capital and options of the parent company are given in that company's annual report.

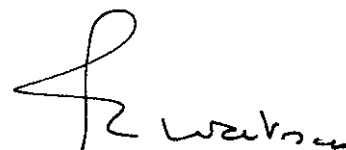
**FIXED ASSETS**

The directors do not consider that the market value of the company's freehold and leasehold property is significantly different from its carrying value in these accounts.

**AUDITORS**

The company has taken advantage of section 386 of the Companies Act 1985 and has passed an elective resolution to dispense with the annual reappointment of auditors.

BY ORDER OF THE BOARD



P G Watson  
Secretary

Orchard Place  
London  
E14 0JH

  
..... 1997

**WALLWORTHS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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; and
- 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 keeping 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
WALLWORTHS LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 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. 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 affairs of the company as at 29 September 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

London

11 April 1997



PANNELL KERR FORSTER  
Chartered Accountants  
Registered Auditors

**WALLWORTHS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**52 WEEKS ENDED 29 SEPTEMBER 1996**

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Turnover	2	1,670,601	1,396,193
Administrative expenses		(511,559)	(554,359)
Exceptional administrative expenses	3	(1,641,218)	-
<b>Operating (loss)/profit</b>		<b>(482,176)</b>	<b>841,834</b>
Profit/(loss) on disposal of fixed assets	4	365,188	(61,275)
Interest receivable	5	125,070	12,908
Interest payable	6	(599,598)	(602,298)
<b>(Loss)/profit on ordinary activities before taxation</b>	7	<b>(591,516)</b>	<b>191,169</b>
Taxation	8	(256,039)	(66,875)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(847,555)</b>	<b>124,294</b>
Dividends	9	(700,000)	-
<b>Retained (loss)/profit for the period</b>		<b>(1,547,555)</b>	<b>124,294</b>

The movement on reserves is given in note 18 to the financial statements.

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the periods shown above.

**WALLWORTHS LIMITED**  
**BALANCE SHEET**  
**29 SEPTEMBER 1996**

	<u>Notes</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
<b>FIXED ASSETS</b>							
Tangible assets	10		12,373,101			12,623,592	
Investments	11		50,030			50,030	
			12,423,131			12,673,622	
<b>CURRENT ASSETS</b>							
Debtors	12	682,482		271,521			
Cash		1,580,434		2,499,259			
		2,262,916		2,770,780			
<b>CREDITORS</b>							
Amounts falling due within one year	13	(1,089,330)		(7,928,442)			
<b>NET CURRENT ASSETS/(LIABILITIES)</b>							
			1,173,586			(5,157,662)	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>							
			13,596,717			7,515,960	
<b>CREDITORS</b>							
Amounts falling due after one year	13		(5,687,171)			-	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>							
Deferred taxation	14	(1,051,122)		(1,079,711)			
Guarantee provision	15	-		(4,880,270)			
			(1,051,122)			(5,959,981)	
			6,858,424			1,555,979	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	16		50,798			50,798	
Capital reserve			13,966			13,966	
Revaluation reserve	17		6,700,706			6,700,706	
Profit and loss account	18		92,954			(5,209,491)	
<b>SHAREHOLDERS' FUNDS</b>							
(including non-equity interests)	19		6,858,424			1,555,979	

Approved by the board of directors on 24 March 1997



I C CAUNT

Director

**WALLWORTHS LIMITED**  
**NOTE OF HISTORICAL COST PROFIT AND LOSSES**  
**52 WEEKS ENDED 29 SEPTEMBER 1996**

	<u>1996</u> £	<u>1995</u> £
<b>Note of historical cost profits and losses</b>		
Reported (loss)/profit on ordinary activities before tax	<b>(591,516)</b>	191,169
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	<b>41,422</b>	41,422
	<hr/>	<hr/>
Historical cost profit on ordinary activities before tax	<b>(550,094)</b>	232,591
	<hr/>	<hr/>
Historical cost profit on ordinary activities after taxation	<b>(806,133)</b>	165,716
	<hr/>	<hr/>



**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**1 ACCOUNTING POLICIES**

**a) Accounting convention**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of land and buildings, and in accordance with applicable Accounting Standards.

**b) Group accounts**

By virtue of Section 228 of the Companies Act 1985 group financial statements are not presented as the company is a wholly owned subsidiary of Acatos & Hutcheson plc, a company incorporated in Great Britain for whom group financial statements are prepared. Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

**c) Turnover**

Turnover represents income from rental of plant and property, net of value added tax.

**d) Deferred taxation**

Deferred taxation is provided, using the liability method, on all timing differences whose future reversal can be foreseen, calculated at the rate at which it is expected that tax will be payable.

**e) Depreciation**

Depreciation is provided to write off tangible fixed assets on a straight line basis over their estimated useful lives as follows:

Freehold buildings	25 - 50 years
Leasehold properties	50 years or term of lease if less
Plant and machinery	10 - 20 years
Motor vehicles	4 - 10 years
Office equipment	4 - 6 years

**f) Leasing commitments**

The plant leasing activities of the company are confined to leases with fellow subsidiary undertakings. Accordingly the directors consider that shareholders will be provided with more meaningful information if these items are treated as tangible assets, subject to depreciation calculated as shown above, rather than accounting for them as loan debtors.

Rental income is credited to the profit and loss account in the period in which it arises.

**g) Cash flow statement**

The company is exempt under FRS1 from having to provide a cash flow statement. This exemption has been applied in the preparation of these financial statements.

**2 TURNOVER**

Turnover was derived from a single class of business and arose entirely from within the United Kingdom.

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

<b>3</b>	<b>EXCEPTIONAL ADMINISTRATIVE ITEMS</b>	<b><u>1996</u></b>	<b><u>1995</u></b>
		<b>£</b>	<b>£</b>
	Decrease in provision for guarantees given in respect of group undertakings' borrowings	4,880,270	-
	Increase in provision for doubtful group balances	(6,521,488)	-
		<u>(1,641,218)</u>	<u>-</u>
<b>4</b>	<b>PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS</b>		
	Profit/(loss) on disposal of freehold land and buildings	365,188	(61,275)
<b>5</b>	<b>INTEREST RECEIVABLE</b>		
	Bank interest receivable	7,345	12,908
	Other interest	117,725	-
		<u>125,070</u>	<u>12,908</u>
<b>6</b>	<b>INTEREST PAYABLE</b>		
	Intercompany interest	599,598	580,111
	Bank overdraft interest	-	19,405
	Other finance charges	-	2,782
		<u>599,598</u>	<u>602,298</u>
<b>7</b>	<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
	The (loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
	Rentals paid under operating leases for land and buildings	42,645	39,061
	Rents received	(1,670,601)	(1,396,193)
	Depreciation of tangible fixed assets	423,707	410,664
	Directors' emoluments	-	-
	Auditors' remuneration for audit services	4,500	4,250
		<u></u>	<u></u>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**8 TAXATION**

	<u>1996</u> £	<u>1995</u> £
Based on the results for the period:		
Corporation tax at 33% (1995: 33%)	300,157	158,767
Deferred taxation	(28,589)	(20,911)
Overprovision in respect of prior year	(15,529)	(70,981)
	<hr/>	<hr/>
	256,039	66,875
	<hr/>	<hr/>

No tax charge or credit arises in respect of the exceptional items.

**9 DIVIDENDS**

Proposed final dividend of £15.108 per ordinary share (1995 : £Nil)	697,691	-
Proposed final dividend of 5p per preference share (1995 : £Nil)	2,309	-
	<hr/>	<hr/>
	700,000	-
	<hr/>	<hr/>

**10 TANGIBLE FIXED ASSETS**

	<u>Land and buildings</u>		<u>Plant, equipment and vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long leasehold</u>		
	£	£	£	£
<b>Cost or valuation</b>				
At 1 October 1995	13,860,576	1,796,564	2,589,790	18,246,930
Additions	246,528	-	-	246,528
Disposals	(75,000)	-	-	(75,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 September 1996	14,032,104	1,796,564	2,589,790	18,418,458
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>				
At 1 October 1995	2,751,471	427,158	2,444,709	5,623,338
Provision for the period	241,030	64,870	117,807	423,707
Depreciation on disposals	(1,688)	-	-	(1,688)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 September 1996	2,990,813	492,028	2,562,516	6,045,357
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 29 September 1996	11,041,291	1,304,536	27,274	12,373,101
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 October 1995	11,109,105	1,369,406	145,081	12,623,592
	<hr/>	<hr/>	<hr/>	<hr/>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**10 TANGIBLE FIXED ASSETS (Continued)**

	<u>Land and buildings</u>		<u>Plant, equipment and vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long leasehold</u>		
	£	£	£	£
Tangible fixed assets are stated:				
At cost	5,185,294	844,224	2,589,790	8,619,308
At valuation	8,846,810	952,340	-	9,799,150
	<hr/>	<hr/>	<hr/>	<hr/>
	14,032,104	1,796,564	2,589,790	18,418,458
	<hr/>	<hr/>	<hr/>	<hr/>

Historical costs at 29 September 1996 for land and buildings included at valuation:-

	<u>Freehold</u>	<u>Long leasehold</u>
	£	£
Cost	6,042,056	1,200,000
Accumulated depreciation	(1,498,940)	(624,000)
	<hr/>	<hr/>
Net book value	4,543,116	576,000
	<hr/>	<hr/>

Depreciation on land and buildings based on historical cost would amount to £203,684.

Freehold and long leasehold land and buildings were revalued in 1987 on the basis of open market value or, where considered appropriate, depreciated replacement cost.

The company had contracted capital commitments of £Nil at the period end (1995: £210,000).

**11 INVESTMENTS**

	<u>Shares in Subsidiaries</u>	<u>Loans to fellow group undertakings</u>	<u>Total investment</u>
	£	£	£
Cost			
At 1 October 1995	51,029	-	51,029
Additions	-	6,521,488	6,521,488
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 29 September 1996	51,029	6,521,488	6,572,517
	<hr/>	<hr/>	<hr/>
Provision for diminution of value			
At 1 October 1995	999	-	999
Provided in year	-	6,521,488	6,521,488
	<hr/>	<hr/>	<hr/>
At 29 September 1996	999	-	6,522,487
	<hr/>	<hr/>	<hr/>
Net book value			
At 29 September 1996	50,030	-	50,030
	<hr/>	<hr/>	<hr/>
At 1 October 1995	50,030	-	50,030
	<hr/>	<hr/>	<hr/>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**11 INVESTMENTS (Continued)**

The subsidiary undertakings at 29 September 1996, all of which are wholly-owned, dormant and registered in England, were:-

	<u>Class of share held</u>
Liverpool Central Oil Company Limited	£1 ordinary
Hartfield Pig Farms Limited	£1 ordinary
P L Trading UK Limited	£1 ordinary
Pura (MFP) Limited	£1 ordinary

**12 DEBTORS**

	<u>1996</u>	<u>1995</u>
	£	£
<b>Due within one year:</b>		
Amounts owed by group undertakings	55,387	-
Other debtors	627,095	251,521
Prepayments and accrued income	-	20,000
	<hr/>	<hr/>
	682,482	271,521
	<hr/>	<hr/>

**13 CREDITORS**

<b>Amounts falling due within one year:</b>		
Amounts owed to group undertakings	100,202	7,710,173
Corporation tax	284,628	158,767
Other creditors	-	752
Accruals and deferred income	4,500	58,750
Proposed dividend	700,000	-
	<hr/>	<hr/>
	1,089,330	7,928,442
	<hr/>	<hr/>
<b>Amounts falling due after one year:</b>		
Amounts owed to parent undertaking	5,687,171	-
	<hr/>	<hr/>

The amount owed to the parent undertaking due after more than one year is unsecured and, other than in the event of default or the insolvency of the company, the creditor will not call for this amount to be repaid earlier than 30 September 1997.

**14 DEFERRED TAXATION**

Deferred taxation at 33% (1995: 33%):	£
At 1 October 1995	1,079,711
Profit and loss account	(28,589)
	<hr/>
At 29 September 1996	1,051,122
	<hr/>

The deferred taxation provision arises solely in respect of accelerated capital allowances.

No provision has been made for any taxation liability that might arise if properties were sold at their revalued amounts.

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**15 GUARANTEE PROVISION**

	£
At 1 October 1995	4,880,270
Decrease in provision	(4,880,270)
	<hr/>
At 29 September 1996	-
	<hr/> <hr/>

The provision was in respect of guarantees given to support fellow group undertakings. During the year the guarantee was unwound and the guarantee provision was released.

**16 SHARE CAPITAL**

	£
<b>Authorised:</b>	
Ordinary shares of 10p each	13,820
5% preference shares of £1 each	46,180
	<hr/>
	60,000
	<hr/> <hr/>
<b>Allotted, called-up and fully paid:</b>	
Ordinary shares of 10p each	4,618
5% preference shares of £1 each	46,180
	<hr/>
	50,798
	<hr/> <hr/>

There was no change in the share capital during the period.

The preference shares are entitled to dividends in preference to the ordinary shares, at the rate of 5% on the capital paid up thereon. They also are entitled to participate in the assets of the company on a winding up in preference to the ordinary shares up to the paid up amount, but have no further right to participate in the assets of the company. The preference shares have no voting rights unless the dividend on such shares is twelve months in arrears or a resolution has been passed for the winding up of the company.

**17 REVALUATION RESERVE**

	£
At 1 October 1995 and 29 September 1996	6,700,706
	<hr/> <hr/>

**18 PROFIT AND LOSS ACCOUNT**

	£
At 1 October 1995	(5,209,491)
Capital contribution	6,850,000
Loss for the period retained	(1,547,555)
	<hr/>
At 29 September 1996	92,954
	<hr/> <hr/>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 29 SEPTEMBER 1996**

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1996</u> £	<u>1995</u> £
(Loss)/profit for the financial period	(847,555)	124,294
Dividends	(700,000)	-
Capital contribution	6,850,000	-
	<hr/>	<hr/>
	5,302,445	124,294
Shareholders' funds at 1 October 1995	1,555,979	1,431,685
	<hr/>	<hr/>
Shareholders' funds at 29 September 1996	6,858,424	1,555,979
	<hr/>	<hr/>
Shareholders' funds comprises:		
Equity shareholders' funds	6,812,244	1,509,799
Non-equity shareholders' funds	46,180	46,180
	<hr/>	<hr/>
	6,858,424	1,555,979
	<hr/>	<hr/>

**20 FINANCIAL COMMITMENTS**

**Operating leases**

At 29 September 1996 the company had annual commitments under operating leases for land and buildings expiring:

	<u>1996</u> £	<u>1995</u> £
Within one year	12,485	17,485
Between two and five years	-	-
In over five years	6,576	6,576
	<hr/>	<hr/>
	19,061	24,061
	<hr/>	<hr/>

**Commitments on behalf of group undertakings**

At 29 September 1996 the company had guaranteed fellow group undertakings bank overdrafts of £5,885,129 (1995: £Nil).

**21 ULTIMATE HOLDING COMPANY**

The company is a wholly owned subsidiary of Acatos & Hutcheson plc, a company incorporated in Great Britain. A copy of the group accounts of Acatos & Hutcheson plc is available from the company secretary at its registered office, Orchard Place, London, E14 0JH.