

**WALLWORTHS LIMITED**  
(Registered number 433318)

**ANNUAL REPORT**

**FOR THE 52 WEEKS ENDED 2 OCTOBER 1994**



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**PANNELL KERR FORSTER**  
Chartered Accountants

**WALLWORTHS LIMITED**  
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**WALLWORTHS LIMITED  
DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the 52 weeks ended 2 October 1994.

**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 do not recommend the payment of a dividend.

**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**

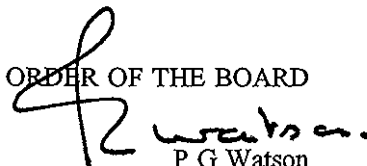
Movements in fixed assets during the period are given in notes 8 and 9 to the financial statements.

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 reappointment of auditors.

BY ORDER OF THE BOARD

  
P G Watson  
Secretary

Orchard Place  
London  
E14 OJH

7 April 1995

**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;
- 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 12 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 2 October 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

London

7 April 1995

  
PANNELL KERR FORSTER  
Chartered Accountants  
Registered Auditors

**WALLWORTHS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**52 WEEKS ENDED 2 OCTOBER 1994**

	<u>Notes</u>	1994 (52 weeks) £	1993 (53 weeks) £
<b>Turnover</b>	2	1,464,832	1,395,464
Cost of sales		(547,949)	(633,447)
<b>Gross profit</b>		916,883	762,017
Administrative expenses		(66,245)	(2,200)
Exceptional administrative items	3	61,003	(146,602)
<b>Operating profit</b>		911,641	613,215
Profit on disposal of fixed assets	4	1,476,334	-
<b>Profit on ordinary activities before interest</b>		2,387,975	613,215
Interest receivable		49,054	-
Interest payable	5	(501,030)	(997,045)
<b>Profit/(loss) on ordinary activities before taxation</b>	6	1,935,999	(383,830)
Taxation	7	(225,003)	71,465
<b>Retained profit/(loss) for the financial period</b>		1,710,996	(312,365)

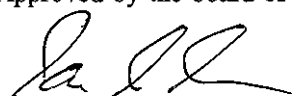
The movement on reserves is given in note 16 to the financial statements.

All amounts relate to continuing operations.

**WALLWORTHS LIMITED**  
**BALANCE SHEET**  
**2 OCTOBER 1994**

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	11,897,956	11,034,406
Investments	9	4	4
		<hr/>	<hr/>
		11,897,960	11,034,410
 <b>CURRENT ASSETS</b>			
Debtors	10	2,606,878	1,833,669
 <b>CREDITORS</b>			
Amounts falling due within one year	11	(7,092,261)	(7,108,346)
<b>NET CURRENT LIABILITIES</b>		<hr/> (4,485,383) <hr/>	<hr/> (5,274,677) <hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,412,577	5,759,733
 <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	(1,100,622)	(1,097,771)
Guarantee provision	13	(4,880,270)	(4,941,273)
		<hr/> (5,980,892) <hr/>	<hr/> (6,039,044) <hr/>
		1,431,685	(279,311)
		<hr/>	<hr/>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	14	50,798	50,798
Capital reserve		13,966	13,966
Revaluation reserve	15	6,700,706	6,701,089
Profit and loss account	16	(5,333,785)	(7,045,164)
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS (INCLUDING NON-EQUITY INTERESTS)</b>	17	1,431,685	(279,311)
		<hr/>	<hr/>

Approved by the board of directors on 7 April 1995



I C CAUNT

Director

**WALLWORTHS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**AND HISTORICAL COST PROFITS AND LOSSES**  
**52 WEEKS ENDED 2 OCTOBER 1994**

	1994 (52 weeks) £	1993 (53 weeks) £
<b>Statement of total recognised gains and losses</b>		
Profit/(loss) for the financial period	1,710,996	(312,365)
Unrealised deficit on revaluation of properties	-	(131,105)
	<hr/>	<hr/>
Total recognised	1,710,996	(443,470)
	<hr/>	<hr/>
<b>Note of historical cost profits and losses</b>		
Reported profit/(loss) on ordinary activities before tax	1,935,999	(383,830)
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	44,674	43,000
Realisation of property revaluation deficits of previous periods	(7,022)	-
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before tax	1,973,651	(340,830)
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities after tax	1,748,648	(277,371)
	<hr/>	<hr/>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The accounts 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.

**Group accounts**

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

**Turnover**

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

**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.

**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

**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.

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

**2 TURNOVER**

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

**3 EXCEPTIONAL ADMINISTRATIVE ITEMS**

	<u>1994</u> £	<u>1993</u> £
Provision for plant rationalisation and amortisation	-	(185,000)
Decrease in provision for guarantees given in respect of group undertakings' borrowings	61,003	38,398
	<u>61,003</u>	<u>(146,602)</u>

**4 PROFIT ON DISPOSAL OF FIXED ASSETS**

Profit on disposal of PL Transtore Limited	1,542,478	-
Profit on disposal of investment in Peter Smith (Bakers & Caterers) Limited	35,850	-
Profit on disposal of freehold land and buildings	146,686	-
Cost of surrender of leasehold land and buildings	(248,680)	-
	<u>1,476,334</u>	<u>-</u>

**5 INTEREST PAYABLE**

Intercompany interest	496,655	984,657
Bank overdraft interest	4,375	12,388
	<u>501,030</u>	<u>997,045</u>

**6 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

Rentals paid under operating leases	79,953	139,644
Rents received for land and buildings	(1,509,328)	(1,107,404)
Depreciation of tangible fixed assets (excluding provisions made in 1993 for plant rationalisation and modernisation - note 3)	412,169	407,349
Directors' emoluments	-	-
Auditors' remuneration for audit services	2,200	2,200
	<u>          </u>	<u>          </u>

**7 TAXATION**

Based on the results for the period:

Corporation tax at 33% (1993: 33%)	(223,749)	(8,748)
Deferred taxation	(2,851)	97,307
Adjustments in respect of prior periods	1,597	(17,094)
	<u>(225,003)</u>	<u>71,465</u>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

8 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 3 October 1993	11,488,814	1,926,883	2,588,056	16,003,753
Additions	1,439,861	-	1,734	1,441,595
Disposals	(192,424)	(130,319)	-	(322,743)
<b>At 2 October 1994</b>	<b>12,736,251</b>	<b>1,796,564</b>	<b>2,589,790</b>	<b>17,122,605</b>
<b>Accumulated depreciation</b>				
At 3 October 1993	2,355,356	427,711	2,186,280	4,969,347
Provision for the period	211,000	64,883	136,286	412,169
Disposals	(26,548)	(130,319)	-	(156,867)
<b>At 2 October 1994</b>	<b>2,539,808</b>	<b>362,275</b>	<b>2,322,566</b>	<b>5,224,649</b>
<b>Net book value</b>				
At 2 October 1994	10,196,443	1,434,289	267,224	11,897,956
At 3 October 1993	9,133,458	1,499,172	401,776	11,034,406
<b>Tangible fixed assets are stated:</b>				
At cost	3,723,591	844,224	2,589,790	7,157,605
At valuation	9,012,660	952,340	-	9,965,000
	12,736,251	1,796,564	2,589,790	17,122,605

Historical costs at 2 October 1994 for land and buildings included at valuation:-

	<u>Freehold</u> £	<u>Long leasehold</u> £
Cost	6,186,306	1,200,000
Accumulated depreciation	1,269,233	528,000
<b>Net book value</b>	<b>4,917,073</b>	<b>672,000</b>

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

The company had no contracted capital commitments at the period end. (1993: £700,000).

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

<b>9 INVESTMENTS</b>	<b>£</b>
At 3 October 1993	4
Additions	332,522
Disposals	(332,522)
	<hr/>
At 2 October 1994	4
	<hr/> <hr/>

During the period the company acquired 100% of the share capital of PL Transtore Limited, a fellow group undertaking, for a total consideration of £332,522. The investment was sold on 31 August 1994 for consideration of £1,875,000 (see note 4).

The subsidiary undertakings at 2 October 1994, all of which are wholly-owned, dormant and registered in England, unless noted otherwise, were:-

Liverpool Central Oil Company Limited  
Hartfield Pig Farms Limited (90% owned)  
P L Trading UK Limited

<b>10 DEBTORS</b>	<b><u>1994</u></b>	<b><u>1993</u></b>
	<b>£</b>	<b>£</b>
<b>Due within one year:</b>		
Trade debtors	11,832	2,209
Amounts owed by group undertakings	2,261,448	1,165,812
Other debtors	333,598	336,418
Prepayments and accrued income	-	329,230
	<hr/>	<hr/>
	2,606,878	1,833,669
	<hr/> <hr/>	<hr/> <hr/>

<b>11 CREDITORS</b>		
<b>Amounts falling due within one year:</b>		
Bank overdraft	481,416	887,258
Trade creditors	-	577
Amounts owed to group undertakings	6,243,722	6,102,364
Corporation tax	231,156	42,325
Other creditors	77	75,000
Accruals and deferred income	135,890	822
	<hr/>	<hr/>
	7,092,261	7,108,346
	<hr/> <hr/>	<hr/> <hr/>

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

**12 DEFERRED TAXATION**

Deferred taxation at 33% (1993: 33%):	£	
At 3 October 1993	1,097,771	
Profit and loss account	2,851	
	<hr/>	
At 2 October 1994	1,100,622	
	<hr/>	
The deferred taxation provision arises as follows:		
	<u>1994</u>	<u>1993</u>
	£	£
Accelerated capital allowances	1,100,622	1,126,894
Other timing differences	-	(29,123)
	<hr/>	<hr/>
	1,100,622	1,097,771
	<hr/>	<hr/>

Full provision has been made for deferred taxation on accelerated capital allowances and other timing differences. No provision has been made for any taxation liability that might arise if properties were sold at their revalued amounts.

**13 GUARANTEE PROVISION**

	£
At 3 October 1993	4,941,273
Decrease in provision	(61,003)
	<hr/>
At 2 October 1994	4,880,270
	<hr/>

The provision is in respect of guarantees given to support fellow subsidiary undertakings.

**14 SHARE CAPITAL**

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

**WALLWORTHS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 2 OCTOBER 1994**

<b>15 REVALUATION RESERVE</b>	<b>£</b>	
At 3 October 1993	6,701,089	
Transfer to profit and loss account on disposal of property	(383)	
	<hr/>	
At 2 October 1994	6,700,706	
	<hr/>	
<b>16 PROFIT AND LOSS ACCOUNT</b>		
At 3 October 1993	(7,045,164)	
Profit retained for the period	1,710,996	
Transfer from revaluation reserve on disposal of property	383	
	<hr/>	
At 2 October 1994	(5,333,785)	
	<hr/>	
<b>17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial period	1,710,996	(312,365)
Shareholders' funds at 3 October 1993	(279,311)	33,054
	<hr/>	<hr/>
Shareholders' funds at 2 October 1994	1,431,685	(279,311)
	<hr/>	<hr/>
	<b>£</b>	<b>£</b>
Shareholders' funds comprises		
Equity shareholders' funds	1,385,505	(3,25,491)
Non-equity shareholders' funds	46,180	46,180
	<hr/>	<hr/>
	1,431,685	(279,311)
	<hr/>	<hr/>
<b>18 CONTINGENCIES</b>		
At 2 October 1994, the company had guaranteed fellow group undertakings bank overdrafts of £2,630,439 (1993:£3,092,218).		
<b>19 ULTIMATE HOLDING COMPANY</b>		
The company is a wholly owned subsidiary of Acatos & Hutcheson plc, a company registered in England. 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.		