

CATTLE'S PROPERTIES LIMITED

31ST DECEMBER, 1996

FINANCIAL STATEMENTS



Company number 652955

CATTLE'S PROPERTIES LIMITED

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CATTLE'S PROPERTIES LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31st December, 1996.

1. Directors' responsibilities

Company law requires us as 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 the profit or loss of the company for that period. In preparing those financial statements we are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

2. Results and dividends

The trading profit for the year, after taxation, amounted to £102,218.

The directors recommend the payment of a final ordinary dividend amounting to £50,000 leaving a £52,218 profit to be transferred to reserves.

3. Review of the business

The company's principal activity during the year was property owning.

The company has continued to trade at an acceptable level of profitability and at the end of the year was in a satisfactory position.

CATTLE'S PROPERTIES LIMITED

DIRECTORS' REPORT

4. Tangible fixed assets

The changes in tangible fixed assets during the year are summarised in the notes to the accounts.

5. Directors and their interests

The directors of the company at 31st December, 1996 were:

J. E. G. Cran  
G. Clappison

There were no changes in directorships during the year.

The interests of the directors in the issued shares of the holding company Cattles plc, according to the register kept under Section 325 of the Companies Act 1985 are shown in the report and accounts of the holding company.

6. Auditors

Smailes, Goldie & Co resigned as auditors on 9 May 1996 at the request of the directors and Price Waterhouse were appointed as sole auditors on this date.

The company has passed an elective resolution to dispense with the obligation to re-appoint auditors annually. Price Waterhouse shall therefore be deemed re-appointed as auditors.

BY ORDER OF THE BOARD

  
P. J. DOHERTY

Secretary

Registered Office:  
Kingston House  
Centre 27 Business Park  
Woodhead Road  
Birstall  
Batley

24th March, 1997

AUDITORS' REPORT TO THE MEMBERS OF CATTLE'S PROPERTIES LIMITED

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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.

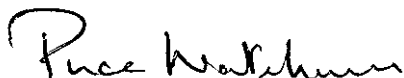
BASIS OF OPINION

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 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 at 31st December, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE  
Chartered Accountants and  
Registered Auditors  
9 Bond Court  
Leeds  
LS1 2SN

24th March, 1997

CATTLE'S PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1996

	Notes	1996		1995	
		£	£	£	£
Turnover	2		244,741		270,356
Loss on disposal of properties			1,373		2,203
			<u>243,368</u>		<u>268,153</u>
Depreciation		784		784	
Other operating charges		88,326	89,110	67,511	68,295
Operating profit on ordinary activities	3		<u>154,258</u>		<u>199,858</u>
Interest received			321		1,054
Interest payable			(113)		-
Profit on ordinary activities before taxation			<u>154,466</u>		<u>200,912</u>
Tax on profit on ordinary activities	4		52,248		64,848
Profit on ordinary activities after taxation			<u>102,218</u>		<u>136,064</u>
Dividends - proposed final ordinary			50,000		320,000
Retained profit/(loss) for the year	12	£	<u>52,218</u>		<u>£(183,936)</u>

There were no acquisitions and no discontinued activities in the year.

The annexed notes form part of these financial statements.

CATTLE'S PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST DECEMBER, 1996

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the financial year	102,218	136,064
Deficit on revaluation of freehold and long leasehold properties	-	(215,213)
Total recognised gains and losses for the year	<u>£ 102,218</u>	<u>£ (79,149)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1996</u>	<u>1995</u>
	£	£
Reported profit on ordinary activities before taxation	154,466	200,912
Realisation of property revaluation gains of previous years	-	27,880
Historical cost on profit on ordinary activities before taxation	<u>£ 154,466</u>	<u>£ 228,792</u>
Historical cost profit/(loss) for the year retained after taxation and dividends	<u>£ 52,218</u>	<u>£ (156,056)</u>

The annexed notes form part of these financial statements.

CATTLE'S PROPERTIES LIMITED

BALANCE SHEET AT 31ST DECEMBER, 1996

	Notes	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	7		2,341,986		2,391,511
Current assets					
Debtors	5	2,960		6,477	
Cash at bank		66,678		181,093	
		<u>69,638</u>		<u>187,570</u>	
Creditors: amounts falling due within one year					
Creditors	6	1,069,735		1,104,960	
Corporation tax		60,433		73,975	
Proposed dividend		50,000		320,000	
Bank borrowings	8	96,092		-	
		<u>1,276,260</u>		<u>1,498,935</u>	
Net current liabilities			(1,206,622)		(1,311,365)
Total assets less current liabilities			<u>1,135,364</u>		<u>1,080,146</u>
Provision for liabilities and charges					
Deferred taxation	9		63,650		60,650
			<u>£ 1,071,714</u>		<u>£ 1,019,496</u>
Capital and reserves					
Called up share capital	10		50,000		50,000
Profit and loss account	11		524,876		472,658
Revaluation reserve	11		496,838		496,838
Shareholders' funds	12		<u>£ 1,071,714</u>		<u>£ 1,019,496</u>

G. CLAPPISON - Director

Approved by the Board on 24th March, 1997.

The annexed notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

1. Accounting policies

The following are the principal accounting policies of the company which have remained unchanged from the previous year.

a) Accounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of freehold and long leasehold properties, and in accordance with applicable accounting standards.

b) Turnover

Turnover comprises the amounts received or receivable, excluding value added tax, for rentals charged in respect of freehold and leasehold properties.

c) Depreciation

Depreciation is not provided on freehold and long leasehold land and buildings. It is the policy of the company to maintain its properties in good condition by a regular programme of maintenance and repair, the cost of which is charged to profit and loss account in the year in which the expenditure is incurred. It is considered that this policy extends the useful life of the properties and as a result any depreciation arising would not be material.

Depreciation on all other tangible fixed assets is calculated on a straight line basis by reference to the expected life of the assets concerned at the following principal rates:

Short leasehold expenditure	5% to 20% per annum
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d) Deferred taxation

Deferred taxation represents so much of the difference at the current rate of corporation tax between the allowances utilised for taxation purposes and the amounts included in the accounts, which, in the opinion of the directors may, on a group basis, result in a corporation tax liability or benefit in the foreseeable future.

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

2. Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is wholly attributable to property owning within the United Kingdom.

3. Operating profit

This is stated after charging:

Auditors' remuneration

1996

£

2,062

1995

£

1,980

4. Tax on profit on ordinary activities

1996

£

Based on the profit for the year:

Corporation tax at 25% and purchase

of group relief

Deferred tax

50,000

2,410

52,410

Amounts over provided in previous years

Corporation tax

Deferred tax

(752)

590

£ 52,248

1995

£

65,000

4,910

69,910

(5,062)

-

£ 64,848

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

	<u>1996</u>	<u>1995</u>
	£	£
5. Debtors		
Prepayments and accrued income	2,960	4,151
Income tax recoverable	-	2,326
	<hr/>	<hr/>
	£ 2,960	£ 6,477
	<hr/>	<hr/>

	<u>1996</u>	<u>1995</u>
	£	£
6. Creditors: amounts falling due within one year		
Trade	37	-
Parent and fellow subsidiary companies	1,066,873	1,086,491
Accruals and deferred income	2,825	18,469
	<hr/>	<hr/>
	£ 1,069,735	£ 1,104,960
	<hr/>	<hr/>

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

7. Tangible fixed assets	Total	Freehold land and buildings	Long leasehold property	Short leasehold property
	£	£	£	£
Cost or valuation:				
At 31st December, 1995	2,396,194	2,264,500	102,500	29,194
Transfers to fellow subsidiaries	(20,000)	(20,000)	-	-
Additions	13,759	13,759	-	-
Disposals	(42,500)	(42,500)	-	-
At 31st December, 1996	2,347,453	2,215,759	102,500	29,194
Depreciation:				
At 31st December, 1995	4,683	-	-	4,683
Provided during the year	784	-	-	784
At 31st December, 1996	5,467	-	-	5,467
Net book value at 31st December, 1996	£ 2,341,986	2,215,759	102,500	23,727
Net book value at 31st December, 1995	£ 2,391,511	2,264,500	102,500	24,511

For the freehold land and buildings and long leasehold property which include valuations:

	Freehold land and buildings	Long leasehold property
	£	£
Historical cost:		
At 31st December, 1995	1,964,282	105,000
Transfers	(21,476)	-
At 31st December, 1996	£ 1,942,806	£ 105,000

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

7. Tangible fixed assets (continued)

The freehold/feuhold and leasehold properties with 50 or more years unexpired owned and or occupied by the company were valued by external valuers, G. L. Hearn & Partners, Chartered Surveyors as at 31st December, 1995 on the basis of "existing use value", except those premises held as investment and surplus to requirements which were valued on the basis of "open market value" in accordance with the "Appraisal & Valuation Manual" of the Royal Institution of Chartered Surveyors.

The total value which includes freehold/feuhold/long leasehold occupied, part occupied and part tenanted, freehold/feuhold/long leasehold held as investment, and freehold/feuhold/long leasehold surplus to requirements was £2,367,000.

No provision has been made in respect of the corporation tax which would arise on the disposal of the property at the valuation figure adopted in the accounts.

8. Bank borrowings

The amount shown as bank borrowings represents the proportion of the total group overdraft and loan facilities of Cattles plc currently utilised by this company.

This company together with other companies in the group has entered into an unlimited multilateral bank guarantee.

	1996 £	1995 £
9. Provisions for liabilities and charges		
Deferred taxation is provided in full and is made up as follows:		
Accelerated capital allowances	£ 63,650	£ 60,650
As at 31st December, 1995	60,650	
Transfer from profit and loss account	3,000	
As at 31st December, 1996	£ 63,650	

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1996</u> No.	<u>1995</u> No.	<u>1996</u> £	<u>1995</u> £
10. Share capital				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>£ 50,000</u>	<u>£ 50,000</u>

	<u>Profit and loss account</u>	<u>Revaluation reserve</u>
	£	£
11. Reserves		
As at 31st December, 1995	472,658	496,838
Retained profit for the year	52,218	-
	<u>£ 524,876</u>	<u>£ 496,838</u>

	<u>1996</u> £	<u>1995</u> £
12. Reconciliation of movements in shareholders' funds		
Profit for the financial year	102,218	136,064
Dividends	(50,000)	(320,000)
	<u>52,218</u>	<u>(183,936)</u>
Other recognised gains and losses	-	(215,213)
Net addition in/(reduction) to shareholders' funds	<u>52,218</u>	<u>(399,149)</u>
Shareholders' funds at 31st December, 1995	1,019,496	1,418,645
Shareholders' funds at 31st December, 1996	<u>£ 1,071,714</u>	<u>£ 1,019,496</u>

CATTLE'S PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 1996

13. Operating lease obligations

The company has the following commitments for the year ending 31st December, 1997 in respect of operating leases relating to land and buildings which expire:

	£
Within one year	-
Between two and five years	-
After five years	150
	<hr/>
	£ 150
	<hr/>

14. Holding company

This company is a wholly owned subsidiary undertaking of Cattles plc, a company registered in England and Wales.

15. Cash flow statement

As the company is a wholly owned subsidiary undertaking of Cattles plc, a company registered in England and Wales, a cash flow statement has not been prepared. The parent company prepares consolidated accounts, which include a consolidated cash flow statement dealing with the cash flows of the group.