

Smalton Investments Limited

Directors' report and financial statements

31 March 1995

Registered number 738611



Smalton Investments Limited

Directors' report and financial statements

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Smalton Investments Limited

Directors' report

The directors present their annual report and the audited financial statements for the 53 weeks ended 31 March 1995.

Principal activities

The principal activity of the company is the letting of a property held as an investment.

Business review

The trading results are shown in the profit and loss account on page 5.

Changes in fixed assets

The changes in fixed assets are dealt with in note 6 on page 9.

Proposed dividend and transfer to reserves

The directors recommend the payment of a dividend in respect of the period ended 31 March 1995 of £500,000. The proposed transfer from reserves is £368,177 (*1994: transfer to reserves of £56,466*).

Directors and directors' interests

The directors who held office during the period were as follows:

G Layton
JGF Flack

Neither of the directors had a beneficial interest in the shares of the company other than through their holdings in the shares of the ultimate holding company, National Parking Corporation Limited, which are dealt with in the financial statements of that company.

During the period, insurance was maintained by the holding company covering the directors of the company against the possibility of liabilities in relation to the activities of the company.

Taxation

In the opinion of the directors, the company is a 'close company' within the meaning of the Income and Corporation Taxes Act 1988.

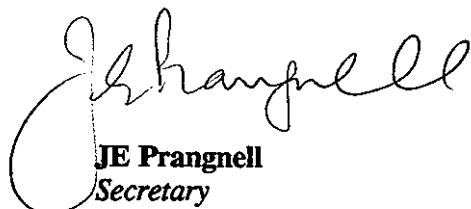
Smalton Investments Limited

Directors' report *(continued)*

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. 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



JE Prangnell
Secretary

21 Bryanston Street
London W1A 4NH

7 September 1995

Smalton Investments Limited

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 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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8 Salisbury Square
London
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Report of the auditors to the members of Smalton Investments Limited

We have audited the financial statements on pages 5 to 11.

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 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 March 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

7 September 1995

Smalton Investments Limited

Profit and loss account

for the 53 weeks ended 31 March 1995

	<i>Note</i>	53 weeks ended 31 March 1995 £	52 weeks ended 25 March 1994 £
Turnover	<i>1</i>	101,875	84,278
Administration expenses		(125)	-
Profit on sale of fixed assets		95,000	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		196,750	84,278
Tax on profit on ordinary activities	<i>4</i>	(64,927)	(27,812)
		<hr/>	<hr/>
Profit for the financial period		131,823	56,466
Proposed dividend	<i>5</i>	(500,000)	-
		<hr/>	<hr/>
Retained (loss)/profit for the financial period		(368,177)	56,466
Retained profit brought forward		398,162	341,696
		<hr/>	<hr/>
Retained profit carried forward		29,985	398,162
		<hr/>	<hr/>

The results for the period ended 31 March 1995 reflect the continuing operations of the Company.

The notes on pages 8 to 11 form part of these financial statements.

Smalton Investments Limited

Statement of total recognised gains and losses *for the 53 weeks ended 31 March 1995*

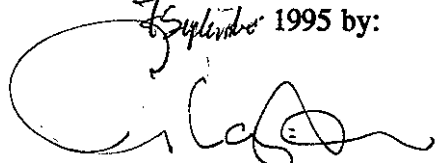
	53 weeks ended 31 March 1995 £	52 weeks ended 25 March 1994 £
Profit for the financial period	131,823	56,466
Unrealised loss on revaluation of properties	-	(247,000)
	<hr/>	<hr/>
Total recognised gains/(losses) relating to the period	131,823	(190,534)
	<hr/>	<hr/>

Smalton Investments Limited

Balance sheet at 31 March 1995

	Note	£	1995 £	1994 £
Fixed assets				
Tangible assets	6		915,000	915,000
Current assets				
Debtors: due after one year	7	125,000	-	-
Debtors: due within one year	7	606,752	421,500	
		<u>731,752</u>	<u>421,500</u>	
Creditors: amounts falling due within one year	8	(711,692)	(33,263)	
Net current assets			<u>20,060</u>	<u>388,237</u>
Net assets			<u>935,060</u>	<u>1,303,237</u>
Capital and reserves				
Called up share capital	9		200	200
Revaluation reserve	10		904,875	904,875
Profit and loss account			<u>29,985</u>	<u>398,162</u>
	11		<u>935,060</u>	<u>1,303,237</u>

These financial statements were approved by the board of directors and signed on their behalf on 15 September 1995 by:



G Layton
Director

The notes on pages 8 to 11 form part of these financial statements.

Smalton Investments Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules, adjusted for the revaluation of the freehold property, and on a going concern basis.

Turnover

Turnover represents income derived from property held as an investment.

Freehold properties

Freehold properties which are held on a long-term basis are regarded as investment properties and, in accordance with Statement of Standard Accounting Practice 19, are stated in the accounts at directors' valuation based on open market value. Surpluses and deficits on revaluation are taken to the revaluation reserve. On disposal the excess of sale proceeds over valuation is treated as the surplus on sale with a transfer of the related revaluation surplus from the revaluation reserve to the profit and loss account.

Depreciation of freehold properties

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of freehold investment properties. This may be a departure from the treatment of the Companies Act concerning the depreciation of fixed assets. However, the properties concerned are not held for consumption but for investment, and the directors consider that systematic annual depreciation would be inappropriate and that the accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Deferred taxation

Provision for deferred taxation is made, using the liability method, at the appropriate rates of taxation on timing differences to the extent that it is considered that such taxation liabilities may crystallise in the foreseeable future.

No provision for deferred taxation is made in respect of surpluses on revaluation of properties as disposal is not foreseen.

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.

2 Auditors' remuneration

The auditors' remuneration is borne by the holding company.

Smalton Investments Limited

Notes (continued)

3 Directors' and employees' emoluments

Neither of the directors received any emoluments from the company during the period (1994: nil).

There were no employees during the period (1994: nil).

4 Taxation

Taxation is based on the profit for the period at a rate of 33% (1994: 33%) and relates wholly to UK corporation tax for the current period.

A capital gains tax loss of £16,472 (1994:£16,472) is available for carry forward against future capital profits.

The potential amount of deferred tax on the revalued property, after offset of the capital gains tax loss, for which no provision has been made is £293,173 (1994:£293,173).

5 Dividends

	1995	1994
	£	£
On ordinary shares for the period to 31 March 1995:		
Final dividend, net of advance corporation tax - proposed	500,000	-

6 Tangible assets

	Freehold property £
<i>Valuation</i>	
At 25 March 1994 and 31 March 1995	915,000
<i>Net book value</i>	
At 25 March 1995 and 31 March 1995	915,000

The historic cost of investment properties at valuation at 31 March 1995 is £10,125 (1994:£10,125).

The investment property at valuation has been valued at 25 March 1994 on the basis of open market value for existing use by qualified members of The Royal Institute of Chartered Surveyors who are employed by the holding company.

If the freehold building had been depreciated over sixty years, in each case using the values at which they are stated in the accounts, an additional charge of £15,250 (1994:£15,250) would have been required in the period.

Smalton Investments Limited

Notes (continued)

7 Debtors

	1995 £	1994 £
Debtors: due within one year		
Trade debtors	-	551
Amounts owed by group company	507,221	338,582
Prepayments and accrued income	99,531	82,367
	<u>606,752</u>	<u>421,500</u>
Debtors: due after one year		
ACT recoverable on dividends	125,000	-
	<u>125,000</u>	<u>-</u>

8 Creditors: amounts falling due within one year

	1995 £	1994 £
Trade creditors	4,894	5,369
Amounts owed to group company	164	-
Corporation tax payable	64,927	27,812
Other taxation	16,707	82
ACT payable	125,000	-
Proposed dividend	500,000	-
	<u>711,692</u>	<u>33,263</u>

9 Share capital

	1995 £	1994 £
<i>Authorised, allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100
100 deferred ordinary shares of £1 each	100	100
	<u>200</u>	<u>200</u>

Smalton Investments Limited

Notes (continued)

10 Revaluation reserve

	£
Balance at 25 March 1994 and at 31 March 1995	<u>904,875</u>

11 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial period	131,823	56,466
Dividends	(500,000)	-
	<u>(368,177)</u>	<u>54,466</u>
Other recognised losses relating to the period	-	(247,000)
	<u>(368,177)</u>	<u>(190,534)</u>
Net (reduction in) shareholder's funds	1,303,237	1,493,771
Opening shareholders' funds	<u>935,060</u>	<u>1,303,237</u>
Closing shareholder's funds		

12 Contingent liabilities

Under a group registration the company is jointly and severally liable for Value Added Tax due by other group companies. At 31 March 1995 this contingent liability amounted to £1,988,076 (1994:£1,956,271).

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary of National Car Parks Limited, a company registered in England.

The largest group in which the results of the company are consolidated is that headed by National Parking Corporation Limited, the ultimate parent company, which is registered in England. The smallest group in which they are consolidated is National Car Parks Limited. Group accounts for these companies can be obtained from 21 Bryanston Street, London W1A 4NH.