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HOULTS HOLDINGS LIMITED

31 March 1986

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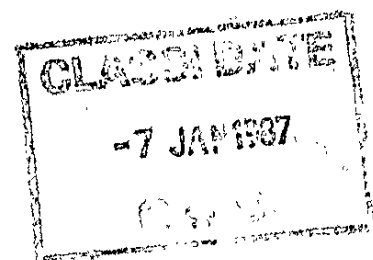
COMPANIES REGISTRATION
27 DEC 1986
OFFICE

Price Waterhouse



HOULTS HOLDINGS LIMITED

31 March 1986



HOULTS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 1986

The directors present their report and the audited accounts for the year ended 31 March 1986.

REVIEW OF THE BUSINESS

The company acts as a holding company for a number of companies whose principal activities during the year were the provision of storage services and the holding and letting of property.

RESULTS AND DIVIDEND

The results for the year are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend on the company's ordinary shares. A preference dividend of £2,500 was paid during the year ended 31 March 1986.

DIRECTORS

The following directors served throughout the year:

FW Hoult (Chairman)
Mrs B Hoult
Mrs PA Hoult

The company's articles of association do not require any of the directors to retire.

DIRECTORS' INTERESTS

The interests of the directors in the Ordinary Shares of £1 of the company were as follows:

	<u>31 March 1986</u>	<u>31 March 1985</u>
FW Hoult	70,213	70,213
Mrs B Hoult	4,000	4,000
Mrs PA Hoult		

In addition to the beneficial interests noted above, the directors had the following non-beneficial interests as trustees:

	<u>31 March 1986</u>	<u>31 March 1985</u>
FW Hoult and Mrs PA Hoult	9,787	9,787
Mrs PA Hoult	16,000	16,000

None of the directors had any interest in the 10% Redeemable Convertible Preferred Ordinary Shares of £1 at either 31 March 1986 or 31 March 1985.

HOULTS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 1986 - (continued)

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets during the year are set out in note 7 to the accounts.

AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to continue in office and resolutions to re-appoint them and to authorise the directors to fix their remuneration will be proposed at the annual general meeting.

By Order of the Board

FW HOULT

Chairman

12 November 1986

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF HOULTS HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 13 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 1986 and of the loss and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

PRICE WATERHOUSE

Chartered Accountants

12 November 1986

HOULTS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1986

	Notes	1986	1985
TURNOVER	1 (c)	174,639	157,575
Cost of sales		(137,116)	(107,431)
GROSS PROFIT		37,523	50,144
Administrative expenses		(112,138)	(67,780)
Amount written off investment		-	(10,100)
Other operating income		3,148	23,672
OPERATING LOSS		(71,467)	(4,064)
Income from fixed assets investments		2,318	933
Amounts written off quoted investments		-	(1,750)
Interest payable		(2,051)	(200)
Interest receivable		32,203	28,584
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(38,997)	23,503
TAXATION	4	15,951	(12,180)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(23,046)	11,323
EXTRAORDINARY INCOME	5	23,493	-
PROFIT FOR THE FINANCIAL YEAR		447	11,323
DIVIDEND	6	(2,500)	(2,500)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR SET ASIDE TO RESERVES	15	£(2,053)	£8,823

HOULTS HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET - 31 MARCH 1986

	Notes	1986	1985
FIXED ASSETS			
Tangible assets	1(a) & 7	285,621	330,567
Investments	1(d) & 8	<u>398,449</u>	<u>42,506</u>
		684,070	373,073
CURRENT ASSETS			
Investments	9	57,583	55,000
Debtors	10	91,321	113,347
Cash at bank and in hand		<u>160,188</u>	<u>255,049</u>
		309,092	423,396
CREDITORS (amounts falling due within one year)	11	(404,124)	(203,076)
NET CURRENT (LIABILITIES)/ASSETS		(95,032)	220,318
TOTAL ASSETS LESS CURRENT LIABILITIES		589,038	593,391
PROVISIONS FOR LIABILITIES AND CHARGES	13	(629)	(2,929)
		<u>£588,409</u>	<u>£590,462</u>
CAPITAL AND RESERVES			
Called up share capital	14	125,000	125,000
Capital reserve		286,157	286,157
Profit and loss account	15	<u>177,252</u>	<u>179,305</u>
		<u>£588,409</u>	<u>£590,462</u>

HOULTS HOLDINGS LIMITED

BALANCE SHEET - 31 MARCH 1986

	Notes	1986	1985
FIXED ASSETS			
Investments	8	577,595	577,595
CURRENT ASSETS			
Debtors	10	25,215	27,040
CREDITORS (amounts falling due within one year)	11	(55,464)	(54,426)
NET CURRENT LIABILITIES		(30,249)	(27,386)
TOTAL ASSETS LESS CURRENT LIABILITIES		547,346	550,209
CREDITORS (amounts falling due after more than one year)	12	(360,818)	(360,818)
		<u>£186,528</u>	<u>£189,391</u>
CAPITAL AND RESERVES			
Called up share capital	14	125,000	125,000
Profit and loss account	15	<u>61,528</u>	<u>64,391</u>
		<u>£186,528</u>	<u>£189,391</u>

The financial statements on pages 4 to 13 were approved by the directors on 12 November 1986 and are signed on their behalf by:

FW HOULT) Directors
MRS PA HOULT)

FW HOULT

HOULTS HOLDINGS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 MARCH 1986

	1986	1985
SOURCE OF FUNDS		
(Loss)/profit before taxation	(38,997)	23,303
Adjustment of items not involving the movement of funds:		
Depreciation	17,021	16,394
Loss/(profit) on sale of tangible fixed assets	1,563	(3,478)
Profit on sale of investments	(631)	(1,900)
Amounts written off investments	-	<u>11,850</u>
FUNDS (ABSORBED BY)/GENERATED FROM OPERATIONS	(21,044)	46,369
FUNDS FROM OTHER SOURCES		
Tax recovered	4,500	-
Proceeds from sale of tangible fixed assets	-	7,166
Proceeds from sale of investments	56,400	6,500
Proceeds from sale of freehold property*	<u>56,410</u>	-
	117,310	13,666
APPLICATION OF FUNDS		
Purchase of fixed assets	(334,705)	(38,233)
Purchase of quoted investments	(28,212)	(48,856)
Purchase of unquoted investments	(57,583)	(65,100)
Tax paid	(9,612)	(19,582)
Preference dividend paid	<u>(2,500)</u>	<u>(2,500)</u>
	(432,612)	(174,271)
	(336,346)	(114,236)
DECREASE/(INCREASE) IN WORKING CAPITAL		
Debtors	22,263	(16,932)
Creditors	<u>252,513</u>	<u>(46,575)</u>
	274,776	(63,507)
DECREASE IN NET LIQUID FUNDS	<u>£(61,570)</u>	<u>£(177,743)</u>
*SALE OF FREEHOLD PROPERTY		
Book value of property	32,567	-
Profit on sale before taxation	<u>23,843</u>	-
Sales proceeds net of selling expenses	<u>£56,410</u>	<u>£ -</u>

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986

1 ACCOUNTING POLICIES

The accounting policies followed for items which are judged material or critical in determining the results for the year and in stating the financial position are set out below.

(a) Tangible assets

Freehold property is stated at cost. Depreciation is charged on a straight line basis so as to write off the cost of the assets over their estimated useful lives using the following rates per annum:

Freehold property	2%
Motor vehicles	20%
Furniture and equipment	20%

(b) Deferred taxation

Provision is made on the liability basis only if a deferred taxation liability is likely to become payable in the foreseeable future.

(c) Turnover

Turnover represents rents receivable for the year and the invoiced value of services provided, exclusive of value added tax.

(d) Investments

Investments are stated at cost, except where, in the opinion of the Directors, there is a permanent impairment in value.

2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1986</u>	<u>1985</u>
Staff costs:	65,668	41,215
Wages and salaries	5,607	3,620
Social security costs	2,436	700
Other pension costs	17,021	16,394
Depreciation	1,563	(3,478)
Loss/(profit) on sale of tangible fixed assets	(631)	(1,900)
(Profit) on sale of investments	2,420	3,250
Auditors' remuneration	282	83
Hire of plant and equipment	1,693	200
Interest on borrowings wholly repayable within five years	(1,260)	-
Service charge receivable		

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986 (continued)

3 DIRECTORS' EMOLUMENTS

The remuneration of the directors, excluding company pension contributions but including benefits in kind, totalled £50,518 (1985 - £16,112) and was distributed as follows:

	1986	1985
Chairman and highest paid director	32,721	17,421
up to £5,000	-	1
£5,001 - £10,000	1	1
£10,001 - £15,000	1	-

4 TAXATION

The taxation credit/(charge) for the year on ordinary activities comprises:

	1986	1985
Current year:	(250)	(7,900)
Corporation tax payable	2,300	(4,000)
Deferred taxation	(695)	(280)
Tax credit on franked investment income	14,596	-
Prior year adjustment:		
Corporation tax		
	<u>£15,951</u>	<u>£(12,180)</u>

5 EXTRAORDINARY INCOME

Profit on sale of freehold properties

Less: Attributable taxation

	1986	1985
Profit on sale of freehold properties	23,843	-
Less: Attributable taxation	(350)	-
	<u>£23,493</u>	<u>£ -</u>

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986 (continued)

6 DIVIDEND

Dividend paid on 10% redeemable convertible preferred ordinary shares

<u>1986</u>	<u>1985</u>
<u>£2,500</u>	<u>£2,500</u>

7 TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Motor vehicles</u>	<u>Furniture and equipment</u>	<u>Total</u>
<u>Cost</u>				
At 1 April 1985	329,932	47,637	18,796	396,365
Additions	6,205	-	-	6,205
Disposals	(36,390)	(5,294)	-	(41,684)
At 31 March 1986	<u>299,747</u>	<u>42,343</u>	<u>18,796</u>	<u>360,886</u>
<u>Depreciation</u>				
At 1 April 1985	42,692	14,062	9,044	65,798
Charge for the year	5,995	8,021	3,005	17,021
Disposals	(3,823)	(3,731)	-	(7,554)
At 31 March 1986	<u>44,864</u>	<u>18,352</u>	<u>12,049</u>	<u>75,265</u>
<u>Net book amount</u>				
At 31 March 1986	<u>£254,883</u>	<u>£23,991</u>	<u>£6,747</u>	<u>£285,621</u>
At 31 March 1985	<u>£287,240</u>	<u>£33,575</u>	<u>£9,752</u>	<u>£330,567</u>

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986 (continued)

8 INVESTMENTS

	1986	Group 1985	1986	Company 1985
Shares in subsidiary companies at cost	-	-	577,595	577,595
Interest in farming activity	328,500	-	-	-
Other quoted investments	69,949	42,506	-	-
	<u>£398,449</u>	<u>£42,506</u>	<u>£577,595</u>	<u>£577,595</u>
Market value of quoted investments	<u>£80,490</u>	<u>£42,150</u>		

A liability of £3,200 (1985 - £100) to corporation tax on capital gains would arise if the quoted investments were to be sold at their market value.

The company's subsidiary companies, all of which are wholly-owned and incorporated in Great Britain, are as follows:

Hoults Limited
Hoults Estates Limited
Hoults (London) Limited

9 CURRENT ASSET INVESTMENTS

	1986	Group 1985
Cost of investments	57,583	65,100
Amount written off	-	(10,100)
	<u>£57,583</u>	<u>£55,000</u>

Current year investments represent the cost of tax deposit certificates held.

10 DEBTORS

	1986	Group 1985	1986	Company 1985
Trade debtors	50,321	71,746	-	-
Amounts owed by group companies	-	-	24,144	25,969
Taxation recoverable	11,071	3,400	1,071	1,071
Prepayments and accrued income	5,654	8,670	-	-
Other debtors	24,275	29,531	-	-
	<u>£91,321</u>	<u>£113,347</u>	<u>£25,215</u>	<u>£27,040</u>

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986 (continued)

11 CREDITORS (amounts falling due within one year)

	1986	Group 1985	1986	Company 1985
Bank overdraft	-	33,291	-	-
Trade creditors	22,811	4,815	-	-
Amounts owed to group companies	-	-	52,822	51,530
Accruals and deferred income	9,538	44,791	500	1,825
Corporation tax	11,199	29,375	2,142	1,071
Development land tax	56,139	-	-	-
Director's current account	70	-	-	-
Other taxation and social security	5,012	69,987	-	-
Amounts due in respect of fixed asset investments	295,650	-	-	-
Other creditors	3,705	20,819	-	-
	<u>£404,124</u>	<u>£203,078</u>	<u>£55,464</u>	<u>£54,426</u>

The group's bank borrowings are secured by fixed and floating charges over its assets. The company has entered into a cross-guarantee in respect of bank borrowings by other group companies which at 31 March 1986 amounted to £Nil (1985 Nil).

12 CREDITORS (amounts falling due after more than one year)

	1986	Group 1985	1986	Company 1985
Loan from subsidiary company	£ -	£ -	£360,818	£360,818

The loan from a subsidiary company is interest-free and is repayable at a date to be mutually agreed, subject to a minimum of twelve months' notice being given by the subsidiary company.

13 PROVISIONS FOR LIABILITIES AND CHARGES

The amount provided and the potential liability for deferred taxation not provided in respect of the group are as follows:

	1986 Provided	1986 Potential liability	1985 Provided	1985 Potential liability
Accelerated capital allowances and short term timing differences	1,700	2,450	2,500	3,300
Taxation arising on surplus on property revaluation in the subsidiaries	-	52,500	1,500	44,500
ACT recoverable	(1,071)	-	(1,071)	-
	<u>£629</u>	<u>£54,950</u>	<u>£2,929</u>	<u>£47,800</u>

The company had no liability for deferred taxation at either 31 March 1986 or 31 March 1985.

At 31 March 1986 unutilised tax losses available to the group to carry forward and offset against future trading profits amounted to approximately £70,000 (1985 £70,000).

HOULTS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1986 (continued)

14 CALLED UP SHARE CAPITAL

	1986 and 1985
	Authorised and fully paid

10% redeemable convertible preferred ordinary shares of £1
Ordinary shares of £1

25,000	25,000
<u>125,000</u>	<u>100,000</u>
£150,000	£125,000

Whilst the 10% redeemable convertible preferred ordinary shares were to be redeemed at par on 13 November 1988 or on the death of Mr FW Houlst if earlier, a change to the Articles of Association occurred on 1 July 1986 permitting the early redemption of these shares as a result of which they were redeemed on 1 July 1986 at a value of £50,000.

15 PROFIT AND LOSS ACCOUNT

At 1 April 1985
Retained loss for the financial year
At 31 March 1986

Group	Company
179,305	64,391
<u>(2,053)</u>	<u>(2,863)</u>
£177,252	£61,528

The holding company has not presented its own profit and loss account as permitted by Section 228(7) of the Companies Act 1985. The company's loss after taxation was £500 (1985 - loss £424).

16 EMPLOYEES

The average number of persons employed by the group during the year was 14 (1985 - 11).