

LEOWELL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
25TH MARCH 1998

Company number 1612740



LEOWELL LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 25TH MARCH 1998

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LEOWELL LIMITED

DIRECTORS REPORT

YEAR ENDED 25TH MARCH 1998

The directors present their annual report together with the audited financial statements for the year ended 25th March 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property trading and development.

RESULTS FOR THE YEAR

The profit for the year after taxation was £71,186 (1997 : profit £143,800).

DIVIDENDS

The directors recommend that no dividend be paid.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as follows:

R A Nadler

N K Ross

A I Jaye (appointed 18th July 1997)

B I Leaver (appointed 27th January 1998)

None of the directors held any interest in the shares of the company.

Details of the directors interests in the shares of the ultimate parent company are given in the directors report of that company.

LEOWELL LIMITED

DIRECTORS REPORT

YEAR ENDED 25TH MARCH 1998

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 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 which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

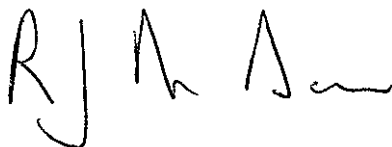
YEAR 2000

The Directors of the ultimate holding company (Compco Holdings PLC) have implemented a programme of measures to deal with the potential problems for this company and other Compco Group companies arising from the date change to the year 2000. Details are set out in the Directors' Report of Compco Holdings PLC.

AUDITORS

Hays Allan have expressed their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 1985.

BY ORDER OF THE BOARD



R J De Barr
Secretary

Registered office:
1 De Walden Court
85 New Cavendish Street
London W1M 7RA

22nd June 1998

**AUDITORS' REPORT TO THE MEMBERS OF
LEOWELL LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 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.

GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements and, in particular, note 1 concerning the ability of the company to continue as a going concern. Our opinion is not qualified in this respect.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 25th March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hays Allan
Chartered Accountants
Registered Auditors**

**Southampton House
317 High Holborn
London
WC1V 7NL**

22nd June 1998

LEOWELL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 25TH MARCH 1998

	Note	1998		1997	
		£	£	£	£
RENTAL INCOME			35,311		33,575
Property expenses			(22,875)		(5,629)
NET INCOME FROM PROPERTY			12,436		27,946
Administration expenses		(7,690)		(15,714)	
Profit on property trading		104,202		193,502	
			96,512		177,788
OPERATING PROFIT			108,948		205,734
Interest receivable			-		3,711
Interest payable	2		(2,762)		-
			(2,762)		3,711
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			106,186		209,445
Taxation on profit on ordinary activities	3		(35,000)		(65,645)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			71,186		143,800

All rental income and operating profits are derived from continuing activities

All recognised gains and losses have been included in the profit and loss account.

LEOWELL LIMITED

BALANCE SHEET

AT 25TH MARCH 1998

	Note	1998		1997	
		£	£	£	£
CURRENT ASSETS					
Stocks	4	213,484		77,174	
Debtors - amounts due within one year	5	435,537		489,479	
		<u>649,021</u>		<u>566,653</u>	
CREDITORS: Amounts falling due within one year					
	6	(1,368,382)		(1,357,200)	
NET CURRENT LIABILITIES			<u>(719,361)</u>		<u>(790,547)</u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account - deficit	8		(719,461)		(790,647)
Equity shareholders funds			<u>(719,361)</u>		<u>(790,547)</u>

Approved by the board of directors on 22nd June 1998 and signed on its behalf by

R A Nadler - director

N K Ross - director

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 25TH MARCH 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis on the assumption that the company will continue to be supported by its ultimate parent undertaking.

1.2 Stocks of properties

Stocks of properties are valued at the lower of cost and net realisable value. Property acquisitions and disposals are accounted for when legally binding contracts which are irrevocable and unconditional are exchanged.

1.3 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.4 Turnover

Turnover represents the invoiced amount of good sold and services provided during the year, stated net of value added tax.

2. INTEREST PAYABLE

	1998 £	1997 £
Other interest	2,762	-
	<hr/>	<hr/>

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
UK corporation tax	35,000	70,000
Adjustment in respect of prior years	-	(4,355)
	<hr/>	<hr/>
	35,000	65,645
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 25TH MARCH 1998

4. STOCKS

	1998	1997
	£	£
Stock of properties	213,484	77,174

5. DEBTORS : Amounts due within one year

	1998	1997
	£	£
Amounts due from group undertakings	430,327	489,479
Other debtors	5,210	-
	435,537	489,479

6. CREDITORS: Amounts falling due within one year

	1998	1997
	£	£
Bank overdrafts	4,556	220
Amounts due to group undertakings	1,299,392	1,256,480
Other creditors	3,434	30,500
Corporation tax	35,000	70,000
Accruals and deferred income	26,000	-
	1,368,382	1,357,200

7. SHARE CAPITAL

	1998	1997
	£	£
Authorised:		
Ordinary shares of £1.00 each	100	100
Issued, allotted and fully paid:		
Ordinary shares of £1.00 each	100	100

LEOWELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 25TH MARCH 1998

8. PROFIT AND LOSS ACCOUNT

	£
26th March 1997 - deficit	(790,647)
Retained profit for the year	71,186
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25th March 1998 - deficit	(719,461)
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9. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Compeco Holdings PLC which is registered in Scotland.

Group financial statements for the ultimate parent undertaking are available to the public from Companies Registration Office, 102 George Street, Edinburgh, EH2 3DJ on payment of the appropriate fee.