



BDO Binder Hamlyn  
Chartered Accountants

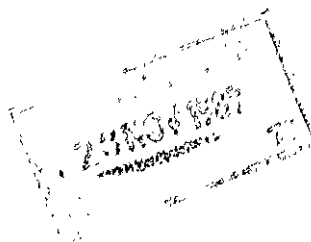
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SWINTON PROPERTIES LIMITED

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1988



INTERNATIONALLY  
**BDO**  
BINDER

Ayr Bacup Bath Belfast Birmingham Bradford Bristol  
Bury St Edmunds Cardiff Croydon Dublin Edinburgh  
Enniskillen Glasgow Harrogate Leamington Spa Leeds  
London Manchester Newbury Newcastle Newmarket  
Norwich Nottingham Poole Reading Rochdale St Albans  
Saltcoats Stockton-on-Tees Stoke-on-Trent Stranmillis  
Telford Wolverhampton Wrexham Isle of Man

SWINTON PROPERTIES LIMITED

Directors: K Scowcroft  
B K Scowcroft  
Mrs J Scowcroft  
Miss J Scowcroft  
K Needham  
A W Goddard

Secretary: G L Inskip

Registered office: 31/33 Princess Street  
Manchester M2 4EW

Auditors: BDO Binder Hamlyn  
Scottish Provident House  
52 Brown Street  
Manchester M2 2AU

Solicitors: Janet Scowcroft & Co.  
31/33 Princess Street  
Manchester M2 4EW

Registered number: 1093474 England

# SWINTON PROPERTIES LIMITED

## REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company for the year ended 30 September 1988.

### BUSINESS REVIEW

The principal activity of the company continued to be property investment until it ceased to trade on 31 May 1983, at this time the trade and all trading assets and liabilities were transferred to a group company, Swinton Services Limited.

### RESULTS AND DIVIDEND

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend.

### FIXED ASSETS

The changes in fixed assets during the year are set out in note 8 on page 10 to the financial statements.

### DIRECTORS

The members of the board during the year were:

K Scowcroft  
B K Scowcroft  
Mrs J Scowcroft  
Miss J Scowcroft  
K Needham  
A W Goddard

The interests of the directors in the shares of the company were as follows:

K Scowcroft, B K Scowcroft and Miss J Scowcroft are directors of the ultimate holding company, Swinton (Holdings) Limited, and their shareholdings are shown in the financial statements of that company.

Mrs J Scowcroft and Mrs K Needham had the following interests in the shares of the ultimate holding company, Swinton (Holdings) Limited:

	Number of ordinary shares held at 30 September 1988	1 October 1987
Mrs J Scowcroft	50,560	5,056
K Needham	3,516,401	412,488

A W Goddard's interest in the shares of other group companies was:

	30 September 1988	1 October 1987
Swinton House Securities Limited	-	506

SWINTON PROPERTIES LIMITED

REPORT OF THE DIRECTORS

TAXATION STATUS

In the opinion of the directors, the company is a "close" company as defined by the Income and Corporation Taxes Act, 1988.

AUDITORS

Binder Hamlyn changed their name on 12 September 1988 to BDO Binder Hamlyn and have accordingly signed their report in their new name. A resolution to re-appoint BDO Binder Hamlyn as auditors will be put to the members at the Annual General Meeting.

By Order of the Board

G L INSKIP

Secretary

17 April 1989





BDO Binder Hamlyn  
Chartered Accountants

Scottish Provident House 52 Brown Street  
Manchester M2 2BJ

REPORT OF THE AUDITORS TO THE MEMBERS OF  
SWINTON PROPERTIES LIMITED

We have audited the financial statements set out on pages 5 to 12 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared on the basis of the accounting policies set out on page 8 give a true and fair view of the state of the company's affairs at 30 September 1988 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

*30 3.2. 1989*

BDO BINDER HAMLYN

Chartered Accountants

17 April 1989

SWINTON PROPERTIES LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
TURNOVER	2	352,305	392,037
Administrative expenses		(117,746)	(176,919)
Other operating income		291	1,283
		<hr/>	<hr/>
OPERATING PROFIT	3	234,850	216,401
Interest receivable	5	2,107	9,420
Interest payable	6	(33,151)	(311,029)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		203,806	(85,208)
Tax on profit/(loss) on ordinary activities	7	(74,055)	21,798
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		129,751	(63,410)
RETAINED LOSS BROUGHT FORWARD		(98,515)	(41,575)
Transfer from revaluation reserve	15	582,173	3,470
Transfer from investment property revaluation reserve	15	7,500	3,000
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) CARRIED FORWARD		£620,909 =====	£(98,515) =====

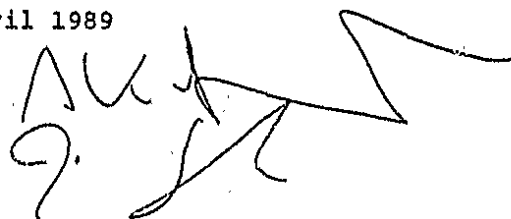
SWINTON PROPERTIES LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	3,621,306
<b>CURRENT ASSETS</b>			
Debtors	9	920,909	47,292
Investments	10	-	14
Cash at bank and in hand		-	71,195
		920,909	118,501
<b>CREDITORS: Amounts falling due within one year</b>	11	-	(2,868,470)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		920,909	(2,749,969)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		920,909	871,337
<b>CREDITORS: Amounts falling due after more than one year</b>	12	-	(78,900)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	-	(1,279)
		£ 920,909	£ 791,158
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	300,000	300,000
Revaluation reserve	15	-	582,173
Investment property revaluation reserve	15	-	7,500
Profit and loss account		620,909	(98,515)
		£ 920,909	£ 791,158

Approved by the board on 17 April 1989

E K SCOWCROFT )  
 ) Directors  
 J SCOWCROFT )



# SWINTON PROPERTIES LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 SEPTEMBER 1988

	1988 £	1987 £
<b>SOURCE OF FUNDS</b>		
Profit/(loss) on ordinary activities before taxation	203,806	(85,208)
Adjustment for items not involving the movement of funds:		
Depreciation	4,814	4,905
Profit on disposal of tangible fixed assets	(291)	(1,168)
<b>TOTAL GENERATED/(ABSORBED) BY OPERATIONS</b>	<b>208,329</b>	<b>(81,471)</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds of disposal of tangible fixed assets	3,949,919	80,900
Group loss relief received	-	23,077
Taxation repaid	-	6,869
	<b>4,158,248</b>	<b>29,375</b>
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	(333,136)	(353,803)
Repayment of bank loan	(556,527)	(129,999)
Taxation paid	(23,444)	(2,307)
Mortgages repaid	(80,866)	(2,198)
Group loss relief paid	(52,584)	(25,754)
	<b>£3,111,691</b>	<b>£(484,686)</b>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
Debtors	873,617	13,670
Investments	(14)	(5,330)
Creditors	2,309,283	(594,224)
Movement in net liquid funds:		
Cash at bank and in hand	(71,195)	69,774
Bank overdraft	-	31,424
	<b>£3,111,691</b>	<b>£(484,686)</b>



# SWINTON PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1988

### 1. ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets.

#### Depreciation

Freehold and long leasehold properties, the majority of which are operated as retail outlets within the group, are maintained to a very high standard. As a result, the directors are of the opinion that the residual values are such that depreciation is not significant. Accordingly, freehold and long leasehold properties are not depreciated.

Depreciation is provided so as to write off the cost of all other tangible fixed assets over their expected useful economic lives, which are estimated to be:

Office equipment and furniture	- 7 years
Motor vehicles	- 5 years

#### Investment properties

Fixed asset investment properties are stated at their open market value and, in accordance with Statement of Standard Accounting Practice No. 19, are not depreciated. Where the requirements of SSAP 19 conflict with those of the Companies Act 1985, SSAP 19 has been followed as the directors believe this is necessary in order to present a true and fair view. Changes in valuation of investment properties are reflected as movements on the investment property revaluation reserve.

Properties which are partially occupied by group companies are regarded as investment properties where the proportion so occupied is not greater than 15% of the total property.

#### Deferred taxation

Deferred taxation is provided using the liability method to the extent that the directors consider that a liability will arise in the foreseeable future.

### 2. TURNOVER

Turnover comprises the net of property, chief and ground rents receivable.

	<u>1988</u>	<u>1987</u>
	£	£
Group rents	248,623	242,954
External rents	101,317	145,536
Chief and ground rents	2,365	3,547
	<hr/>	<hr/>
	£352,305	£392,037
	=====	=====

SWINTON PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1988

3.	OPERATING PROFIT	<u>1988</u>	<u>1987</u>
		£	£
	Operating profit is stated after charging:		
	Depreciation	4,814	4,905
	Auditors' remuneration	2,300	4,367
	Management charges	-	4,000
		=====	=====
	and after crediting:		
	Profit on disposal of tangible fixed assets	291	1,168
	Profit on disposal of listed investments	-	115
		=====	=====
4.	STAFF COSTS		
	Wages and salaries	66,912	70,712
	Social security costs	6,594	7,254
	Other pension costs	1,996	-
		=====	=====
		£ 75,502	£ 77,966
		=====	=====

The directors did not receive any remuneration during the year (1987 - £Nil).

The average weekly number of employees during the period to 31 May 1988 was as follows:

	<u>No.</u>	<u>No.</u>
Management	1	1
Operational	7	5
	=====	=====
	8	6
	=====	=====

5.	INTEREST RECEIVABLE	<u>1988</u>	<u>1987</u>
		£	£
	Bank interest	-	7,057
	Other interest	2,107	2,363
		=====	=====
		£ 2,107	£ 9,420
		=====	=====
6.	INTEREST PAYABLE		
	Bank interest	83	46
	Loan interest	29,141	87,193
	Mortgage interest	3,927	10,852
	Group interest payable	-	212,938
		=====	=====
		£33,151	£311,029
		=====	=====

Loan interest and mortgage interest include £Nil (1987 - £76,380) in respect of borrowings repayable after more than five years.

SWINTON PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1988

	1988 £	1987 £
7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES		
The tax charge/(credit) for the year represents:		
Corporation tax at 35% (1987 - 35%)		
on the profit/(loss) for the year	22,271	-
Adjustment in respect of previous years	479	-
Group loss relief	52,584	(23,077)
Deferred tax	(1,279)	1,279
	<hr/>	<hr/>
	£74,055	£(21,798)
	=====	=====

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Office equipment & furniture £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 1987	3,059,509	530,650	6,953	32,269	3,629,381
Additions	314,469	-	18,332	335	333,136
Disposals	(19,651)	(22,000)	-	(6,105)	(47,756)
Intercompany transfers	(3,354,327)	(508,650)	(25,285)	(26,499)	(3,914,761)
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At 30 September 1988	-	-	-	-	-
Depreciation					
At 1 October 1987	-	-	421	7,654	8,075
Charge for the year	-	-	896	3,918	4,814
Disposals	-	-	-	(4,709)	(4,709)
Intercompany transfers	-	-	(1,317)	(6,863)	(8,180)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1988	-	-	-	-	-
Net book value					
At 30 September 1988	£ -	£ -	£ -	£ -	£ -
	=====	=====	=====	=====	=====
At 30 September 1987	£3,059,509	£530,650	£ 6,532	£ 24,615	£3,621,306
	=====	=====	=====	=====	=====

Included in freehold and long leasehold property is investment property which amounted to £Nil (1987 - £49,209).

**SWINTON PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1988**

9. DEBTORS	<u>1988</u> £	<u>1987</u> £
Trade debtors	-	31,170
Amounts due from group companies	920,909	-
Other debtors	-	13,179
Prepayments and accrued income	-	2,943
	<hr/>	<hr/>
	£920,909	£ 47,292
	=====	=====

Included in other debtors is £Nil (1987 - £5,000) which is due more than one year after the balance sheet date.

10. CURRENT ASSET INVESTMENTS

Short term bank deposits	£ -	£ 14
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Mortgages	-	1,966
Bank loans	-	556,527
Trade creditors	-	22,253
Amounts due to group companies	-	2,189,980
Corporation tax	-	694
Other creditors including taxation and social security	-	1,280
Accruals and deferred income	-	95,770
	<hr/>	<hr/>
	£ -	£2,868,470
	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Mortgages	£ -	£ 78,900
	=====	=====

13. DEFERRED TAXATION

Deferred taxation represents:

	<u>Potential liability</u>		<u>Provided in the financial statements</u>	
	<u>1988</u> £	<u>1987</u> £	<u>1988</u> £	<u>1987</u> £
Accelerated capital allowances	-	1,279	-	1,279
Surplus on revaluation of tangible fixed assets	-	279,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ -	£280,279	£ -	£1,279
	=====	=====	=====	=====

# SWINTON PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1988

	1988 £	1987 £
14. SHARE CAPITAL		
Authorised		
500,000 ordinary shares of £1 each	£ 500,000	£ 500,000
Issued and fully paid		
300,000 ordinary shares of £1 each	£ 300,000	£ 300,000
15. REVALUATION RESERVES		
	Revaluation reserve £	Investment property revaluation reserve £
At 1 October 1987	582,173	7,500
Transfer to profit and loss account on disposal of properties	(582,173)	(7,500)
At 30 September 1988	£ -	£ -
16. PENSION COMMITMENTS		
Until its cessation of trade, the company operated a non-contributory pension scheme covering the majority of its permanent employees. The scheme's funds were administered independently of the company's finances by trustees. The company's contributions were charged to the profit and loss account in the year in which contributions were made and are disclosed in note 4.		
17. ULTIMATE HOLDING COMPANY		
The ultimate holding company is Swinton (Holdings) Limited, a company incorporated in England and Wales.		