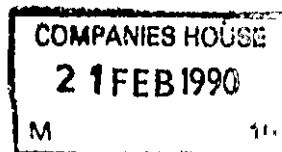


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WINDSOR PROPERTIES LIMITED  
REPORT AND FINANCIAL STATEMENTS  
Year ended 30 September 1989



Touche Ross & Co.,  
Kensington House,  
136 Suffolk Street Queensway,  
Birmingham.  
B1 1LL

WINDSOR PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and the audited financial statements for the year ended 30 September 1989.

1. ACTIVITIES AND FUTURE PROSPECTS

The company's principal activity is the provision of management services to other group companies. These activities are expected to continue for the foreseeable future.

2. REVIEW OF DEVELOPMENTS

The financial results for the year ended 30 September 1989 are noted on page 3 of the financial statements. A dividend of £9,894 has been paid during the year. After dividends, £12,300 has been transferred from reserves.

3. DIRECTORS

The directors who served during the year were as follows:

D.R. Baker  
R.N. Cullen  
R.J. Wells

4. DIRECTORS' INTERESTS

None of the directors held any interests in the shares of the company, or its fellow subsidiaries, at the beginning or end of the year. The shares held in this company's ultimate holding company, Windsor PLC, by R.J. Wells and R.N. Cullen are disclosed in that company's annual report. D.R. Baker had options granted to him over 10,000 Windsor PLC shares at 62p per share on 16 December 1987 and over 5,000 shares at 46p per share on 25 January 1989.

5. FIXED ASSETS

During the year fixed assets of various subsidiary companies have been transferred to the company as part of the continuing rationalisation of the group. The company holds the leases on various properties utilised throughout the group.

6. AUDITORS

A resolution to re-appoint Touche Ross & Co. will be proposed at the Annual General Meeting.

By Order of the Board

  
D.R. BAKER

Secretary

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135 Suffolk Street Queensway  
Birmingham B1 1LL  
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Telecopier (Gp. 3): 021 631 4512

 **Touche Ross**

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

of

WINDSOR PROPERTIES LIMITED

We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1989 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 January 1990.

Touche Ross & Co

Aberdeen, Birmingham, Bracknell, Bristol, Cardiff, Crawley, Dartford, Exeter, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Newport and Swansea

Principal place of business at which a list of partners' names is available  
Hill House, 1 Little New Street, London EC4A 3TR

Authorised by the Institute of Chartered Accountants in England and Wales  
to carry on investment business

WINDSOR PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 September 1989

	Note	1989 £	1988 £
Turnover	2	70,000	16,854
Administrative expenses		(71,188)	(15,933)
(Loss)/profit on ordinary activities before taxation	3	(1,188)	921
Taxation on (loss)/profit on ordinary activities	4	(1,218)	(322)
(Loss)/profit attributable to the members		(2,406)	599
Dividend paid		(9,894)	-
(Deficit)/retained profit		(12,300)	599
Profit and loss account brought forward		12,300	11,701
Profit and loss account carried forward		£ -	£ 12,300

**WINDSOR PROPERTIES LIMITED**  
**BALANCE SHEET - 30 SEPTEMBER 1989**

	Note	1989 £	1988 £
<b>FIXED ASSETS</b>			
Tangible assets	5	168,728	43,771
<b>CURRENT ASSETS</b>			
Debtors	6	104,570	47,374
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>273,198</u>	<u>75,695</u>
<b>NET CURRENT LIABILITIES</b>		<b>(168,628)</b>	<b>(28,321)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>100</b>	<b>15,450</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	8	<u>-</u>	<u>3,050</u>
		<b>£ 100</b>	<b>£ 12,400</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account		<u>-</u>	<u>12,300</u>
		<b>£ 100</b>	<b>£ 12,400</b>

The financial statements were approved by the Board of Directors on 30 January 1990.

R.J. WELLS

R.N. CULLEN

) Directors

WINDSOR PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 30 September 1989

	1989 £	1988 £
<b>SOURCE OF FUNDS</b>		
(Loss)/profit on ordinary activities before taxation	(1,188)	921
Adjustment for items not involving the movement of funds:		
Loss on disposal of fixed assets	18,355	-
Depreciation	52,833	16,010
	<hr/>	<hr/>
Funds generated by operations	70,000	16,931
<b>FUNDS FROM OTHER SOURCES</b>		
Decrease in debtors	-	477,811
Increase in creditors	193,676	-
Sale of tangible fixed assets	64,972	14,302
	<hr/>	<hr/>
	328,648	509,044
	<hr/>	<hr/>
<b>APPLICATION OF FUNDS</b>		
Payment of taxation	441	-
Purchase of tangible fixed assets	261,117	-
Increase in debtors	57,196	-
Decrease in creditors	-	539,346
Payment of dividend	9,894	-
	<hr/>	<hr/>
	328,648	539,346
	<hr/>	<hr/>
Movement (1988 - (Decrease)) in net liquid funds	£ -	£ (30,302)
	<hr/>	<hr/>

(Net liquid funds comprise cash at bank and in hand)

WINDSOR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 1989

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) Fixed assets

The assets are depreciated at the following rates:

Office equipment	25% per annum on written down value
Motor vehicles	25% per annum on written down value
Fixtures and fittings	10% per annum straight line
Computer equipment	20% per annum straight line

(c) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. TURNOVER

Turnover consists of the provision of management services to other group companies.

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:	1989 £	1988 £
Depreciation	52,833	16,010
Loss on sale of fixed assets	18,355	-
Directors' remuneration	-	-
	<hr/>	<hr/>

The company had no employees during the year.

4. TAXATION ON (LOSS)/PROFIT  
ON ORDINARY ACTIVITIES

United Kingdom Corporation Tax at 35% (1988 - 35%)	4,268	707
Deferred taxation	(3,050)	(385)
Taxation charge	<hr/> £ 1,218	<hr/> £ 322

The taxation charge is disproportionate because of losses on disposals of assets which are not allowable for corporation tax purposes.

WINDSOR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 1989

<b>5. TANGIBLE FIXED ASSETS</b>			
	<b>Office equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>COST</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 1988	39,789	19,981	59,770
Transfers from Group Companies	409,995	179,396	589,391
Additions	-	18,295	18,295
Disposals	(270,335)	(99,821)	(370,156)
	<u>179,449</u>	<u>117,851</u>	<u>297,300</u>
<b>DEPRECIATION</b>			
At 1 October 1988	8,642	7,357	15,999
Charge for the year	31,918	20,915	52,833
Transfers from Group Companies	255,906	90,663	346,569
Disposals	(229,696)	(57,133)	(286,829)
	<u>66,770</u>	<u>61,802</u>	<u>128,572</u>
<b>NET BOOK VALUE</b>			
At 30 September 1989	<u>£112,679</u>	<u>£ 56,049</u>	<u>£ 168,728</u>
At 30 September 1988	<u>£ 31,147</u>	<u>£ 12,624</u>	<u>£ 43,771</u>
<b>6. DEBTORS</b>			
		<b>1989</b>	<b>1988</b>
		<b>£</b>	<b>£</b>
Amounts owed by group companies		104,570	20,952
Other debtors		<u>-</u>	<u>26,422</u>
		<u>£ 104,570</u>	<u>£ 47,374</u>
<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Amounts owed to group companies		268,664	74,988
Taxation		4,534	707
		<u>£ 273,198</u>	<u>£ 75,695</u>



WINDSOR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 1989

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation is made up as follows:

	£
Capital allowances in advance of depreciation	
At 1 October 1988	3,050
Release for the year	(3,050)
	<hr/>
At 30 September 1989	£ -
	<hr/>

There is no unprovided deferred taxation.

9. SHARE CAPITAL

	1989 £	1988 £
Authorised:		
Ordinary shares of £1 each	£ 100	£ 100
	<hr/>	<hr/>
Allotted and fully paid:		
Ordinary shares of £1 each	£ 100	£ 100
	<hr/>	<hr/>

10. CAPITAL COMMITMENTS

There were no capital commitments, contracted or authorised by the directors, at either balance sheet date.

11. ULTIMATE HOLDING COMPANY

The ultimate holding company is Windsor PLC which is incorporated in England.