

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Company Registration No. 2048526

**WINDSOR SERVICES LIMITED**

**Report and Financial Statements**

**30 September 1996**

**Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN**





**REPORT AND FINANCIAL STATEMENTS 1996**

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## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 1996.

### **ACTIVITY**

The company's principal activity during the year continued to be the provision of management services to other group companies.

### **RESULTS AND DIVIDENDS**

The results of the company for the year are shown on page 5. The profit before tax for the year amounted to £116,293.

The directors do not recommend the payment of a dividend (1995 - £Nil) . The retained profit for the year of £83,763 has been transferred to reserves.

### **DIRECTORS**

The directors of the company at 30 September 1996, all of whom were directors for the whole of the year, except as noted below, were:

A E Wilson (Chairman)  
 D R Baker  
 C H D Earle (resigned 15 March 1996)

### **DIRECTORS' INTERESTS**

The interests of Mrs A E Wilson in the share capital of the company's ultimate parent company are disclosed in the financial statements of Windsor PLC.

The interests of the other director who was in office at 30 September 1996, in the share capital of Windsor PLC, are as follows:

	30 September 1996		1 October 1995	
	Shares	Options to subscribe for shares	Shares	Options to subscribe for shares
D R Baker	25,000	44,000	25,000	44,000

Except as noted above, no directors had any other interest at any time in the share capital of the company, its parent company or any other group undertaking.

The directors had no interest in any contracts or arrangements with the company during the year.

### **CHARITABLE CONTRIBUTIONS**

During the year the company contributed £2,500 to charitable organisations (1995 - £2,000).


**DIRECTORS' REPORT****FIXED ASSETS**

The significant changes in fixed assets during the year arose from transferring assets from other group companies at net book value.

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

 18 July 1997


A J Bodenham

Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The directors are responsible for maintaining adequate accounting records, safeguarding the assets of the company, preventing and detecting fraud and other irregularities and preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

By order of the Board

  
18 July 1997**D R Baker**

Director



## Chartered Accountants

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2 Colmore Row  
Birmingham B3 2BN

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## AUDITORS' REPORT TO THE MEMBERS OF

### WINDSOR SERVICES LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

#### 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 at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

29 July 1997




**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 1996**

	Note	1996 £	1995 £
<b>Revenue</b>			
Management services		2,377,515	3,860,746
Net interest and investment income	2	(43,776)	(113,934)
		<u>2,333,739</u>	<u>3,746,812</u>
<b>Expenses</b>		(2,217,446)	(3,855,093)
Abortive acquisition costs		-	(107,288)
		<u></u>	<u></u>
<b>Operating profit/(loss) : continuing operations</b>	3	116,293	(215,569)
Tax on profit/(loss) on ordinary activities	6	(32,530)	(107,859)
		<u></u>	<u></u>
<b>Profit/(loss) on ordinary activities after taxation</b>	13	<u>83,763</u>	<u>(323,428)</u>

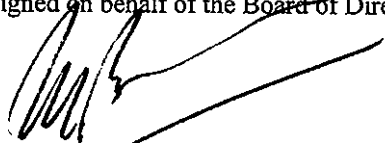
There are no recognised gains and losses other than the profit for the financial year. Accordingly, a statement of recognised gains and losses is not given.

**BALANCE SHEET**  
**30 September 1996**

	Note	1996	1995
		£	Restated £
<b>Assets employed</b>			
<b>Fixed assets</b>			
Tangible assets	7	1,347,438	1,491,061
<b>Current assets</b>			
Debtors	8	3,130,127	3,283,782
Cash in hand		7,281	5,216
		<u>3,137,408</u>	<u>3,288,998</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(5,231,870)</u>	<u>(5,566,708)</u>
<b>Net current liabilities</b>		<u>(2,094,462)</u>	<u>(2,277,710)</u>
<b>Total assets less current liabilities</b>		<u>(747,024)</u>	<u>(786,649)</u>
<b>Creditors: amounts falling due after one year</b>	10	<u>(224,305)</u>	<u>(268,443)</u>
		<u>(971,329)</u>	<u>(1,055,092)</u>
<b>Financed by</b>			
Called up share capital	12	100	100
Profit and loss account		<u>(971,429)</u>	<u>(1,055,192)</u>
<b>Equity shareholders' funds</b>	13	<u>(971,329)</u>	<u>(1,055,092)</u>

These financial statements were approved by the Board of Directors on 18 July 1997

Signed on behalf of the Board of Directors



Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 1996**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies of the company have remained unchanged from the previous year.

**Revenue**

Revenue consists of the provision of management services to other group companies, interest receivable and other income arising solely in the U.K.

**Pensions**

*Defined contribution schemes*

Pensions costs charged in the profit and loss account represent the amount of the contributions payable to the scheme in respect of the accounting period.

*Defined benefit schemes*

Pension costs are charged in the profit and loss account on a systematic basis over the service lives of the eligible employees based on payroll, actuarial methods and assumptions in accordance with the advice from independent actuaries.

**Tangible fixed assets**

Tangible fixed assets are stated at historical cost, except for the long leasehold property, which is stated at valuation. Depreciation is charged on tangible fixed assets so that they are written off over their useful economic lives. Principal rates of depreciation are shown in note 7.

**Leased assets**

Assets acquired under finance leases are capitalised and treated in the same manner as tangible fixed assets. Interest on lease obligations is charged to the profit and loss account over the period of the lease and represents a charge that relates to the proportion of the capital repayments outstanding. All other leases are regarded as operating leases and rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

**Deferred taxation**

Deferred tax is provided using the liability method on timing differences to the extent that it is probable that a liability or asset will crystallise.

**2. NET INTEREST AND INVESTMENT INCOME**

	1996 £	1995 £
Interest receivable	9,867	-
Interest payable		
Finance lease rentals	(34,248)	(41,657)
Bank overdraft	(19,395)	(72,277)
Loans repayable within five years		
	<u>(43,776)</u>	<u>(113,934)</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 1996**

**3. OPERATING PROFIT/(LOSS)**

	1996 £	1995 £
Operating profit/(loss) is after charging/(crediting):		
Loss on sale of fixed assets	2,370	3,133
Depreciation - owned assets	256,472	166,898
-leased assets	127,746	169,718
Auditors' remuneration		
Audit services	10,375	10,375
Non-audit services	4,713	59,255
Operating lease rentals	366,401	407,740
	<u>          </u>	<u>          </u>

**4. EMPLOYEES**

	1996 £	1995 £
Staff costs during the year (including executive directors)		
Wages and salaries	844,450	537,451
Social security costs	72,616	41,811
Pension costs (note 15)	38,374	19,436
	<u>955,440</u>	<u>598,698</u>
	No	No
Average number of persons employed	<u>36</u>	<u>36</u>

**5. DIRECTORS**

During the year Mrs A E Wilson and Mr C H D Earle were also directors of the ultimate parent company, Windsor PLC, and were remunerated in respect of her services to the group as a whole. No information is disclosed below in respect of their remuneration as it is disclosed in the annual report of Windsor PLC

The remuneration payable to the other director, including pensions contributions, was:

	1996 £	1995 £
Director's emoluments	<u>44,794</u>	<u>47,144</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 1996**

**6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	1996 £	1995 £
Current taxation:		
United Kingdom corporation tax at 33% (1995 - 33%)	32,530	(13,762)
Deferred taxation	-	(20,952)
	<u>32,530</u>	<u>(34,714)</u>
Under provided in previous years:		
Corporation tax	-	142,573
	<u>32,530</u>	<u>107,859</u>

**7. TANGIBLE FIXED ASSETS**

	Furniture, Office and Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 October 1995	1,754,901	690,937	2,445,838
Additions	103,682	76,529	180,211
Disposals	(4,300)	(175,693)	(179,993)
Transfers from other group companies	747,974	-	747,974
	<u>2,602,257</u>	<u>591,773</u>	<u>3,194,030</u>
<b>At 30 September 1996</b>			
<b>Accumulated depreciation</b>			
At 1 October 1995	683,869	270,908	954,777
Charge for the year	286,919	97,299	384,218
Disposals	(504)	(116,665)	(117,169)
Transfer from other group companies	624,766	-	624,766
	<u>1,595,050</u>	<u>251,542</u>	<u>1,846,592</u>
<b>At 30 September 1996</b>			
<b>Net book value</b>			
At 30 September 1996	<u>1,007,207</u>	<u>340,231</u>	<u>1,347,438</u>
At 30 September 1995	<u>1,071,032</u>	<u>420,029</u>	<u>1,491,061</u>
<b>Principal rates of depreciation</b>	10-25%	25%	

The net book value of the company's fixed assets includes £514,000 (1996 - £740,000) in respect of assets held under finance leases.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 1996**

**8. DEBTORS**

	1996 £	1995 £
Amounts owed by group companies	2,653,195	2,935,537
Other debtors	150,481	107,197
Taxation	25	-
Prepayments	326,426	241,048
	<u>3,130,127</u>	<u>3,283,782</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996 £	1995 £
Bank overdraft	-	679,459
Obligations under finance leases	209,853	236,557
Amounts owed to group companies	3,457,569	3,426,413
Other creditors and accruals	1,564,448	1,224,279
	<u>5,231,870</u>	<u>5,566,708</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1996 £	1995 £
Obligations under finance lease contracts repayable:		
Between one and two years	113,115	143,865
Between two and five years	111,190	124,578
	<u>224,305</u>	<u>268,443</u>

**11. OBLIGATIONS UNDER FINANCE LEASE CONTRACTS**

	1996 £	1995 £
Obligations under finance lease contracts repayable:		
Within one year	209,853	236,557
Between one and two years	113,115	143,865
Between two and five years	111,190	124,578
	<u>434,158</u>	<u>505,000</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 1996**

**12. CALLED UP SHARE CAPITAL**

	1996 £	1995 £
Authorised, allotted and fully paid 100 Ordinary shares of £1 each	100	100

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Profit/(loss) for the financial year	83,763	(323,428)
Net addition to/(deduction from) shareholders' funds	83,763	(323,428)
Opening shareholders' funds	(1,055,092)	(731,664)
Closing shareholders' funds	(971,329)	(1,055,092)

**14. CAPITAL COMMITMENTS**

At 30 September 1996, there were commitments for contracted capital expenditure amounting to £115,000 (1995 - £Nil).

**15. PENSIONS**

The company participates in a group pension scheme operated by Windsor PLC. The scheme is a defined benefit scheme which operates for the benefit of employees in the United Kingdom and covers all eligible current and retired employees. It is funded in accordance with actuarial advice and administered by independent trustees. The particulars of the most recent actuarial valuation of the pension scheme are included in the Annual Report of Windsor PLC for the year ending 30 September 1996.

**16. OPERATING LEASE COMMITMENTS**

At 30 September 1996 the company had annual commitments under operating leases as follows:

	1996 Land and buildings £	1996 Other £	1995 Land and buildings £	1995 Other £
Expiry of lease within:				
One year	7,015	1,786	32,757	1,183
Two to five years	50,643	90,868	32,825	82,823
Over five years	264,818	-	263,385	-
	<u>322,476</u>	<u>92,654</u>	<u>328,967</u>	<u>84,006</u>

**17. ULTIMATE PARENT COMPANY**

The ultimate parent company is Windsor PLC, which is registered in England and Wales. Copies of the group financial statements of Windsor PLC are available from its registered office at One Great Tower Street, London EC3R 5AH.