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PRESTON ANTIQUES CENTRE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1996



PRESTON ANTIQUES CENTRE LIMITED

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PRESTON ANTIQUES CENTRE LIMITED

OFFICERS AND ADVISERS

DIRECTORS:

A Shalloe
A J Penrose
R Bailey

COMPANY SECRETARY:

P J Blackwell

REGISTERED OFFICE:

26 Ribblesdale Place
Preston
Lancashire
PR1 3NA

COMPANY NO:

2209131

BANKERS:

Barclays Bank Plc
38 Fishergate
Preston
PR1 2DD

REPORTING ACCOUNTANTS:

James Todd & Co
Chartered Accountants
6a Starkie Street
Preston

PRESTON ANTIQUES CENTRE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1996

The Directors present their report together with the financial statements of the Company for the year ended 31 July 1996.

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 the 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 that are reasonable and prudent;
- prepare the financial statements on a 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 and 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.

Principal Activities and Review of Business Operations

The principal activity of the Company is that of property owning and managing.

Results and Dividends

The Directors recommend that no dividend be proposed for the year ended 31 July 1996, leaving a retained profit of £1,122 (1995 - £15,686) to be added to the retained profit brought forward.

Fixed Assets

The movements of fixed assets during the year are set out in Note 8 to the Accounts.

Directors

The Directors during the year and at the date of issue of this report were:-

Mr A Shalloe
Mr A J Penrose
Mr R Bailey

In accordance with the Articles of Association Mr A Shalloe retires by rotation and being eligible offers himself for re-election.

PRESTON ANTIQUES CENTRE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1996

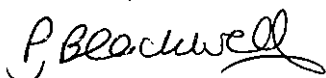
Directors Interests in Shares of the Company

	At 31 July 1996	At 31 July 1995
Mr A Shalloe	21,733	21,733
Mr A J Penrose	10,867	10,867
Mr R Bailey	5,500	5,500

Close Company

The close company provisions of the Income and Corporation Taxes Act 1988 do apply.

By order of the Board



P J Blackwell
SECRETARY

17 December 1996

REPORT OF THE ACCOUNTANTS
to the shareholders on the unaudited financial statements
of Preston Antiques Centre Limited

We report on the financial statements for the year ended 31 July 1996 set out on pages 5 to 13.

Respective Responsibilities of Directors and Reporting Accountant

As described on page 2, the Company's Directors are responsible for the preparation of the financial statements and they believe that the Company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

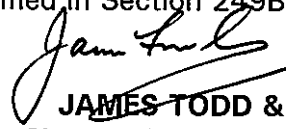
Basis of Opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants. This examination consisted of comparing the financial statements with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249c(6) of the Act; and
- (c) having regard only to, and on the basis of, the information contained in the accounting records kept by the Company under Section 221, the Company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Acts (as modified by Section 249A(5), and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).


JAMES TODD & CO
Chartered Accountants
Preston

17 December 1996

PRESTON ANTIQUES CENTRE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1996

	Notes	1996	1995
		£	£
Turnover - Continuing Operations	(2)	165,842	175,691
Operating Costs	(3)	149,306	138,327
Operating Profit	(4)	<u>16,536</u>	<u>37,364</u>
Interest Payable and Similar Charges	(6)	15,004	16,456
Profit on Ordinary Activities before Taxation		<u>1,532</u>	<u>20,908</u>
Taxation	(7)	410	5,222
Retained Profit for the Year	(15)	<u><u>1,122</u></u>	<u><u>15,686</u></u>

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

The notes on pages 8 to 13 form an integral part of these Accounts.

PRESTON ANTIQUES CENTRE LIMITED
BALANCE SHEET AS AT 31 JULY 1996

	Notes	1996		1995	
		£	£	£	£
<u>Fixed Assets</u>					
Tangible Assets	(8)		440,705		440,403
<u>Current Assets</u>					
Debtors	(9)	5,373		47,437	
Cash at Bank		57		50	
		<u>5,430</u>		<u>47,487</u>	
<u>Creditors: Amounts falling due within one year</u>	(10)	83,501		110,128	
Net Current Liabilities			(78,071)		(62,641)
Total Assets less Current Liabilities			<u>362,634</u>		<u>377,762</u>
<u>Creditors: Amounts falling due after more than one year</u>	(11)		224,939		241,189
			<u>137,695</u>		<u>136,573</u>
<u>Capital and Reserves</u>					
Called up Share Capital	(14)		71,300		71,300
Profit and Loss Account	(15)		66,395		65,273
			<u>137,695</u>		<u>136,573</u>

The notes on pages 8 to 13 form an integral part of these accounts.

PRESTON ANTIQUES CENTRE LIMITED

BALANCE SHEET AS AT 31 JULY 1996
(continued)

1. The Directors have taken advantage of the exemption conferred by Section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under S.249B(2) of the Companies Act 1985.
2. The Directors acknowledge their responsibilities for ensuring that:-
 - (i) The Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
 - (ii) The financial statements give a true and fair view of the state of affairs of the Company at 31 July 1996 and of its profit for the year then ended, in accordance with the requirements of S.226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts so far as applicable to the Company.

The financial statements were approved by the Board of Directors on 17 December 1996 and signed on its behalf by:

A J Penrose, Director



A Shalloe, Director



The Notes on pages 8 to 13 form an integral part of these Accounts.

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

Freehold land and buildings are not depreciated. The freehold property is maintained as a matter of Company policy by a programme of repair and refurbishment such that the residual value of the property, taken as a whole, is at least equal to its book-value. Having regard to this, it is the opinion of the Directors that depreciation of the property as required by the Companies Act 1985 and Statement of Standard Accounting Practice 12 is not necessary.

Depreciation is calculated to write down the cost of the other tangible fixed assets to their estimated residual values over their expected useful lives.

The following rates and basis apply:-

Freehold Land and Buildings	Nil
Fixtures, Fittings and Equipment	15% Reducing Balance

(c) Leases

Rentals in respect of operating leases are charged to the profit and loss account as incurred.

(d) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences except those which are expected with reasonable probability to continue for the foreseeable future.

(e) Cashflow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirements to produce a cashflow statement on the grounds that it is a small company.

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

2. TURNOVER

Turnover is the amount receivable in the ordinary course of business for services supplied, excluding Value Added Tax and is all attributable to the principal activity of the Company and arising in the United Kingdom.

3. OPERATING COSTS - Continuing Operations	1996 £	1995 £
These comprise:		
Administration Costs	105,282	96,017
Other Operating Charges	44,024	42,310
	<u>149,306</u>	<u>138,327</u>

4. OPERATING PROFIT	1996 £	1995 £
This is stated after charging:		
Staff Costs (Note 5)	60,410	51,441
Hire of Equipment under Operating Leases	1,936	5,428
Depreciation of Tangible Fixed Assets:		
Owned	<u>795</u>	<u>746</u>

The hire of equipment under operating leases ceased during the year.

5. STAFF COSTS	1996 £	1995 £
Staff Costs consist of the following:		
Wages and Salaries	57,669	48,346
Social Security Costs	2,741	3,095
	<u>60,410</u>	<u>51,441</u>

The average weekly number of employees, including Directors, during the year was as follows:

Office and Management	<u>5</u>	<u>4</u>
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There were no emoluments paid to the Directors of the Company.

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On Bank Loans, Overdrafts and Other Loans:-		
- repayable within five years	13,240	16,222
- repayable within five years, not by instalment	1,722	234
ACT Interest	42	-
	<hr/>	<hr/>
	<u>15,004</u>	<u>16,456</u>

7. TAXATION

	1996 £	1995 £
The charge based on the profit for the year comprises:		
UK Corporation Tax at 24.66% (1995 25%)	<u>410</u>	<u>5,222</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
<u>Cost</u>			
At 1 August 1995	436,177	8,584	444,761
Additions	-	1,097	1,097
At 31 July 1996	<hr/> 436,177	<hr/> 9,681	<hr/> 445,858
At 1 August 1995	-	4,358	4,358
Charge for the year	-	795	795
At 31 July 1996	<hr/> -	<hr/> 5,153	<hr/> 5,153
<u>Net Book Value</u>			
At 31 July 1996	<u>436,177</u>	<u>4,528</u>	<u>440,705</u>
At 31 July 1995	<u>436,177</u>	<u>4,226</u>	<u>440,403</u>

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

9. DEBTORS	1996	1995
	£	£
Amounts falling due within one year:		
Trade Debtors	-	24,656
Other Debtors	4,775	20,000
Prepayments and Accrued Income	598	999
Advance Corporation Tax Recoverable	-	1,782
	<u>5,373</u>	<u>47,437</u>
 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	 1996	 1995
	£	£
Bank Loans and Overdrafts (Note 12)	56,900	76,394
Trade Creditors	3,712	4,635
UK Corporation Tax Payable	410	5,222
Advance Corporation Tax	-	1,782
Social Security and PAYE	840	777
Other Creditors	16,249	10,853
Accruals and Deferred Income	5,390	10,465
	<u>83,501</u>	<u>110,128</u>
 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	 1996	 1995
	£	£
Bank Loans and Overdraft (Note 12)	96,239	112,489
Directors Loan Account	39,600	39,600
Loans	89,100	89,100
	<u>224,939</u>	<u>241,189</u>

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

12. BANK LOANS AND OVERDRAFTS	1996	1995
	£	£
Borrowings are repayable as follows:		
Within one year	56,900	76,394
Within two to five years	96,239	112,489
	<hr/>	<hr/>
	<u>153,139</u>	<u>188,883</u>

Bank borrowings are secured by a debenture over the property of the Company.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation:

The potential amount of taxation deferred by all timing differences calculated on the liability method is £477 (1995 £483).

14. CALLED UP SHARE CAPITAL	1996	1995
	£	£
Authorised:		
250,000 Ordinary Shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid:		
71,300 Ordinary Shares of £1 each	<u>71,300</u>	<u>71,300</u>

15. PROFIT AND LOSS ACCOUNT	1996	1995
	£	£
Retained Profit Brought Forward at 1 August 1995	65,273	49,587
Retained Profit for the Year	1,122	15,686
	<hr/>	<hr/>
Retained Profit Carried Forward at 31 July 1996	<u>66,395</u>	<u>65,273</u>

PRESTON ANTIQUES CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1996

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	1996 £	1995 £
Profit for the Year	1,122	15,686
Shareholders Funds at 1 August 1995	136,573	120,887
	<hr/>	<hr/>
Shareholders Funds at 31 July 1996	<u>137,695</u>	<u>136,573</u>

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 July 1996.

18. CONTINGENT LIABILITIES

At 31 July 1996 the Company had contingent liabilities in respect of the potential amount of deferred taxation not provided for as set out in Note 14.