

WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 1997



WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 1997

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WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 1997

Directors

S A Hayward
S W Clarke
J L Gerard-Pearse
M E MacGregor

Secretary

J L Gerard-Pearse

Registered office

Lyndon House
58/62 Hagley Road
Edgbaston
Birmingham

Auditors

Cooper-Parry
Chartered Accountants
Derby

Solicitors

Goodger, Auden & Co.
Burton-on-Trent
Staffs

Registered number

2549709

WALTON SECURITIES (1990) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the financial statements for the year ended 31 March 1997.

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 that are reasonable and prudent;
- 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 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.

Activities

The company invests in and administers business accommodation.

Review of business

The results of the company for the year ended 31 March 1997 are shown on page 5.

The directors consider the state of affairs of the company to be satisfactory.

Post balance sheet event

Since the balance sheet date the directors have made the decision to sell the investment properties, and repay the borrowings. The assets and liabilities at 31 March 1997 have therefore been reclassified accordingly.

Dividend

No dividend is recommended for the year.

Directors and their interests in share capital

The directors who have held office during the year are listed on page 1.

The interests of the directors in the ordinary share capital of the company have been as follows:

	At 31 March 1997	At 31 March 1996
	£1 Ordinary shares	£1 Ordinary shares
S W Clarke	25	25
J L Gerard-Pearse	25	25
M E MacGregor	25	25
S A Hayward	25	25

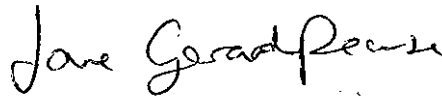
WALTON SECURITIES (1990) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Close company status

The company is, for taxation purposes, a close company.

Signed on behalf of the board of directors



J L GERARD-PEARSE
Director

Approved by the board on 19 October 1997

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

WALTON SECURITIES (1990) LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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.

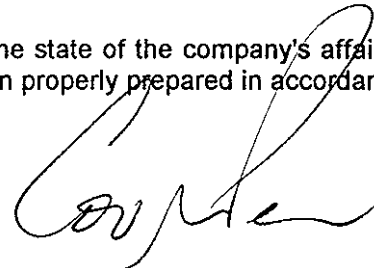
Basis of opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPER-PARRY

DERBY

Chartered Accountants

23 October 1997

Registered Auditor

WALTON SECURITIES (1990) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 1997

	Notes	1997 £	1996 £
Rental income		355,028	331,592
Administrative expenses		17,491	11,303
		<hr/>	<hr/>
Interest payable	4	225,870	231,417
Interest receivable		(18,129)	(13,179)
		<hr/>	<hr/>
		207,741	218,238
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	129,796	102,051
Taxation on profit on ordinary activities	3	27,669	20,677
		<hr/>	<hr/>
Profit for the financial year	13	102,127	81,374
		<hr/>	<hr/>

Continuing operations

None of the activities of the company were acquired or discontinued during the above two financial years.

Note of historical cost profit and losses

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 8 to 11 form part of these financial statements.

WALTON SECURITIES (1990) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 1997

		1997 £		1996 £
Profit for the financial year		102,127		81,374
Unrealised surplus on revaluation of property	400,000		-	
Less: Provision for deferred tax on potential gain	50,000		-	
	<u> </u>	350,000	<u> </u>	-
Total recognised gains and losses relating to this year		<u>452,127</u>		<u>81,374</u>

The notes on pages 8 to 11 form part of these financial statements.

WALTON SECURITIES (1990) LIMITED

BALANCE SHEET

At 31 March 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible fixed assets	5	-	3,650,000
Current assets			
Debtors	6	4,171	21,688
Investments	7	4,050,000	-
Cash at bank		494,385	373,856
		<hr/>	<hr/>
		4,548,556	395,544
Creditors: amounts falling due within one year	8	801,732	180,847
		<hr/>	<hr/>
Net current assets		3,746,824	214,697
		<hr/>	<hr/>
Total assets less current liabilities		3,746,824	3,864,697
			<hr/>
Creditors: amounts falling due after more than one year	9	2,500,000	3,120,000
Provision for liabilities and charges	10	50,000	-
		<hr/>	<hr/>
		1,196,824	744,697
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	818,954	468,954
Profit and loss account	13	377,770	275,643
		<hr/>	<hr/>
Shareholders' funds	15	1,196,824	744,697
		<hr/>	<hr/>

Signed on behalf of the board of directors

S W CLARKE

Director

Approved by the board on 19 October 1997

The notes on pages 8 to 11 form part of these financial statements.

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties.

Investment properties

In accordance with Statement of Standard Accounting Practice No. 19:

- (i) Interests in investment properties, including fixed plant and landlord's fittings are revalued annually either by the directors or, at least every five years, by external valuers, and the resultant surplus or deficit is taken to revaluation reserve.
- (ii) No amortisation is provided in respect of the long leasehold investment property.

The directors consider that this accounting policy results in the accounts giving a true and fair view.

Cash flow statements

The company has taken advantage of the exemptions granted to it under Financial Reporting Standard 1, as a small company not to publish a cashflow statement.

Deferred taxation

Deferred taxation is calculated on the liability method on all timing differences which the directors expect to reverse in the foreseeable future and is calculated at the rate at which it is estimated tax will become payable.

2 Profit on ordinary activities before taxation

The profit is stated after charging:

	1997 £	1996 £
Auditors' remuneration	1,000	1,000
Directors' fees	10,720	10,000
	<hr/>	<hr/>

3 Taxation on profit on ordinary activities

UK Corporation tax based on the profits for the year	27,669	20,677
	<hr/>	<hr/>

4 Interest payable

On bank loan repayable after more than five years	225,870	231,417
	<hr/>	<hr/>

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1997

5 Tangible fixed assets

Valuation	Long leasehold investment properties £
As at 1 April 1996	3,650,000
Revaluation during the year	400,000
Reclassification	(4,050,000)
	<hr/>
At 31 March 1997	-
	<hr/>

The company's long leasehold investment properties were valued at open market value as at 31 March 1997 by the directors.

The historical cost of the above properties at 31 March 1997 was £3,181,046.

Since the balance sheet date, the directors have made the decision to sell the properties. The assets have therefore been reclassified as current asset investments, as the properties are being actively marketed.

6 Debtors

	1997 £	1996 £
Trade debtors	4,171	21,688
	<hr/>	<hr/>

7 Current asset investment

Long leasehold investment property reclassified from fixed assets (see note 5)	4,050,000	-
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

Loans (see note 16)	620,000	-
Other taxation and Social Security	15,506	16,960
Other creditors	-	747
Accruals and deferred income	138,557	142,463
Corporation tax	27,669	20,677
	<hr/>	<hr/>
	801,732	180,847
	<hr/>	<hr/>

9 Creditors: amounts falling due after more than one year

Bank loan (secured: see note 14)	2,500,000	2,500,000
Other loans	-	620,000
	<hr/>	<hr/>
	2,500,000	3,120,000
	<hr/>	<hr/>

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1997

10	Deferred taxation	1997	1996
		£	£
	Provision for deferred taxation at 21% on potential gain on sale of property at revalued amount	50,000	-
		<u> </u>	<u> </u>
11	Called up share capital		
	Authorised: 1,000 shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, issued and fully paid: 100 shares of £1 each	100	100
		<u> </u>	<u> </u>
12	Revaluation reserve		
	At 1 April 1996	468,954	468,954
	Revaluation during the year	400,000	-
	Provision for deferred taxation on potential gain on sale of property	(50,000)	-
		<u> </u>	<u> </u>
	At 31 March 1997	818,954	468,954
		<u> </u>	<u> </u>
13	Profit and loss account		
	At 1 April 1996	275,643	194,269
	Profit for the financial year	102,127	81,374
		<u> </u>	<u> </u>
	At 31 March 1997	377,770	275,643
		<u> </u>	<u> </u>

14 Bank loan

The bank loan is secured by a fixed charge over the company's leasehold property and one of the company's bank deposit accounts, and a fixed and floating charge over the remaining assets of the company.

In the normal course of business the bank loan is repayable on 4 May 2004 and therefore falls due wholly after more than 5 years. However, in the event of the sale of the property on which the loan is secured, the loan would be repayable at the time of the sale. Interest is charged at 9.05% p.a until 1999, and 1% above the lenders cost thereafter, provided the company complies with the obligations of the loan facility agreement.

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1997

15 Reconciliation of movements on shareholders' funds

	1997 £	1996 £
Profit for the year after taxation	102,127	81,374
Other recognised gains and losses in the year:		
Revaluation of investment property	400,000	-
Provision for deferred taxation	(50,000)	-
	<hr/>	<hr/>
	452,127	81,374
Opening shareholders' funds at 1 April 1996	744,697	663,323
	<hr/>	<hr/>
Closing shareholders' funds at 31 March 1997	1,196,824	744,697
	<hr/>	<hr/>

16 Related parties and related party transactions

The company is controlled by the directors who each own 25% of the issued ordinary shares.

Included in creditors falling due within one year (Note 8), is a loan from SW Clarke CBE who is the father of the four directors. The balance of the loan at 31 March 1997 was £620,000. No interest is charged on the loan.