

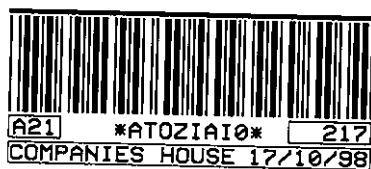
Reg.
2549709

WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 1998



WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 1998

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WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 1998

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 1998.

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 1998 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 investment property included in current assets at the year end has been sold.

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 share capital of the company have been as follows:

	At 31 March 1998	At 31 March 1997
	£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

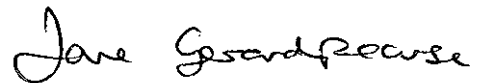
WALTON SECURITIES (1990) LIMITED

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

A handwritten signature in cursive script, reading "Jane Gerard-Pearse".

J L GERARD-PEARSE
Director

Approved by the board on 21-9-98

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 1998 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

7 October 1998

Registered Auditor

WALTON SECURITIES (1990) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 1998

	Notes	1998 £	1997 £
Rental income		355,028	355,028
Administrative expenses		12,276	17,491
		<u>342,752</u>	<u>337,537</u>
Interest payable	4	228,250	225,870
Interest receivable		<u>(7,312)</u>	<u>(18,129)</u>
		<u>(220,938)</u>	<u>207,741</u>
Profit on ordinary activities before taxation	2	121,814	129,796
Taxation on profit on ordinary activities	3	23,296	27,669
Profit for the financial year	13	<u>98,518</u>	<u>102,127</u>

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 1998

		1998 £		1997 £
Profit for the financial year		98,518		102,127
Unrealised (deficit)/surplus on revaluation of property	(48,133)		400,000	
Less: Provision for deferred tax on potential gain	<u>(20,000)</u>		<u>(50,000)</u>	
		<u>(68,133)</u>		<u>350,000</u>
Total recognised gains and losses relating to this year		<u>30,385</u>		<u>452,127</u>

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

WALTON SECURITIES (1990) LIMITED

BALANCE SHEET

At 31 March 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible fixed assets	5	1,250,000	-
Current assets			
Debtors	6	18,958	4,171
Investments	7	2,751,867	4,050,000
Cash at bank		101,568	494,385
		<u>2,872,393</u>	<u>4,548,556</u>
Creditors: amounts falling due within one year	8	<u>2,825,184</u>	<u>801,732</u>
Net current assets		<u>47,209</u>	<u>3,746,824</u>
Total assets less current liabilities		<u>1,297,209</u>	<u>3,746,824</u>
Creditors: amounts falling due after more than one year	9	-	2,500,000
Provision for liabilities and charges	10	<u>70,000</u>	<u>50,000</u>
		<u>1,227,209</u>	<u>1,196,824</u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	750,821	818,954
Profit and loss account	13	<u>476,288</u>	<u>377,770</u>
Shareholders' funds	15	<u>1,227,209</u>	<u>1,196,824</u>

Signed on behalf of the board of directors

S W CLARKE



Director

Approved by the board on 21.9.98

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 1998

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, 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:

	1998 £	1997 £
Auditors' remuneration	1,000	1,000
Directors' fees	10,000	10,720
	<u> </u>	<u> </u>

3 Taxation on profit on ordinary activities

UK Corporation tax based on the profits for the year	23,296	27,669
	<u> </u>	<u> </u>

4 Interest payable

On bank loan (see note 14)	228,250	225,870
	<u> </u>	<u> </u>

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1998

5 Tangible fixed assets

Valuation	Long leasehold investment properties £
As at 1 April 1997	-
Reclassification (see note 7)	<u>1,250,000</u>
At 31 March 1998	<u>1,250,000</u>

The company's long leasehold investment properties were valued at open market value as at 31 March 1998 by the directors.

The historical costs of the above property and the property shown as a current asset investment at 31 March 1998 were £1,052,368 and £2,128,678 respectively.

6 Debtors

	1998 £	1997 £
Trade debtors	18,286	4,171
Prepayment	<u>672</u>	<u>-</u>
	<u>18,958</u>	<u>4,171</u>

7 Current asset investment

Long leasehold investment property reclassified from fixed assets	<u>2,751,867</u>	<u>4,050,000</u>
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During the year the directors decided not to pursue the sale of one of the properties, valued at £1,250,000, and this property has therefore been reclassified as tangible fixed assets at 31 March 1998 (note 5).

The other property has been sold since the balance sheet date. Provision has been made for the tax payable arising from the sale within provision for liabilities and charges.

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1998

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loan (see note 14)	2,500,000	-
Other loan (see note 16)	145,000	620,000
Other taxation and Social Security	15,480	15,506
Other creditors	2,851	-
Accruals and deferred income	138,557	138,557
Corporation tax	23,296	27,669
	<u>2,825,184</u>	<u>801,732</u>

The bank loan and other loan will be repaid following the sale of the investment property shown as a current asset investment.

9 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Bank loan (see note 14)	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

10 Deferred taxation

Provision for deferred taxation at 21% on potential gain on sale of property at revalued amount	<u>70,000</u>	<u>50,000</u>
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11 Called up share capital

Authorised: 1,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>
Alotted, issued and fully paid: 100 shares of £1 each	<u>100</u>	<u>100</u>

12 Revaluation reserve

At 1 April 1997	818,954	468,954
Revaluation during the year	(48,133)	400,000
Provision for deferred taxation on potential gain on sale of property	<u>(20,000)</u>	<u>(50,000)</u>
At 31 March 1998	<u>750,821</u>	<u>818,954</u>

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1998

13 Profit and loss account

	1998 £	1997 £
At 1 April 1997	377,770	275,643
Profit for the financial year	<u>98,518</u>	<u>102,127</u>
At 31 March 1998	<u>476,288</u>	<u>377,770</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 would be due wholly after more than 5 years. However, as the sale of one of the properties on which the loan is secured has taken place since the balance sheet date, the loan will be repaid within 12 months of the balance sheet date and is therefore disclosed as a current liability. Interest is charged at 9.05% p.a., provided the company complies with the obligations of the loan facility agreement.

15 Reconciliation of movements on shareholders' funds

	1998 £	1997 £
Profit for the year after taxation	98,518	102,127
Other recognised gains and losses in the year:		
Revaluation of investment property	(48,133)	400,000
Provision for deferred taxation	<u>(20,000)</u>	<u>(50,000)</u>
	30,385	452,127
Opening shareholders' funds at 1 April 1997	<u>1,196,824</u>	<u>744,697</u>
Closing shareholders' funds at 31 March 1998	<u>1,227,209</u>	<u>1,196,824</u>

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 1998 was £145,000 (31 March 1997 £620,000). No interest is charged on the loan.