

WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 1996



2549709

WALTON SECURITIES (1990) LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 1996

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WALTON SECURITIES (1990) LIMITED

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, Prior & Palmer
Chartered Accountants
Derby

Solicitors

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

Registered number

2549709 (England and Wales)

WALTON SECURITIES (1990) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the financial statements for the year ended 31 March 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 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 1996 are shown on page 5.

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

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:

	Ordinary shares of £1 each	
	At 31 March 1996	At 31 March 1995
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: 21st October 1996

Jane Gerard-Pearse

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

WALTON SECURITIES (1990) LIMITED

We have audited the financial statements on pages 5 to 9 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 7.

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.

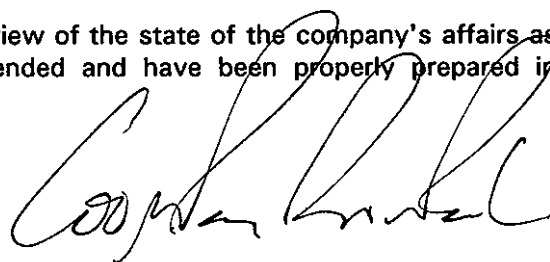
Basis of opinion

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



COOPER-PARRY, PRIOR & PALMER

DERBY

Chartered Accountants

7 November 1996

Registered Auditor

WALTON SECURITIES (1990) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 1996

	Note	1996	1995
Rental income		331,592	329,528
Administrative expenses		11,303	44,439
		<hr/>	<hr/>
		320,289	285,089
Interest payable on bank loan and overdraft		231,417	224,720
Interest receivable		(13,179)	(6,508)
		<hr/>	<hr/>
		218,238	218,212
Profit on ordinary activities before taxation	2	<hr/>	<hr/>
		102,051	66,877
Taxation on profit on ordinary activities	3	20,677	9,279
		<hr/>	<hr/>
Profit for the financial year		81,374	57,598
Revenue reserves			
At 1 April 1995		194,269	136,671
		<hr/>	<hr/>
At 31 March 1996		£275,643	£194,269
		<hr/>	<hr/>

Continuing operations

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

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for 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 7 to 9 form part of these financial statements.

WALTON SECURITIES (1990) LIMITED

BALANCE SHEET

At 31 March 1996

	Notes	1996	1995
Fixed assets			
Tangible fixed assets	4	3,650,000	3,650,000
Current assets			
Debtors	5	21,688	4,743
Cash at bank		373,856	268,141
		<hr/>	<hr/>
		395,544	272,884
Creditors: Amounts falling due within one year	6	180,847	139,561
		<hr/>	<hr/>
Net current assets		214,697	133,323
		<hr/>	<hr/>
Total assets less current liabilities		3,864,697	3,783,323
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	7	3,120,000	3,120,000
		<hr/>	<hr/>
		£ 744,697	£ 663,323
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	100	100
Revaluation reserve	9	468,954	468,954
Profit and loss account		275,643	194,269
		<hr/>	<hr/>
Shareholders' funds	12	£744,697	£663,323
		<hr/>	<hr/>

Signed on behalf of the board of directors



S W CLARKE

Directors

Approved by the board: 21st October 1996

The notes on pages 7 to 9 form part of these financial statements.

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 March 1996

1. Accounting policies

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:

	1996	1995
Auditors' remuneration	£1,000	£1,000
Directors' fees	£10,000	£4,000
	<hr/>	<hr/>

3. Taxation on profit on ordinary activities

UK Corporation tax based on the profits for the year	£20,677	£9,279
	<hr/>	<hr/>

4. Tangible fixed assets

Cost or valuation

As at 1 April 1995 and 31 March 1996

Long leasehold investment property

£3,650,000

The company's long leasehold investment properties were valued at open market value as at 31 March 1996 by the directors.

The historical cost of the above properties at 31 March 1996 was £3,181,046.

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 1996

5. Debtors

	1996	1995
Trade debtors	21,688	4,363
Other debtors	-	380
	<hr/>	<hr/>
	£21,688	£4,743
	<hr/>	<hr/>

6. Creditors: Amounts falling due within one year

Other taxation and Social Security	16,960	14,417
Other creditors	747	747
Accruals and deferred income	142,463	115,118
Corporation tax	20,677	9,279
	<hr/>	<hr/>
	£180,847	£139,561
	<hr/>	<hr/>

7. Creditors: Amounts falling due after more than one year

Bank loan (secured: see note 10)	2,500,000	2,500,000
Other loans	620,000	620,000
	<hr/>	<hr/>
	£3,120,000	£3,120,000
	<hr/>	<hr/>

The bank loan is repayable on 4 May 2004. Interest is charged at 10.05% p.a until 1999, and 2% above the lenders cost thereafter.

8. Called up share capital

	1996	1995
Authorised		
1,000 shares of £1 each	£1,000	£1,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
100 shares of £1 each	£100	£100
	<hr/>	<hr/>

WALTON SECURITIES (1990) LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 1996

9. Revaluation reserve

	1996	1995
At 1 April 1995 and at 31 March 1996	£468,954	£468,954
	<u> </u>	<u> </u>

10. Bank loans

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.

11. Deferred taxation

No deferred taxation has been provided for the potential gain on disposal of revalued property as the directors do not consider a liability will become payable in the foreseeable future.

12. Reconciliation of movements on shareholders' funds

	1996	1995
Profit for the year after taxation	81,374	57,598
Opening shareholders' funds at 1 April 1995	663,323	605,725
	<u> </u>	<u> </u>
Closing shareholders' funds at 31 March 1996	£744,697	£663,323
	<u> </u>	<u> </u>