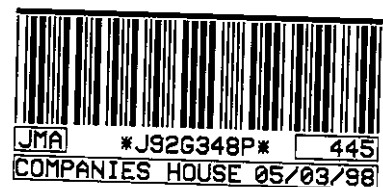


S J S INVESTMENTS LIMITED
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 1997
Registered Number : 2555030



S J S INVESTMENTS LIMITED
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 1997

CONTENTS	PAGES
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 9

S J S INVESTMENTS LIMITED
DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 30 September 1997.

RESULTS AND DIVIDENDS

The loss for the financial year after tax amounted to £1,873.

The directors do not recommend the payment of a dividend and recommend the losses totalling £1,873 to be deducted from reserves.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of an investment company.

The directors are satisfied with the company's year end financial situation.

DIRECTORS

The directors at 30 September 1997 were as follows:

J A B Corscadden
J R Quarmby
R P Stross

None of the directors had any interest in the share capital of the company at the end of the year.

The directors are all directors of St James Securities Holdings Limited, the company's parent undertaking. Their interests in the shares of that company are disclosed in its directors' report.

It is with sadness that the directors report the death of M P Spreadborough, appointed 1 November 1996, on 15 September 1997.

AUDITORS

The auditors Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board


J A B CORSCADDEN
Secretary

Wakefield

26 January 1998

S J S INVESTMENTS LIMITED
STATEMENT OF DIRECTORS' REPOSIBILITIES

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 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
S J S INVESTMENTS LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

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. 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 affairs of the company as at 30 September 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster
PANNELL KERR FORSTER

Chartered Accountants
Registered Auditors

Manchester

27 January 1998

S J S INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	2	706,246	687,424
ADMINISTRATIVE EXPENSES		<u>7,642</u>	<u>73,687</u>
OPERATING PROFIT		698,604	613,737
Interest receivable and similar income	3	4,274	2,432
Interest payable and similar charges	4	<u>(704,751)</u>	<u>(609,886)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(1,873)	6,283
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	6	<u>-</u>	<u>-</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	12	<u><u>(1,873)</u></u>	<u><u>6,283</u></u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

S J S INVESTMENTS LIMITED
BALANCE SHEET
30 SEPTEMBER 1997

	Notes	1997	1996
		£	£
FIXED ASSETS			
Tangible assets	7	8,425,000	8,600,000
CURRENT ASSETS			
Debtors	8	55,475	281,348
Cash at bank and in hand		<u>50,116</u>	<u>-</u>
		105,591	281,348
CREDITORS			
Amounts falling due within one year	9	<u>709,076</u>	<u>884,884</u>
NET CURRENT LIABILITIES		<u>(603,485)</u>	<u>(603,536)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,821,515	7,996,464
CREDITORS			
Amounts falling due after more than one year	10	<u>5,616,422</u>	<u>5,614,498</u>
		<u>2,205,093</u>	<u>2,381,966</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Investment property revaluation reserve	12	1,674,334	1,849,334
Profit and loss account	12	<u>530,757</u>	<u>532,630</u>
SHAREHOLDERS' FUNDS	13	<u>2,205,093</u>	<u>2,381,966</u>

Approved by the board on 26 January 1998

J A B CORSCADDEN

Directors

J R QUARMBY

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1997

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Accounting convention

The financial statements set out on pages 4 to 9 are prepared under the historical cost convention as modified by the revaluation of investment properties.

(b) Tangible fixed assets

This comprises completed properties at valuation which have been completed and substantially let. No depreciation has been provided in accordance with the provisions of Statement of Standard Accounting Practice No.19.

2 TURNOVER

	1997	1996
	£	£
Rents receivable	<u>706,246</u>	<u>687,424</u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	1997	1996
	£	£
Bank interest receivable	<u>4,274</u>	<u>2,432</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	1997	1996
	£	£
Interest payable on borrowings repayable after five years	<u>704,751</u>	<u>609,886</u>

5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging the following:

	1997	1996
	£	£
Auditors' remuneration	<u>850</u>	<u>600</u>

No director received any emoluments (1996 : £Nil)

6 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

There is no taxation on the loss for the year due to the availability of tax losses.

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1997

7 FIXED ASSETS - TANGIBLE

	Freehold investment properties £
At valuation	
At 1 October 1996	8,600,000
Revaluation in the year	(175,000)
At 30 September 1997	<u>8,425,000</u>

The freehold investment properties were revalued by Mason Philips, Chartered Surveyors, on 24 November 1997, on an open market value of £8,425,000. The valuation was made in accordance with the Practice Statements in the RICS Appraisal and Valuation Manual.

8 DEBTORS

Due within one year:

	1997 £	1996 £
Trade debtors	11,289	34,059
Amount due from group undertakings	-	206,559
Other debtors	44,186	40,730
	<u>55,475</u>	<u>281,348</u>

9 CREDITORS

Amounts falling due within one year:

	1997 £	1996 £
Bank loans and overdraft	98,951	88,978
Trade creditors	-	29
Amounts owed to group undertakings	237,380	19,403
Other taxation and social security	169,399	576,050
Accruals and deferred income	203,346	200,424
	<u>709,076</u>	<u>884,884</u>

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1997

10 CREDITORS

Amounts falling due after more than one year:-

	1997	1996
	£	£
Bank loans	523,567	470,986
Amounts falling due between two and five years	4,991,980	5,143,512
Amounts falling due after more than five years	100,875	-
Other taxation and social security	<u>5,616,422</u>	<u>5,614,498</u>

The interest rates on loans are 11.79%, 11.94% and 9.32%.

The loans are secured by fixed and floating charges over the fixed assets of the company.

11 CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>

12 RESERVES

The movement of reserves during the year was as follows:

	Investment property revaluation reserve £	Profit and loss account £
At 1 October 1996	1,849,334	532,630
Loss for the year	-	(1,873)
Revaluation in the year	(175,000)	-
At 30 September 1997	<u>1,674,334</u>	<u>530,757</u>

S J S INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1997

13 SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	1997	1996
	£	£
(Loss)/profit for the financial year	(1,873)	6,283
Revaluation in the year	(175,000)	-
Balance at 1 October 1996	<u>2,381,966</u>	<u>2,375,683</u>
Balance at 30 September 1997	<u><u>2,205,093</u></u>	<u><u>2,381,966</u></u>

14 ULTIMATE PARENT UNDERTAKING

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is St James Securities Holdings Limited. Consolidated accounts are available from Companies House.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

15 CONTINGENT LIABILITIES

As at 30 September 1997 the company had guaranteed amounts owed by the holding company and fellow subsidiaries amounting to £467,111 (1996 : £2,099,080).

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred to 90% subsidiaries to not disclose transactions with other group companies.