



**HALLCOURT PROPERTIES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1998

COMPANY NUMBER 2647649

HALLCOURT PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

Company registration number: 2647649

Registered office: Devonshire Hall
Devonshire Avenue
Street Lane
Leeds
LS8 1AW

Directors: C Goodwin
B May
P G Hesketh
K M Mellors
R A Hudson

Secretary: N G Muffitt

Bankers: Lloyds Bank Plc
6/7 Park Row
Leeds
LS1 1NX

Solicitors: Lupton Fawcett
Yorkshire House
Greek Street
Leeds
LS1 5SX

Pinsent Curtis
41 Park Square
Leeds
LS1 2NS

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
St Johns Centre
110 Albion Street
Leeds
LS2 8LA

HALLCOURT PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

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HALLCOURT PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1998.

Principal activity

The company is principally engaged in property investment.

Business review

There was a profit for the year after taxation amounting to £22,412 (1997: £11,406). The directors do not recommend payment of a dividend and the profit has therefore been transferred to reserves.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors in the shares of the company as at 31 March 1998 and at 1 April 1997 were as follows:

	£1 Ordinary shares	
	At 31 March 1998	At 1 April 1997
C Goodwin	1	1
B May	1	1
P G Hesketh	1	1
K M Mellors	1	1
R A Hudson	1	1

Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HALLCOURT PROPERTIES LIMITED

REPORT OF THE DIRECTORS

Year 2000 Compliance

The company is in the process of assessing the risks resulting from this issue. When the analysis is complete, the company will consider the likely impact on the business, develop action plans to deal with the key risks, and estimate the costs to be incurred.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



N G Muffin

Secretary

26 August 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF

HALLCOURT PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 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.

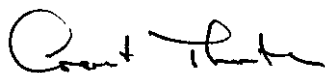
Basis of opinion

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 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.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LEEDS**

26 August 1998

HALLCOURT PROPERTIES LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except that investment property is included at its open market value.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER: OPERATING LEASE RENTALS RECEIVABLE

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

All leases are regarded as operating leases and the receipts from them are credited to the profit and loss account on a straight line basis over the lease term.

INVESTMENT PROPERTY

In accordance with Statement of Standard Accounting Practice No 19, the company's property is held for long-term investment and is included in the balance sheet at its open market value. The surplus or deficit on revaluation of this property is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of the freehold investment property.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

HALLCOURT PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998 £	1997 £
Turnover	1	55,000	55,000
Operating charges		<u>(5,515)</u>	<u>(16,282)</u>
Gross profit		49,485	38,718
Net interest	2	<u>(22,731)</u>	<u>(26,439)</u>
Profit on ordinary activities before taxation	1	26,754	12,279
Tax on profit on ordinary activities	4	<u>(4,342)</u>	<u>(873)</u>
Profit on ordinary activities after taxation transferred to reserves	10	<u>22,412</u>	<u>11,406</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

HALLCOURT PROPERTIES LIMITED

BALANCE SHEET AT 31 MARCH 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	5	<u>423,650</u>	<u>423,650</u>
Current assets			
Cash at bank and in hand		17,937	9,898
Creditors: amounts falling due within one year	6	<u>(50,806)</u>	<u>(43,971)</u>
Net current liabilities		<u>(32,869)</u>	<u>(34,073)</u>
Total assets less current liabilities		390,781	389,577
Creditors: amounts falling due after more than one year	7	<u>(274,380)</u>	<u>(295,588)</u>
		<u><u>116,401</u></u>	<u><u>93,989</u></u>
Capital and reserves			
Called up share capital	9	7	7
Profit and loss account	10	<u>116,394</u>	<u>93,982</u>
Shareholders' funds	10	<u><u>116,401</u></u>	<u><u>93,989</u></u>

The financial statements were approved by the Board of Directors on 26 August 1998

C Goodwin



DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

HALLCOURT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation is attributable to property investments, all turnover relates to activities carried out within the United Kingdom.

Operating charges

The profit on ordinary activities is stated after charging:

	1998 £	1997 £
Auditors' remuneration	2,500	1,264
Management charge	<u>3,000</u>	<u>15,000</u>

2 NET INTEREST

	1998 £	1997 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, otherwise than by instalments	5,791	5,288
Repayable more than 5 years, otherwise than by instalments	<u>17,386</u>	<u>21,263</u>
	<u>23,177</u>	<u>26,551</u>
Other interest payable and similar charges	-	3
Other interest receivable and similar income	<u>(446)</u>	<u>(115)</u>
	<u>22,731</u>	<u>26,439</u>

3 DIRECTORS AND EMPLOYEES

There were no emoluments paid to directors or employees during the year.

HALLCOURT PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge

	1998 £	1997 £
Corporation tax @ 31% (1997: 33%)	9,000	6,871
Adjustments in respect of prior year: Corporation tax	(4,658)	(5,998)
	<u>4,342</u>	<u>873</u>

5 TANGIBLE FIXED ASSETS

	Investment properties £
Net book amount at 1 April 1997 and 31 March 1998	<u>423,650</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loan	30,000	30,000
Corporation tax	9,000	6,871
Other creditors	2,213	-
Accruals	9,593	7,100
	<u>50,806</u>	<u>43,971</u>

The bank loan is secured by a fixed and floating charge over all the assets of the company.

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Bank loan	151,500	181,500
Other creditors	122,880	114,088
	<u>274,380</u>	<u>295,588</u>

The bank loan is secured by a fixed and floating charge over all the assets of the company.

HALLCOURT PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

8 BORROWINGS

Borrowings are repayable as follows:

	1998 £	1997 £
Within one year:		
Bank loan	30,000	30,000
After one and within two years:		
Bank loans	30,000	30,000
After two and within five years:		
Bank loan	90,000	90,000
After five years:		
Bank loan	31,500	61,500
	<u>181,500</u>	<u>211,500</u>

9 SHARE CAPITAL

	1998 and 1997 £
Authorised, allotted, called up and fully paid:	
7 ordinary shares of £1 each	<u>7</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Profit and loss account £	Share capital £	Total shareholders' funds 1998 £	1997 £
Profit/(loss) for the financial year	22,412	-	22,412	11,406
Shareholders' funds at 1 April 1997	93,982	7	93,989	82,583
Shareholders' funds at 31 March 1998	<u>116,394</u>	<u>7</u>	<u>116,401</u>	<u>93,989</u>

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 1998 or 31 March 1997.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1998 or 31 March 1997.

HALLCOURT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

13 TRANSACTIONS WITH RELATED PARTIES

Hallcourt Properties Limited charged rent to Advertising Principles Limited during the year of £55,000 (1997: £55,000). Advertising Principles Limited is related by virtue of common directors.

Amounts owed to related parties included in other creditors due in less than one year are as follows:

Name of related party	Relationship	1998 £	1997 £
Advertising Principles Limited	Common control by virtue of directors	<u>2,213</u>	<u>-</u>

Amounts owed to related parties included in other creditors due after more than one year are as follows:

Name of related party	Relationship	1998 £	1997 £
Advertising Principles Limited	Common control by virtue of directors	70,131	64,340
Advertising Principles (Group) Limited (formerly Attaché Communications Group Limited)	Common control by virtue of directors	28,000	25,000
Keith Mellors	Director	14,999	14,999
Employee Benefit Trust	Common control by virtue of directors	<u>9,750</u>	<u>9,750</u>
		<u>122,880</u>	<u>114,089</u>