

PLUSTRADE LIMITED

**Directors Report and Financial
Statements**

30 June 1998

(Reg.No.2849776)



PLUSTRADE LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Plustrade Limited for the financial year ended 30 June 1998.

Principal activity

The principal activity of the company continues to be that of a property trading company.

Results and dividend

The results for the year are detailed in the profit and loss account on page 4. The directors do not recommend the payment of a dividend and accordingly a profit of £2,173,925 is carried forward.

Directors

Directors who served during the year were as follows:

Name

J. W. Boulton
Yuills Limited
West Central Developments Limited

Directors' interests

The present directors are also directors of the parent company, Posthold Limited, and their interests in the shares of Posthold Limited at 30 June 1998 and 30 June 1997 were as follows:

<u>Director</u>	<u>Ord. Shares of 1p each</u>
J. W. Boulton	393,244
Yuills Limited	236,606
West Central Developments Limited	370,150

PLUSTRADE LIMITED

DIRECTORS' REPORT (*Continued*)

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 the financial statements, the directors are required to:

- ♦ Select suitable accounting policies and apply them consistently;
- ♦ Make judgements and estimates that are reasonable and prudent;
- ♦ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ♦ Prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for maintaining 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 taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

KPMG have signified their willingness to accede to our request that they remain in office as registered auditors. In accordance with Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to re-appoint them as auditors annually.

By order of the board.

R. M. Boulton

126 Kew Road
Richmond
Surrey TW9 2AU

Secretary
14 April 1999

AUDITORS' REPORT TO THE MEMBERS OF PLUSTRADE LIMITED

We have audited the financial statements on pages 4 to 9.

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 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

London
15 April 1999

PLUSTRADE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

	Note	year ended 30 June 1998 £	year ended 30 June 1997 £
Net profit from properties	3	3,028,579	548,403
Administrative expenses		(41,779)	(28,743)
		<hr/>	<hr/>
OPERATING PROFIT		2,986,800	519,660
Interest and similar income receivable		154,519	58,457
Interest and other finance charges payable to group undertaking	4	(967,394)	(914,640)
		<hr/>	<hr/>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,173,925	(336,523)
Taxation on profit / (loss) of ordinary activities	6	0	0
		<hr/>	<hr/>
RETAINED PROFIT / (LOSS) FOR THE YEAR CARRIED FORWARD		£ <u>2,173,925</u>	£ <u>(336,523)</u>

All amounts are derived from continuing operations.

The company has no recognised gains or losses other than those shown in the profit and loss account.

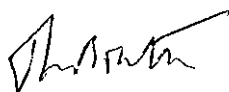
The notes on pages 6 to 9 form part of these financial statements.

PLUSTRADE LIMITED

BALANCE SHEET AT 30 JUNE 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Property held as trading stock	7	3,763,325	7,651,074
Debtors	8	490,830	542,928
Cash at bank and in hand		2,000,168	1,054,413
		<hr/>	<hr/>
		6,254,323	9,248,415
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	(5,864,614)	(11,032,631)
		<hr/>	<hr/>
NET CURRENT ASSETS		389,709	(1,784,216)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ <u>389,709</u>	£ <u>(1,784,216)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss reserve	10	389,708	(1,784,217)
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS		£ <u>389,709</u>	£ <u>(1,784,216)</u>

These financial statements were approved by the board of directors on 14 April 1999.



J. W. Boulton
Director

The notes on pages 6 to 9 form part of these financial statements.

PLUSTRADE LIMITED

NOTES TO THE FINANCIAL STATEMENT

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

(b) Rental income

Rental income comprises rent receivable, credit for which is taken on an accruals basis and service charge income, credit for which is taken on a cash basis.

(c) Trading stock

Property held as trading stock is valued at the lower of cost or net realisable value, as estimated by the directors of the company. Profits or losses on the realisation of property is taken upon legal completion of the sale.

2. Employees' and directors' emoluments

No director received any emoluments in connection with his services to the company. During the year under review the company did not employ any staff.

	1998	1997
Average number of people employed	0	0
Wages and salaries paid	£ <u>0</u>	£ <u>0</u>

3. Net profit from properties

	1998	1997
	£	£
Rental income	733,737	569,847
Property outgoings	(1,585,719)	(1,864,774)
Profit on property trading	3,880,561	1,843,330
	<u>£3,028,579</u>	<u>£ 548,403</u>

PLUSTRADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

4. Interest and other finance charges payable

Interest and other finance charges payable relates to loans payable to the holding company, Posthold Limited.

5. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following item:

	<u>1998</u>	<u>1997</u>
Auditors' remuneration - audit fee	£ <u>9,750</u>	£ <u>5,875</u>
- non audit services	£ <u>9,750</u>	£ <u>5,875</u>

6. Taxation

The company has made no charge or provision for taxation due to the utilisation of losses brought forward.

7. Property held as trading stock

Property held as trading stock comprises of residential properties valued at cost.

	<u>1998</u>	<u>1997</u>
Closing stock	£ <u>3,763,325</u>	£ <u>7,651,074</u>

8. Debtors: due within one year

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Trade debtors	89,318	109,844
Other debtors	401,512	433,084
	<hr/>	<hr/>
	£ <u>490,830</u>	£ <u>542,928</u>

Trade debtors comprise rent and service charges due and are expressed net of provisions.

PLUSTRADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

9. Creditors: amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Amounts owed to parent undertaking	5,498,414	10,767,978
Other creditors incl. taxation and social security	15,373	169,487
Accruals and deferred income	350,827	95,166
	<hr/>	<hr/>
	<u>£ 5,864,614</u>	<u>£11,032,631</u>

10. Share capital and reserves

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Authorised		
100 Ordinary Shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>£ 1</u>	<u>£ 1</u>

Reconciliation of movement in shareholders' funds

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Opening shareholders' funds	(1,784,216)	(1,447,693)
Movement in profit and loss reserve	2,173,925	(336,523)
	<hr/>	<hr/>
Closing shareholders' funds	<u>£ 389,709</u>	<u>£(1,784,216)</u>

Reconciliation of movement in profit and loss reserve

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Opening balance	(1,784,217)	(1,447,694)
Profit / (Loss) for the year	2,173,925	(336,523)
	<hr/>	<hr/>
Closing balance	<u>£ 389,708</u>	<u>£(1,784,217)</u>

PLUSTRADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

11. Cash flow statement

In accordance with Financial Reporting Standard No.1 (Revised 1996), "Cash Flow Statements", the company is not required to publish a cash flow statement as the information is included in the consolidated cash flow statement of the ultimate parent company.

12. Related parties

Under FRS8 the company is exempt from the requirement to disclose related party transactions with the Posthold Group on the grounds that it is a wholly owned subsidiary undertaking of Posthold Limited.

13. Contingent liabilities

A guarantee and debenture over the company's trading stock has been given by Plustrade to Posthold's bankers in respect of the borrowings of Posthold Limited.

14. Ultimate parent undertaking

The company is a wholly owned subsidiary of Posthold Limited, which is incorporated in Great Britain and registered in England and Wales.

The results of the company are included in the group financial statements of the ultimate parent company. The consolidated financial statements of Posthold Limited are available to the public and may be obtained from 126 Kew Road, Richmond, Surrey, TW9 2AU.