

Company Registration Number: 2886335

**LONDON AND WESSEX ESTATES LIMITED  
LIMITED**

**Directors' Report and Accounts**  
for the year ended  
30 June 1997



## **LONDON AND WESSEX ESTATES LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the audited accounts for the year ended 30 June 1997.

#### **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:

- a) Select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed;
- d) prepare 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.

#### **Review of the Business**

The principal activity of the Company is property investment in the UK.

In the opinion of the directors the financial position of the Company at the Balance Sheet date was satisfactory.

#### **Results and Dividends**

The results for the year are detailed on page 4. The Company achieved a profit on ordinary activities before taxation of £305,577.

During the year, the directors paid a dividend of £192,000 (1996: £18,000). The retained profit for the year is £11,329 (1996: Loss £(8,891)), which has been transferred to reserves, giving a retained profit carried forward of £2,438.

#### **Share Capital**

There have been no movements in Share Capital during the year.

## LONDON AND WESSEX ESTATES LIMITED

### DIRECTORS' REPORT (continued)

#### Directors and their Interests

The directors holding office during the year were as follows:

	<i>Number of shares</i>
JL Beckwith	-
MPE Dudley-Williams	24,500
PH Gibbon	-
PM Jackson	-

JL Beckwith does not have any interest in the share capital of the Company other than by virtue of his interest in one of its shareholders, The General Property Investment Company Limited which is disclosed in the accounts of that company. Neither PH Gibbon nor PM Jackson has any interest in the share capital of the Company.

#### Charitable Donations

There were no charitable donations during the year.

#### Auditors

A resolution to re-appoint Benriches as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S A Barker

195 Knightsbridge  
London  
SW7 1RE

3 September 1997

**AUDITOR'S REPORT TO THE SHAREHOLDERS**  
**OF**  
**LONDON AND WESSEX ESTATES LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**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.

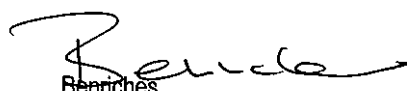
**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 1997 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Benriches  
Chartered Accountants  
and Registered Auditor  
1 Reef House  
Coral Row  
Plantation Wharf  
London SW11 3UF

3 September 1997

# LONDON AND WESSEX ESTATES LIMITED

## Profit and Loss Account for the period ended 30 June 1997

	Note	1997 £	1996 £
Turnover	2	2,282,075	85,789
Cost of sales		(1,664,401)	(26,682)
Gross profit		<u>617,674</u>	<u>59,107</u>
Administration expenses		(211,045)	(26,961)
Operating profit	3	<u>406,629</u>	<u>32,146</u>
Interest receivable		2,821	1,284
Interest payable	4	(103,873)	(19,834)
Profit on ordinary activities before taxation		<u>305,577</u>	<u>13,596</u>
Taxation on profit on ordinary activities	5	(102,248)	(4,487)
Profit on ordinary activities after taxation		<u>203,329</u>	<u>9,109</u>
Dividends		(192,000)	(18,000)
Retained profit/(loss) for the year	10	<u><u>11,329</u></u>	<u><u>(8,891)</u></u>

An analysis of reserves is given in Note 10.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and the historical cost equivalents.

Turnover and operating profit derive wholly from continuing operations.

There are no recognised gains or losses other than the profit for the year shown above.

The notes on pages 7 to 12 form an integral part of these accounts.

# LONDON AND WESSEX ESTATES LIMITED

## Balance Sheet as at 30 June 1997

	Note	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Stock	6	-	1,318,835
Debtors	7	467	11,535
Cash at bank and in hand		162,014	-
		<u>162,481</u>	<u>1,330,370</u>
<b>CREDITORS</b> (amounts falling due within one year)	8	(110,043)	(1,289,261)
<b>NET CURRENT ASSETS</b>		<u>52,438</u>	<u>41,109</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	50,000	50,000
Profit and loss account	10	2,438	(8,891)
		<u>52,438</u>	<u>41,109</u>

The notes on pages 7 to 12 form an integral part of these accounts.

The accounts were approved by the  
Board of Directors on 3 September 1997

J L Beckwith

# LONDON AND WESSEX ESTATES LIMITED

## Cash Flow Statement

for the year ended 30 June 1997

	Note	1997 £	1996 £
<b>Net cash outflow from operating activities</b>	12.1	1,653,436	(1,205,685)
<b>Returns on investments and servicing of finance</b>			
Interest received		2,821	1,284
Interest paid		(116,172)	(7,521)
		<u>(113,351)</u>	<u>(6,237)</u>
<b>Taxation</b>			
Tax paid		(1,649)	(4,500)
ACT paid		<u>(1,649)</u>	<u>(4,500)</u>
<b>Equity dividends paid</b>		(192,000)	(18,000)
<b>Net cash inflow / (outflow) before financing</b>		<u>1,346,436</u>	<u>(1,216,422)</u>
<b>Financing</b>			
Issue of share capital		-	(49,998)
Proceeds of bank loan		733,633	(733,633)
Proceeds of other loans repayable in less than one year		438,600	(438,600)
		<u>1,172,233</u>	<u>(1,222,231)</u>
<b>Increase/(decrease) in cash</b>	12.2	174,203	(12,191)
		<u>1,346,436</u>	<u>(1,234,422)</u>

The notes on pages 7 to 12 form an integral part of these accounts.

# LONDON AND WESSEX ESTATES LIMITED

## Notes to the Accounts for the year ended 30 June 1997

### 1. Accounting Policies

- a) Basis of accounting - The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- b) Turnover - Turnover represents net rental income and proceeds of sales of trading properties in the United Kingdom.
- c) Deferred taxation - Provision is made for deferred taxation to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. The provision is maintained to the extent that timing differences are not expected, with reasonable certainty, to continue into the foreseeable future.

### 2. Turnover

Turnover is analysed as follows:

	1997 £	1996 £
Sale proceeds	2,235,000	80,000
Net rental income	47,075	5,789
	<u>2,282,075</u>	<u>85,789</u>

### 3. Operating Profit

Operating profit is stated after charging/ (crediting):

	1997 £	1996 £
Auditor's remuneration		
Audit fee	1,000	1,000
Other services	1,550	-
Net rents receivable	(47,075)	(5,789)

None of the Directors received any emoluments from the Company during the year. The Company did not have any employees during the year. The Company was managed by its shareholders, Pacific Investments Limited and Malcolm Dudley-Williams. Management fees of £75,000 were paid to each of Pacific Investments Limited and South Park Estates of which Malcolm Dudley-Williams is a partner.

### 4. Interest payable

	1997 £	1996 £
Interest payable on bank loans and overdrafts payable within 5 years	54,681	12,210
Other interest	49,192	7,624
	<u>103,873</u>	<u>19,834</u>



# **LONDON AND WESSEX ESTATES LIMITED**

## **Notes to the Accounts**

for the year ended 30 June 1997

(continued)

### **5. Taxation**

Tax on profit after ordinary activities is analysed as follows:

	1997	1996 £
Corporation tax at 33%	100,841	4,487
Under-provision in prior year	1,407	-
	<u>102,248</u>	<u>4,487</u>

### **6. Stock**

	1997 £	1996 £
Property held for resale	<u>-</u>	<u>1,318,835</u>

Stock of property held for resale at 30 June 1996 represented a freehold property in Taunton, Devon, which has been sold during the current year.

### **7. Debtors**

	1997 £	1996 £
Trade debtors	467	693
Other debtors	-	7,903
Corporation tax	-	13
Prepayments and accrued income	-	2,926
	<u>467</u>	<u>11,535</u>

# **LONDON AND WESSEX ESTATES LIMITED**

## **Notes to the Accounts**

for the year ended 30 June 1997

(continued)

### **8. Creditors** (amounts falling due within one year)

	1997 £	1996 £
Bank loans and overdrafts	-	745,822
Accruals and deferred income	9,224	104,839
Amounts due to parent undertaking	-	267,100
ACT payable	48,000	-
Corporation tax	52,585	-
Other creditors	234	171,500
	<u>110,043</u>	<u>1,289,261</u>

Bank loans and overdrafts are analysed as follows:

	1997 £	1996 £
Bank overdrafts (repayable on demand)	<u>-</u>	<u>12,189</u>
Bank loan	-	741,308
Less: Unamortised element of bank facility fee	<u>-</u>	<u>(7,675)</u>
	<u>-</u>	<u>733,633</u>
Total bank loans and overdrafts	<u>-</u>	<u>745,822</u>

# LONDON AND WESSEX ESTATES LIMITED

## Notes to the Accounts for the year ended 30 June 1997

(continued)

### 9. Called up Share Capital

As at 30 June 1996 and 1997 the authorised and issued share capital of the Company comprised:

	Authorised Number	£	Issued Number	£
"A" ordinary £1	25,500	25,500	25,500	25,500
"B" ordinary £1	24,500	24,500	24,500	24,500
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

"A" and "B" ordinary shares carry the same rights and rank in all respects pari passu according to the nominal value of the shares.

### 10. Reserves

	Profit and Loss Account £
Balance as at 1 July 1996	(8,891)
Retained loss for the year	11,329
Balance as at 30 June 1997	<u>2,438</u>

### 11. Reconciliation of Movement in Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	11,329	(8,891)
New share capital subscribed	-	49,998
Net increase in shareholders' funds	<u>11,329</u>	<u>41,107</u>
Opening shareholders' funds	41,109	2
Shareholders' funds as at 30 June	<u>52,438</u>	<u>41,109</u>

# LONDON AND WESSEX ESTATES LIMITED

## Notes to the Accounts

for the year ended 30 June 1997

(continued)

### 12. Cash Flow Statement

#### 12.1 Reconciliation of operating profit to net cash outflow from operating activities

The reconciliation of operating profit to net cash outflow from operating activities is as follows:

	1997 £	1996 £
Operating profit	406,629	32,146
Decrease/(increase) in stock	1,318,835	(1,318,835)
Decrease/(increase) in debtors	11,055	(11,535)
(Decrease)/increase in creditors	(83,083)	92,539
	<u>1,653,436</u>	<u>(1,205,685)</u>

#### 12.2 Analysis of changes in net debt

	As at 1 July 1996	Cash flow	As at 30 June 1997
Cash at bank and in hand		162,014	162,014
Bank loans and overdrafts	(12,189)	12,189	-
Increase in cash in the year		<u>174,203</u>	
Debt due within one year			
Bank loan	(733,633)	733,633	-
Other loans	(438,600)	438,600	-
	<u>(1,184,422)</u>	<u>1,346,436</u>	<u>162,014</u>

#### 12.3 Analysis of changes in financing during the year

The analysis of changes in financing during the year is as follows:

	Share capital £
Balance as at 1 July 1996 and 30 June 1997	<u>50,000</u>

## **LONDON AND WESSEX ESTATES LIMITED**

### **Notes to the Accounts**

**for the year ended 30 June 1997**

(continued)

#### **13. Related Party Transactions**

Management fees of £75,000 were paid to each of Pacific Investments Limited and South Park Estates of which Malcolm Dudley-Williams is a partner.

#### **14. Holding Company**

The Company is ultimately owned by Pacific Investments Limited and Malcolm Dudley-Williams. Pacific Investments Limited, a company registered in England and Wales, is the largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the secretary at 195 Knightsbridge, London, SW7 1RE.