

LEALANS LIMITED

COMPANY NO 00585708

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996



LEALANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1996

The Directors submit their report and financial statements for the year ended 31 March 1996.

RESULTS

The net profit for the year ended 31 March 1996 was £41,590.

The Directors do not recommend the payment of a dividend and the profit for the year has been transferred to retained earnings. Retained earnings of £390,070 are carried forward.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of holding properties as investments.

FIXED ASSETS

The movements in fixed assets are shown in Note 5 to the financial statements.

The company's investment properties were revalued on 31 March 1996. The valuation of £1,721,950, which is £617,129 higher than the cost, has been incorporated in these accounts.

DIRECTORS

The Directors who served the Company throughout the year, together with their interests (including family interests) in the shares of the Company at the beginning and end of year, were as follows:-

	<u>Number of shares</u>	
	<u>As at 31 March 1996</u>	<u>As at 1 April 1995</u>
M E Ricketts	98	98
Mrs G V Ricketts	2	2

By Order of the Board



M E Ricketts
Secretary

Riverside House
1-5 High Street
LONDON COLNEY
Herts
AL2 1RE

Date... 5 Nov 1996

LEALANS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 1996

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 -

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) 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.

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF
LEALANS LIMITED

We have examined, without carrying out an audit, the accounts for the year ended 31 March 1996 set out on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANT

As described on page 2 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records are free from material misstatement.

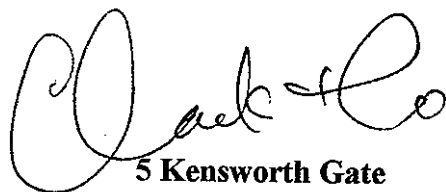
OPINION

In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(4) of the Act; and
- c) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year fall within any of the categories of companies not entitled to exemption specified in section 249B(1)

CHARTERED ACCOUNTANTS

Date... 5 Nov 1996



5 Kensworth Gate
200-204 High Street South
DUNSTABLE
Beds
LU6 3HS

LEALANS LIMITED

BALANCE SHEET AS AT 31 MARCH 1996

	<u>1996</u>	<u>1995</u>
	£	£
TANGIBLE FIXED ASSETS (Notes 1 & 5)	1,729,816	1,746,831
CURRENT ASSETS:		
Debtors (Note 6)	68,685	50,227
CREDITORS FALLING DUE WITHIN ONE YEAR (Note 7)	(495,857)	(551,528)
Net current liabilities	<u>(427,172)</u>	<u>(501,301)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,302,644	1,245,530
CREDITORS FALLING DUE AFTER ONE YEAR (Note 8)	(295,345)	(288,117)
DEFERRED TAXATION (Note 9)	(2,360)	-
	<u><u>1,004,939</u></u>	<u><u>957,413</u></u>
SHARE CAPITAL (Note 10)	100	100
INVESTMENT REVALUATION RESERVE (Note 11)	614,769	608,833
RETAINED EARNINGS	390,070	348,480
	<u><u>1,004,939</u></u>	<u><u>957,413</u></u>

The exemption conferred by Section 249A(2) of the Companies Act 1985 not to have these accounts audited applies to the company. No notice has been deposited under S249B(2) of the Act for the financial year.

The director acknowledges his responsibility for ensuring that:-

- i) the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- ii) the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year ended in accordance with the requirements of S226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

LEALANS LIMITED

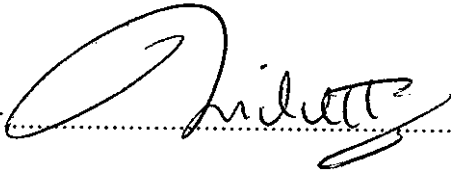
BALANCE SHEET (continued) AS AT 31 MARCH 1996

The Directors have relied on Section 246 and 247 of Companies Act 1985 enabling them to take advantage of the special exemptions applicable to small companies.

The accompanying notes are an integral part of this Balance Sheet.

Approved by the board and signed on their behalf on..... 5 Nov 1996

Director.....

A handwritten signature in black ink, appearing to read 'P. Hildutt', is written over a dotted line.

LEALANS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	<u>1996</u>	<u>1995</u>
	£	£
TURNOVER (Note 1)	100,000	-
COST OF SALES	(53,949)	-
	<u>46,051</u>	<u>-</u>
RENTAL INCOME (Note 1)	146,900	157,477
	<u>192,951</u>	<u>157,477</u>
ADMINISTRATION EXPENSES (Note 2)	(108,275)	(99,855)
Operating profit	<u>84,676</u>	<u>57,622</u>
INTEREST PAYABLE (Note 3)	(43,086)	(39,801)
Profit on ordinary activities before taxation	<u>41,590</u>	<u>17,821</u>
CORPORATION TAX (Note 4)	-	(4,708)
Profit for the financial year	<u>41,590</u>	<u>13,113</u>
RETAINED EARNINGS brought forward	348,480	335,367
RETAINED EARNINGS carried forward	<u><u>390,070</u></u>	<u><u>348,480</u></u>

There are no gains and losses in the year other than the profit for the year.

There were no acquisitions or discontinuations of business sectors in the year. All amounts therefore refer to continuing operations.

The accompanying notes are an integral part of this Profit and Loss account.

LEALANS LIMITED

NOTES TO THE ACCOUNTS : 31 MARCH 1996

1 ACCOUNTING POLICIES:

- a) These accounts have been prepared under the historic cost convention.
- b) Properties held as investment are stated at open market value and are not depreciated in accordance with SSAP 19.
- c) Rental income represents the gross value of rents falling due during the year.
- d) Depreciation is charged over the estimated useful life of fixtures and fittings at 15% to 25% on a straight line basis.
- e) Turnover represents the gross proceeds of properties for which the contracts of sale were completed during the period.
- f) Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reserve in the future, calculated at the rate at which it is estimated that tax will be payable.
- g) The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2 OPERATING PROFIT:

The operating profit is stated after charging:-

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation	2,172	1,890
Directors' remuneration	5,500	5,500
Auditors' remuneration	-	-
	<u> </u>	<u> </u>

3 INTEREST PAYABLE:

This is as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
Bank loans	11,202	6,864
Bank overdraft	14,532	15,219
Mortgage	17,352	17,647
Other	-	71
	<u>43,086</u>	<u>39,801</u>

4 CORPORATION TAX:

The charge to Corporation tax arises as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax at 25% based on results for the year	-	4,708
	<u><u>-</u></u>	<u><u>4,708</u></u>

5 TANGIBLE FIXED ASSETS:

The movement on these accounts was as follows:-

	<u>Properties</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
	£	£	£
Cost -			
Brought forward	1,741,950	12,587	1,754,537
Additions	22,424	5,157	27,581
Surplus on revaluation	8,296	-	8,296
Disposals	(50,720)	-	(50,720)
	<u>1,721,950</u>	<u>17,744</u>	<u>1,739,694</u>
Depreciation -			
Brought forward	-	7,706	7,706
Charge for the year	-	2,172	2,172
	<u>-</u>	<u>9,878</u>	<u>9,878</u>
Net Book Value at 31.3.96	<u>1,721,950</u>	<u>7,866</u>	<u>1,729,816</u>
Net Book Value at 31.3.95	<u>1,741,950</u>	<u>4,881</u>	<u>1,746,831</u>

Mr M E Ricketts, a Chartered Surveyor and a director of the company, valued the investment properties at open market value using an existing use basis as at 31 March 1996.

.6 DEBTORS:

These are as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
Trade debtors	9,746	46,660
Due from associated company	51,629	93
Prepayments	2,602	2,848
Other debtors	-	626
Corporation tax	4,708	-
	<u>68,685</u>	<u>50,227</u>

7 CREDITORS:

Falling due within one year:-

	<u>1996</u>	<u>1995</u>
	£	£
Bank overdraft	70,584	165,574
Trade creditors	400	-
Corporation tax	-	4,708
Social Security and other taxes	5,124	3,326
Accruals	3,063	3,156
Other creditors	372,212	212,102
Due to associated companies	39,643	136,274
Bank loan	4,831	26,388
	<u>495,857</u>	<u>551,528</u>

The bank overdraft and loan is secured by a fixed charge over certain specific properties held as investment.

CREDITORS:

Falling due after one year:-

	<u>1996</u>	<u>1995</u>
	£	£
Bank loan	118,785	111,557
Mortgage liability	176,560	176,560
	<u>295,345</u>	<u>288,117</u>

The mortgage liability is secured by a fixed charge over certain specific properties held as investment and by guarantees given by two of the Directors. It is repayable after five years, not by instalments.

9 DEFERRED TAX:

Deferred taxation provided in the financial statements is as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
Taxation on investment property revaluation surplus	<u>2,360</u>	<u>-</u>

10 SHARE CAPITAL:

The share capital of the company comprises 100 Ordinary Shares of £1 each, all of which are issued and fully paid.

11 MOVEMENT IN SHAREHOLDER FUNDS:

This is as follows:-

	<u>Share Capital</u>	<u>Investment Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>TOTAL</u>
	£	£	£	£
Balance brought forward	100	608,833	348,480	957,413
Surplus on revaluation of investment properties	-	8,296	-	8,296
Deferred taxation arising from revaluation surplus	-	(2,360)	-	(2,360)
Net profit for the year	-	-	41,590	41,590
Balance carried forward	<u>100</u>	<u>614,769</u>	<u>390,070</u>	<u>1,004,939</u>