

LEALANS LIMITED

COMPANY NO 00585708

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997



LEALANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The Directors submit their report and financial statements for the year ended 31 March 1997.

RESULTS

The net profit for the year ended 31 March 1997 was £33,647.

The Directors do not recommend the payment of a dividend and the profit for the year has been transferred to retained profits. Retained profits of £423,717 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 1997. The valuation of £1,811,000, which is £802,403 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 1997</u>	<u>As at 1 April 1996</u>
M E Ricketts	98	98
Mrs G V Ricketts	2	2

This Directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

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



M E Ricketts
Secretary

Date.....16.1.98.....

LEALANS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 1997

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 1997 set out on pages 4 to 11.

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

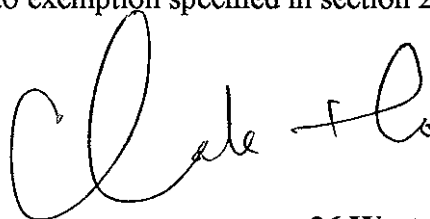
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company 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(6) 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

**26 West Street
DUNSTABLE
Beds
LU6 1SX**

Date.....16.1.98.....

LEALANS LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	<u>1997</u>	<u>1996</u>
	£	£
TANGIBLE FIXED ASSETS (Notes 1 & 5)	1,816,839	1,729,816
CURRENT ASSETS:		
Debtors (Note 6)	83,353	68,685
CREDITORS FALLING DUE WITHIN ONE YEAR (Note 7)	(439,332)	(495,857)
Net current liabilities	<u>(355,979)</u>	<u>(427,172)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,460,860	1,302,644
CREDITORS FALLING DUE AFTER ONE YEAR (Note 8)	(234,640)	(295,345)
DEFERRED TAXATION (Note 9)	(74,620)	(2,360)
	<u><u>1,151,600</u></u>	<u><u>1,004,939</u></u>
SHARE CAPITAL (Note 10)	100	100
INVESTMENT REVALUATION RESERVE (Note 11)	727,783	614,769
RETAINED EARNINGS	423,717	390,070
	<u><u>1,151,600</u></u>	<u><u>1,004,939</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 1997 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

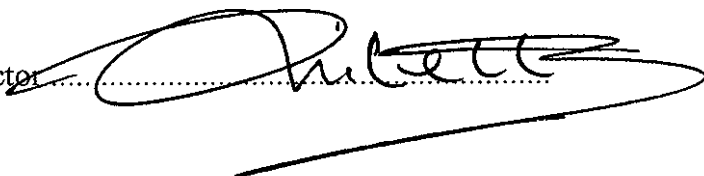
BALANCE SHEET (continued) AS AT 31 MARCH 1997

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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

Approved by the board and signed on their behalf on.....16 Jan 1998.....

Director.....

A large, stylized handwritten signature in black ink, written over a dotted line. The signature is cursive and appears to be a single continuous stroke.

LEALANS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	<u>1997</u>	<u>1996</u>
	£	£
TURNOVER (Note 1)	264,925	100,000
COST OF SALES	(186,867)	(53,949)
	<u>78,058</u>	<u>46,051</u>
RENTAL INCOME (Note 1)	137,529	146,900
	<u>215,587</u>	<u>192,951</u>
ADMINISTRATION EXPENSES (Note 2)	(154,876)	(108,275)
Operating profit	<u>60,711</u>	<u>84,676</u>
INTEREST RECEIVABLE	15	-
INTEREST PAYABLE (Note 3)	(25,693)	(43,086)
Profit on ordinary activities before taxation	<u>35,033</u>	<u>41,590</u>
CORPORATION TAX (Note 4)	(1,386)	-
Profit for the financial year	<u>33,647</u>	<u>41,590</u>
RETAINED PROFIT brought forward	390,070	348,480
RETAINED PROFIT carried forward	<u><u>423,717</u></u>	<u><u>390,070</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 1997

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>1997</u>	<u>1996</u>
	£	£
Depreciation	3,405	2,172
Directors' remuneration	6,000	5,500
Auditors' remuneration	-	-
	<u> </u>	<u> </u>

3 INTEREST PAYABLE:

This is as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Bank loans	7,999	11,202
Bank overdraft	3,516	14,532
Mortgage	14,178	17,352
	<u>25,693</u>	<u>43,086</u>

4 CORPORATION TAX:

The charge to Corporation tax arises as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Corporation tax at 24% based on results for the year	<u>1,386</u>	<u>-</u>

The company has tax losses of approximately £46,000 available for offset against future rental income.

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	1,721,950	17,744	1,739,694
Additions	84,798	1,378	86,176
Disposals	(273,083)	-	(273,083)
Surplus on revaluation	277,335	-	277,335
	<u>1,811,000</u>	<u>19,122</u>	<u>1,830,122</u>
Depreciation -			
Brought forward	-	9,878	9,878
Charge for the year	-	3,405	3,405
	<u>-</u>	<u>13,283</u>	<u>13,283</u>
Net Book Value at 31.3.97	<u>1,811,000</u>	<u>5,839</u>	<u>1,816,839</u>
Net Book Value at 31.3.96	<u>1,721,950</u>	<u>7,866</u>	<u>1,729,816</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 1997.

6 DEBTORS:

These are as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	27,004	9,746
Due from associated company	38,602	51,629
Prepayments	3,333	2,602
Other debtors	14,414	-
Corporation tax	-	4,708
	<u>83,353</u>	<u>68,685</u>

7 CREDITORS:

Falling due within one year:-

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft	48,839	70,584
Bank loan	10,000	4,831
Trade creditors	2,025	400
Corporation tax	1,386	-
Social Security and other taxes	6,624	5,124
Accruals	2,859	3,063
Other creditors	367,599	411,855
	<u>439,332</u>	<u>495,857</u>

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

8 CREDITORS:

Falling due after one year:-

	<u>1997</u>	<u>1996</u>
	£	£
Bank loan	60,000	118,785
Mortgage liability	174,640	176,560
	<u>234,640</u>	<u>295,345</u>

The bank loan is repayable by instalments as follows:-

Within five years	50,000	27,831
After five years	20,000	95,785
	<u>70,000</u>	<u>123,616</u>
Included in current liabilities	(10,000)	(4,831)
	<u>60,000</u>	<u>118,785</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>1997</u>	<u>1996</u>
	£	£
Taxation on investment property revaluation surplus -		
Balance brought forward	2,360	-
Transfer from investment property revaluation account	72,260	2,360
Balance carried forward	<u>74,620</u>	<u>2,360</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 Profits</u>	<u>TOTAL</u>
	£	£	£	£
Balance brought forward	100	614,769	390,070	1,004,939
Revaluation surplus on properties sold during the year	-	(92,061)	-	(92,061)
Surplus on revaluation of investment properties	-	277,335	-	277,335
Adjustment to deferred taxation arising from revaluation surplus	-	(72,260)	-	(72,260)
Net profit for the year	-	-	33,647	33,647
Balance carried forward	100	727,783	423,717	1,151,600