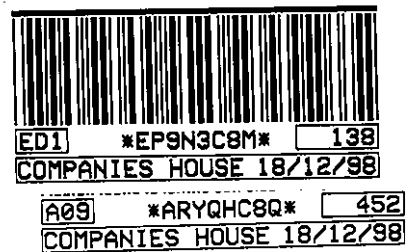


**LEALANS LIMITED**

**COMPANY NO 00585708**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**



# LEALANS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

The Directors submit their report and financial statements for the year ended 31 March 1998.

### **RESULTS**

The net profit for the year ended 31 March 1998 was £22,268.

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 £445,985 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 1998. The valuation of £1,859,550, which is £855,631 higher than the cost, has been incorporated in these accounts.

### **DIRECTORS**

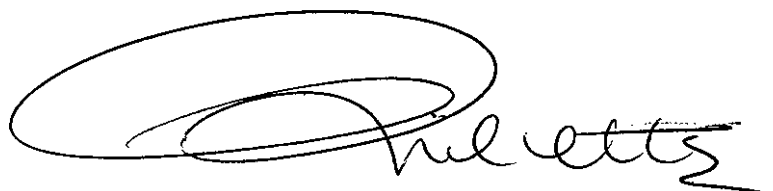
The Directors who served the Company throughout the year, together with their interests (including family interests) in the shares of the Company at the beginning and end of year, were as follows:-

|                  | <u>Number of shares</u>    |                           |
|------------------|----------------------------|---------------------------|
|                  | <u>As at 31 March 1998</u> | <u>As at 1 April 1997</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.....14.12.98.....

**LEALANS LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 1998**

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.

**LEALANS LIMITED**

**BALANCE SHEET AS AT 31 MARCH 1998**

|                                                       | <b><u>1998</u></b>      | <b><u>1997</u></b>      |
|-------------------------------------------------------|-------------------------|-------------------------|
|                                                       | <b>£</b>                | <b>£</b>                |
| <b>TANGIBLE FIXED ASSETS</b> (Notes 1 & 5)            | <b>1,864,295</b>        | <b>1,816,839</b>        |
|                                                       | <hr/>                   | <hr/>                   |
| <b>CURRENT ASSETS:</b>                                |                         |                         |
| Debtors (Note 6)                                      | 138,370                 | 83,353                  |
| <b>CREDITORS FALLING DUE WITHIN ONE YEAR</b> (Note 7) | (453,354)               | (439,332)               |
|                                                       | <hr/>                   | <hr/>                   |
| Net current liabilities                               | <b>(314,984)</b>        | <b>(355,979)</b>        |
|                                                       | <hr/>                   | <hr/>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          | 1,549,311               | 1,460,860               |
| <b>CREDITORS FALLING DUE AFTER ONE YEAR</b> (Note 8)  | (247,595)               | (234,640)               |
| <b>DEFERRED TAXATION</b> (Note 9)                     | (89,070)                | (74,620)                |
|                                                       | <hr/>                   | <hr/>                   |
|                                                       | <b><u>1,212,646</u></b> | <b><u>1,151,600</u></b> |
|                                                       | <hr/>                   | <hr/>                   |
| <b>SHARE CAPITAL</b> (Note 10)                        | 100                     | 100                     |
| <b>INVESTMENT REVALUATION RESERVE</b> (Note 11)       | 766,561                 | 727,783                 |
| <b>RETAINED PROFITS</b>                               | 445,985                 | 423,717                 |
|                                                       | <hr/>                   | <hr/>                   |
|                                                       | <b><u>1,212,646</u></b> | <b><u>1,151,600</u></b> |
|                                                       | <hr/>                   | <hr/>                   |

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 1998 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**

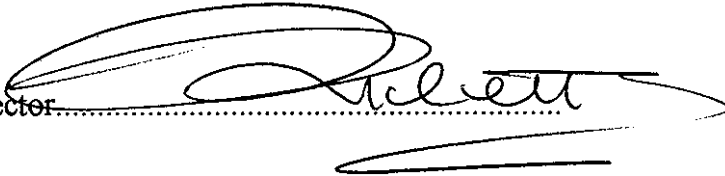
**BALANCE SHEET (continued) AS AT 31 MARCH 1998**

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..... 14 December 1998

Director.....

A handwritten signature in black ink, appearing to be 'M. J. Lealans', written over a dotted line. Below the signature is a horizontal wavy line.

**LEALANS LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998**

|                                               | <b><u>1998</u></b>           | <b><u>1997</u></b>           |
|-----------------------------------------------|------------------------------|------------------------------|
|                                               | <b>£</b>                     | <b>£</b>                     |
| <b>TURNOVER</b> (Note 1)                      | 35,000                       | 264,925                      |
| <b>COST OF SALES</b>                          | (5,138)                      | (186,867)                    |
|                                               | <b><u>29,862</u></b>         | <b><u>78,058</u></b>         |
| <b>RENTAL INCOME</b> (Note 1)                 | 156,643                      | 137,529                      |
|                                               | <b><u>186,505</u></b>        | <b><u>215,587</u></b>        |
| <b>ADMINISTRATION EXPENSES</b> (Note 2)       | (136,299)                    | (154,876)                    |
| Operating profit                              | <b><u>50,206</u></b>         | <b><u>60,711</u></b>         |
| <b>INTEREST RECEIVABLE</b>                    | 129                          | 15                           |
| <b>INTEREST PAYABLE</b> (Note 3)              | (28,067)                     | (25,693)                     |
| Profit on ordinary activities before taxation | <b><u>22,268</u></b>         | <b><u>35,033</u></b>         |
| <b>CORPORATION TAX</b> (Note 4)               | -                            | (1,386)                      |
| Profit for the financial year                 | <b><u>22,268</u></b>         | <b><u>33,647</u></b>         |
| <b>RETAINED PROFITS</b> brought forward       | 423,717                      | 390,070                      |
| <b>RETAINED PROFITS</b> carried forward       | <b><u><u>445,985</u></u></b> | <b><u><u>423,717</u></u></b> |

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 1998**

### **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:-

|                         | <b><u>1998</u></b>       | <b><u>1997</u></b>       |
|-------------------------|--------------------------|--------------------------|
|                         | <b>£</b>                 | <b>£</b>                 |
| Depreciation            | 2,878                    | 3,405                    |
| Directors' remuneration | 6,400                    | 6,000                    |
| Auditors' remuneration  | -                        | -                        |
|                         | <b><u>          </u></b> | <b><u>          </u></b> |

### **3 INTEREST PAYABLE:**

This is as follows:-

|                | <b><u>1998</u></b>   | <b><u>1997</u></b>   |
|----------------|----------------------|----------------------|
|                | <b>£</b>             | <b>£</b>             |
| Bank loans     | 7,698                | 7,999                |
| Bank overdraft | 2,757                | 3,516                |
| Mortgage       | 17,510               | 14,178               |
| Other          | 102                  | -                    |
|                | <b><u>28,067</u></b> | <b><u>25,693</u></b> |

#### 4 CORPORATION TAX:

The charge to Corporation tax arises as follows:-

|                                                      | <u>1998</u> | <u>1997</u>  |
|------------------------------------------------------|-------------|--------------|
|                                                      | £           | £            |
| Corporation tax at 24% based on results for the year | -           | <b>1,386</b> |

The company has tax losses of approximately £52,500 available for offset against future rental income.

#### 5 TANGIBLE FIXED ASSETS:

The movement on these accounts was as follows:-

|                                  | <u>Properties</u>       | <u>Fixtures<br/>&amp; Fittings</u> | <u>TOTAL</u>            |
|----------------------------------|-------------------------|------------------------------------|-------------------------|
|                                  | £                       | £                                  | £                       |
| Cost -                           |                         |                                    |                         |
| Brought forward                  | 1,811,000               | 19,122                             | 1,830,122               |
| Additions                        | -                       | 1,784                              | 1,784                   |
| Disposals                        | (4,678)                 | -                                  | (4,678)                 |
| Surplus on revaluation           | 53,228                  | -                                  | 53,228                  |
|                                  | <u>1,859,550</u>        | <u>20,906</u>                      | <u>1,880,456</u>        |
| Depreciation -                   |                         |                                    |                         |
| Brought forward                  | -                       | 13,283                             | 13,283                  |
| Charge for the year              | -                       | 2,878                              | 2,878                   |
|                                  | <u>-</u>                | <u>16,161</u>                      | <u>16,161</u>           |
| <b>Net Book Value at 31.3.98</b> | <u><b>1,859,550</b></u> | <u><b>4,745</b></u>                | <u><b>1,864,295</b></u> |
| Net Book Value at 31.3.97        | <u>1,811,000</u>        | <u>5,839</u>                       | <u>1,816,839</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 1998.

**6 DEBTORS:**

These are as follows:-

|               | <u>1998</u>    | <u>1997</u>   |
|---------------|----------------|---------------|
|               | £              | £             |
| Trade debtors | 29,359         | 27,004        |
| Other debtors | 100,967        | 53,016        |
| Prepayments   | 8,044          | 3,333         |
|               | <u>138,370</u> | <u>83,353</u> |

**7 CREDITORS:**

Falling due within one year:-

|                                 | <u>1998</u>    | <u>1997</u>    |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Bank overdraft                  | 5,222          | 48,839         |
| Bank loan                       | 10,000         | 10,000         |
| Trade creditors                 | 2,025          | 2,025          |
| Corporation tax                 | -              | 1,386          |
| Social Security and other taxes | 4,856          | 6,624          |
| Accruals                        | 3,110          | 2,859          |
| Other creditors                 | 428,141        | 367,599        |
|                                 | <u>453,354</u> | <u>439,332</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>1998</u>    | <u>1997</u>    |
|--------------------|----------------|----------------|
|                    | £              | £              |
| Bank loan          | 72,500         | 60,000         |
| Mortgage liability | 175,095        | 174,640        |
|                    | <u>247,595</u> | <u>234,640</u> |

The bank loan is repayable by instalments as follows:-

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Within five years               | 50,000        | 50,000        |
| After five years                | 32,500        | 20,000        |
|                                 | <u>82,500</u> | <u>70,000</u> |
| Included in current liabilities | (10,000)      | (10,000)      |
|                                 | <u>72,500</u> | <u>60,000</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.

**DEFERRED TAX:**

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

|                                                       | <u>1998</u>   | <u>1997</u>   |
|-------------------------------------------------------|---------------|---------------|
|                                                       | £             | £             |
| Taxation on investment property revaluation surplus - |               |               |
| Balance brought forward                               | 74,620        | 2,360         |
| Transfer from investment property revaluation account | 14,450        | 72,260        |
| Balance carried forward                               | <u>89,070</u> | <u>74,620</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<br/>Capital</u> | <u>Investment<br/>Revaluation<br/>Reserve</u> | <u>Retained<br/>Profits</u> | <u>TOTAL</u>            |
|---------------------------------------------------------------------|--------------------------|-----------------------------------------------|-----------------------------|-------------------------|
|                                                                     | £                        | £                                             | £                           | £                       |
| Balance brought forward                                             | 100                      | 727,783                                       | 423,717                     | 1,151,600               |
| Revaluation surplus on<br>properties sold during the year           | -                        | (35,322)                                      | -                           | (35,322)                |
| Surplus on revaluation of<br>investment properties                  | -                        | 88,550                                        | -                           | 88,550                  |
| Adjustment to deferred taxation<br>arising from revaluation surplus | -                        | (14,450)                                      | -                           | (14,450)                |
| Net profit for the year                                             | -                        | -                                             | 22,268                      | 22,268                  |
| <b>Balance carried forward</b>                                      | <u><u>100</u></u>        | <u><u>766,561</u></u>                         | <u><u>445,985</u></u>       | <u><u>1,212,646</u></u> |