

WINCHMORE HILL PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS
for the year ended
31ST MARCH, 1997



WINCHMORE HILL PROPERTY COMPANY LIMITED

DIRECTORS: E.I. MILNE
J. MILNE

SECRETARY: E.I. MILNE

REGISTERED OFFICE: 47, DARKES LANE,
POTTERS BAR,
HERTS

REGISTERED NO: 776607 England and Wales

REGISTERED AUDITORS: SHARNOCK, SKINNER & CO.,
REGISTERED AUDITORS,
42A, CAMDEN ROAD,
TUNBRIDGE WELLS,
KENT, TN1 2QD

ANNUAL REPORT AND ACCOUNTS - 31ST MARCH, 1997

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The following page does not form part
of the statutory accounts.

11 Detailed profit and loss account

WINCHMORE HILL PROPERTY COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report with the accounts of the company for the year ended 31st March, 1997.

PRINCIPAL ACTIVITY:

The principal activity of the company in the year under review was the management of letting accommodation.

The company's subsidiary company Woodard Picard & Company Limited which traded as estate agents ceased trading on the 31st March 1997.

DIRECTORS:

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	<u>31.3.97</u>	<u>31.3.96</u>
E.I. Milne	75	75
J. Milne	-	-

The director J. Milne, Esq. owns 800 shares in the subsidiary company.

DIRECTORS' RESPONSIBILITIES:

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select accounting policies and then apply them consistently;
- make judgements and estimates that were reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE DIRECTORS (CONT'D)

AUDITORS:

The registered auditors, Sharnock, Skinner & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Signed on behalf of
the board of directors


Director or Secretary

Approved by the board: 27/01/98

WINCHMORE HILL PROPERTY COMPANY LIMITED

AUDITORS' REPORT

We have audited the financial statements on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS:

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION:

As explained in the accounting policies note on page 7 no depreciation is charged on freehold buildings. This is contrary to the requirements of Statement of Standard Accounting Practice 12 'Accounting for depreciation' and paragraph 18 of Schedule 4 to the Companies Act 1985. In our opinion, the cost less estimated residual value of each such asset should be charged to the profit and loss account on a systematic basis over its expected useful economic life. Had such a policy been adopted and if, for the sake of illustration only, the relevant assets had a useful economic life of 50 years and no residual value, the profit before and after tax would have been reduced by £1547 (preceding year £1547) and the accumulated reserves and fixed assets reduced by £1547 (preceding year £1547).

WINCHMORE HILL PROPERTY COMPANY LIMITED

AUDITORS' REPORT

As set out on note 1, the company's depreciation policy writes off assets over periods longer than their expected useful economic lives. This is not in accordance with Statement of Standard Accounting Practice 12 'Accounting for depreciation' or the requirements of paragraph 18 of Schedule 4 to the Companies Act 1985. In our opinion assets should be depreciated over their useful economic lives. It is not practicable for us to quantify the extent to which fixed assets, the profit for the year and accumulated reserves are understated.

The financial statements do not include an explanation for this departure from an applicable accounting standard as required by paragraph 36A of Schedule 4 to the Companies Act 1985.

Except for the failure to depreciate freehold buildings and the failure to depreciate assets over their useful economic lives and except for the failure to include the disclosure required by paragraph 36A of Schedule 4 to the Companies Act 1985, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sharnock, Skinner & Co.,
Registered Auditors,
42a, Camden Road,
Tunbridge Wells,
Kent, TN1 2QD

28/01/98

WINCHMORE HILL PROPERTY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended
31ST MARCH, 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	31676	32994
Administrative expenses		<u>(19329)</u>	<u>(18967)</u>
OPERATING PROFIT	3	12347	(4027)
Interest payable		(7948)	(8623)
Amount written off investment		(90000)	-
Amount written off loan account		<u>(7319)</u>	<u>-</u>
(LOSS)/PROFIT on ordinary activities before taxation		(92920)	5404
TAXATION (INCLUDING PRIOR YEARS ADJUSTMENT)		<u>(3132)</u>	<u>3777</u>
(LOSS)/PROFIT for the financial year after taxation		(96052)	9181
DIVIDENDS paid or proposed		<u>-</u>	<u>-</u>
RETAINED (LOSS)/PROFIT for the financial year		(96052)	9181
RETAINED PROFIT @ 31.3.96		<u>40829</u>	<u>31648</u>
RETAINED (LOSS)/PROFIT 31.3.97		<u>£(55223)</u> =====	<u>£40829</u> =====

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS & LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

WINCHMORE HILL PROPERTY COMPANY LIMITEDBALANCE SHEET - 31ST MARCH, 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	4	173200	173200
Investments	5	-	90000
		<u>173200</u>	<u>263200</u>
CURRENT ASSETS			
Debtors	6	3675	9557
Cash at bank		<u>7065</u>	<u>12415</u>
		10740	21972
CREDITORS: amounts falling due within one year	7	<u>(11224)</u>	<u>(11022)</u>
NET CURRENT ASSETS		<u>(484)</u>	<u>10950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		172716	274150
CREDITORS: amounts falling due after more than one year	8	<u>(90000)</u>	<u>(95382)</u>
		<u>£ 82716</u>	<u>£178768</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Revaluation reserve	10	137839	137839
Profit and loss account		<u>(55223)</u>	<u>40829</u>
	11	<u>£ 82716</u>	<u>£178768</u>
		=====	=====

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Signed on behalf of
the board of directors

Edna J. J. J.
.....

Director
Approved by the board:

27/01/98

WINCHMORE HILL PROPERTY COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH, 1997

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets where necessary.

Consolidation

The company and subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Turnover

Turnover represents net invoiced sales of goods excluding value added tax.

Tangible fixed assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings:	No charge made
Fixtures & fittings:	No charge made

No depreciation is provided on freehold land or on the property.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to 0% (1996 - 0%).

WINCHMORE HILL PROPERTY COMPANY LIMITEDNOTES TO THE ACCOUNTS - 31ST MARCH, 1997

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1997</u>	<u>1996</u>
Auditors remuneration	1050	950
Directors' remuneration	15600	15000
Directors' social security costs	1590	1574
	=====	=====

4. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u> £	<u>Plant and machinery</u> £	<u>Total</u> £
Cost or valuation			
Cost at 31.3.96	35161	4354	39515
Revaluation at 31.3.1982	<u>137839</u>	-	<u>137839</u>
At 31.3.97	173000	4354	177354
Depreciation			
At 31.3.96 & 31.3.97	<u>-</u>	<u>4154</u>	<u>4154</u>
Net book value:			
At 31.3.97	<u>£173000</u> =====	<u>£200</u> =====	<u>£173200</u> =====
At 31.3.96	<u>£173000</u> =====	<u>£200</u> =====	<u>£173200</u> =====

Land and buildings were revalued by King & Co., Chartered Surveyors on the basis of open market value in 1982 and are now incorporated into the accounts at that valuation. No depreciation has been accounted for on the buildings. The historical cost of freehold land and buildings was £35161.

5. INVESTMENTS

	<u>Subsidiary undertaking</u>	<u>Total</u>
Cost		
At 31.3.96	90000	90000
Amount written off	<u>(90000)</u>	<u>(90000)</u>
	£ - =====	£ - =====

No accounts have yet been prepared by the subsidiary for the final trading period and the value of the shares are nil as the company ceased trading on 31st March 1997.

WINCHMORE HILL PROPERTY COMPANY LIMITEDNOTES TO THE ACCOUNTS - 31ST MARCH, 1997

INVESTMENTS (continued)

Subsidiary undertaking

The company's investment in its subsidiary company represents the cost of acquisition of £90000 out of £98000, the ordinary share capital of Woodard Picard Limited, a company registered in England and Wales, which trade as an estate agents.

Accounts have not been completed and audited to 31st March, 1997, and therefore the figures are not available for incorporation into this note. Draft accounts to 31st December 1995 indicate that the company is insolvent at that date.

6. DEBTORS	<u>1997</u>	<u>1996</u>
Trade debtors	1991	3941
Others	-	5616
Directors current account - overdrawn	<u>1684</u>	<u>-</u>
	<u>£3675</u>	<u>£9557</u>
	=====	=====

7. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Trade creditors	11224	10024
Other creditors - Director	<u>-</u>	<u>998</u>
	<u>£11224</u>	<u>£11022</u>
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

Bank loans	<u>£90000</u>	<u>£95382</u>
	=====	=====
Bank loan (secured) - repayable after five years	<u>£90000</u>	<u>£95382</u>
	=====	=====

The bank loan, of £90000 is being repaid interest only on the 15 year £90000 loan.

WINCHMORE HILL PROPERTY COMPANY LIMITEDNOTES TO THE ACCOUNTS - 31ST MARCH, 1997

9. CALLED UP SHARE CAPITAL	<u>1997</u>	<u>1996</u>
Authorised		
1000 ordinary shares of £1 each	£1000	£1000
	=====	=====
Allotted, called up and fully paid		
100 shares of £1 each	£ 100	£ 100
	=====	=====
10. REVALUATION RESERVE		
At 1.4.96 and 31.3.97	£137839	£137839
	=====	=====
11. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS		
(Loss)/Profit for the financial year		
after taxation	(96052)	9181
Opening shareholders' funds at 31.3.96	<u>178768</u>	<u>169587</u>
Closing shareholders' funds at 31.3.96	£82716	£178687
	=====	=====
12. RELATED PARTY TRANSACTIONS		

The director Mrs. E.I. Milne had an overdrawn current account at the year end of £1684.

As mentioned in note 5 the subsidiary company Woodard Pickard Ltd ceased trading on 31st March 1997. The investment of £90000 and the other company debt of £7319 have both been written off.

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Abstract

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