

'200'

SUITCROWN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 1997

Company Registration Number 01567721

Seymour Taylor
Chartered Accountants & Registered Auditors
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS



SUITCROWN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Mr. J.D. Codling
Mr. F.S.G. Codling
Mrs. J.M. Codling

COMPANY SECRETARY

Mr. J.D. Codling

REGISTERED OFFICE

12B High Street
Wendover
Buckinghamshire
HP22 6EA

AUDITORS

Seymour Taylor
Chartered Accountants & Registered Auditors
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

BANKERS

Lloyds Bank Plc
79 High Street
Chesham
Buckinghamshire
HP5 1DE

SOLICITORS

John Codling
12B High Street
Wendover
Buckinghamshire
HP22 6EA

SUITCROWN LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 1997

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was investment in properties.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 Jun 97	At 1 Jul 96 or later date of appointment
Mr. J.D. Codling	Ordinary 'A'	9,182	9,182
"	Ordinary 'B'	62,423	60,423
Mr. F.S.G. Codling	Ordinary 'A'	-	-
"	Ordinary 'B'	-	-
Mrs. J.M. Codling	Ordinary 'A'	-	-
"	Ordinary 'B'	-	-

Mrs. J.M. Codling was appointed as a director on 9 April 1997

The directors note with regret the death of Mr. F.S.G. Codling on 9 April 1997, and are pleased to recognise the substantial contribution he made to the prosperity of the company.

Mrs. J.M. Codling became the beneficial owner of the shares of her late husband, Mr. F.S.G. Codling, at the date of his death. The shareholdings at 30 June 1997 were as follows:-

Ordinary 'A'	6,609
Ordinary 'B'	172,928
Preference	100,000

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 at the end of the year and of the profit or loss for the year then ended.

SUITCROWN LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 1997

DIRECTORS' RESPONSIBILITIES *(continued)*

In preparing those financial statements, the directors are required to

select suitable accounting policies, as described on page 7, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

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. The directors 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.

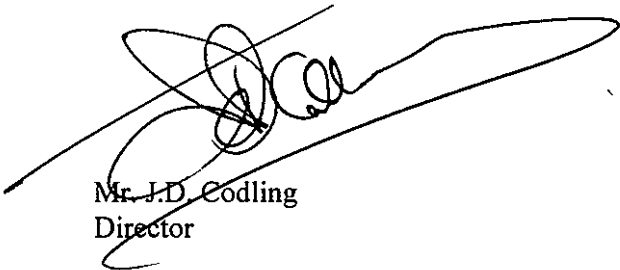
AUDITORS

A resolution to re-appoint Seymour Taylor as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 9-12-1997 and
signed on its behalf



Mr. J.D. Codling
Director

Seymour Taylor

SUITCROWN LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 JUNE 1997

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the 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 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.

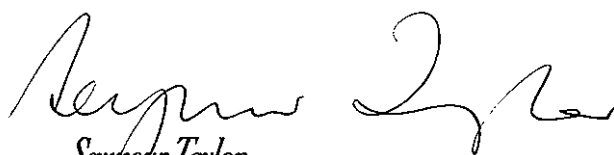
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 company's state of affairs as at 30 June 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

9 DEC 1997


Seymour Taylor
Chartered Accountants
& Registered Auditors

Seymour Taylor

SUITCROWN LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 1997**

	Note	1997 £	1996 £
TURNOVER		133,012	126,647
Administrative expenses		(12,527)	(11,182)
OPERATING PROFIT	2	120,485	115,465
Interest payable and similar charges		(51,971)	(57,706)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,514	57,759
Taxation on profit on ordinary activities	3	(15,931)	(14,253)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		52,583	43,506
Dividends		(4,000)	(4,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		48,583	39,506
Balance brought forward		111,850	72,344
BALANCE CARRIED FORWARD		160,433	111,850

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 7 to 12 form part of these financial statements.

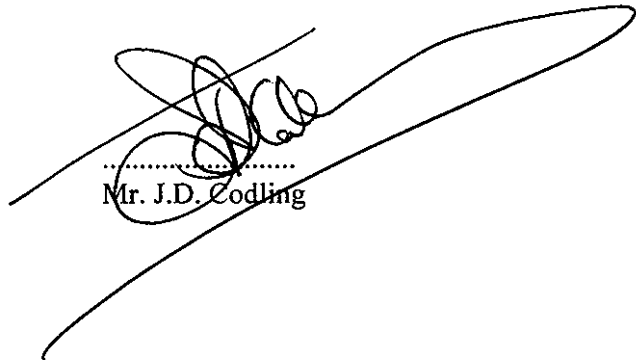
Seymour Taylor

SUITCROWN LIMITED**BALANCE SHEET****AS AT 30 JUNE 1997**

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	4	1,177,888	1,177,888
CURRENT ASSETS			
Debtors	5	21,305	20,655
Cash at bank and in hand		7,204	1,259
		<u>28,509</u>	<u>21,914</u>
CREDITORS: Amounts falling due within one year	6	<u>(115,722)</u>	<u>(117,955)</u>
NET CURRENT LIABILITIES		(87,213)	(96,041)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,090,675</u>	<u>1,081,847</u>
CREDITORS: Amounts falling due after more than one year	7	<u>(543,487)</u>	<u>(585,242)</u>
NET ASSETS		<u>547,188</u>	<u>496,605</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	374,755	372,755
Share premium account		12,000	12,000
Profit and loss account		<u>160,433</u>	<u>111,850</u>
SHAREHOLDERS' FUNDS	10	<u>547,188</u>	<u>496,605</u>

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

Approved by the board of directors on 9.12.1997 and signed on its behalf



.....
Mr. J.D. Codling

The notes on pages 7 to 12 form part of these financial statements.

Seymour Taylor

SUITCROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents total value of rents receivable, excluding VAT.

Investment Properties

In accordance with SSAP 19, no depreciation or amortisation is provided in respect of freehold investment properties with over 20 years to run. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Directors' emoluments	-	-
Auditors' fees	<u>2,500</u>	<u>2,500</u>

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation Tax based on the results for the year at 23.25% (1996 - 24.75%)	15,931	14,324
Adjustment to provision in previous years	<u>-</u>	<u>(71)</u>
	<u>15,931</u>	<u>14,253</u>

SUITCROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997****4. TANGIBLE FIXED ASSETS**

	Investment Properties £
COST	
At 1 July 1996 and 30 June 1997	<u>1,177,888</u>
DEPRECIATION	<u>-</u>
NET BOOK VALUE	
At 30 June 1997	<u>1,177,888</u>
At 30 June 1996	<u>1,177,888</u>

Revaluation of fixed assets

It is the practice of the directors to obtain a professional valuation for the investment properties every third year and to consider the value of the properties themselves in the other years. Two of the company's properties had professional valuations by Holder Commercial, Chartered Surveyors, in January 1994. A professional valuation was taken in June 1995 of the properties not revalued in 1994, by Holder Commercial, Chartered Surveyors. The basis of both valuations was open market value of the freehold interest subject to the existing leases. These valuations have led to a total value of £1,122,000 being placed on the properties which the directors consider to be an undervaluation.

5. DEBTORS

	1997 £	1996 £
Trade debtors	15,044	14,455
ACT recoverable against future taxation	1,500	1,500
Prepayments and accrued income	4,761	4,700
	<u>21,305</u>	<u>20,655</u>

The debtors above include the following amounts falling due after more than one year.

	1997 £	1996 £
Advance Corporation Tax recoverable	<u>500</u>	<u>500</u>

SUITCROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997****6. CREDITORS: Amounts falling due within one year**

	1997	1996
	£	£
Bank loans and overdrafts	46,897	52,040
Trade creditors	649	-
Other creditors including:		
Advance corporation tax	500	1,000
Corporation tax	15,931	14,324
VAT	6,181	6,479
Dividends payable	2,000	2,000
Income tax on loan	270	270
Other creditors	-	54
	<u>24,882</u>	<u>24,127</u>
Accruals and deferred income	43,294	41,788
	<u>115,722</u>	<u>117,955</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997	1996
	£	£
Bank loans and overdrafts	<u>46,897</u>	<u>52,040</u>

7. CREDITORS: Amounts falling due after more than one year

	1997	1996
	£	£
Bank loans and overdrafts	483,487	525,242
Other creditors including:		
Directors' loan accounts	60,000	60,000
	<u>543,487</u>	<u>585,242</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1997	1996
	£	£
Bank loans and overdrafts	<u>483,487</u>	<u>525,242</u>

SUITCROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997**

7. CREDITORS: Amounts falling due after more than one year (*continued*)

Included within creditors falling due after more than one year is an amount of £295,898 (1996 - £317,084) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The company has two bank loans.

The mortgage, the aggregate total of which amounts to £344,884 is repayable in quarterly instalments of £12,700. It bears interest at 2% above the bank base rate per annum.

The company took out a fixed rate loan in February 1994, the aggregate total of which amounts to £185,500 and is repayable in bi-annual instalments of £13,250. It bears interest at 9%.

8. RELATED PARTY TRANSACTIONS

The company was controlled in the current period, up to the date of his death, and throughout the previous period by Mr. F.S.G. Codling, by virtue of his 73.6% holding of the voting rights of the company.

During the current year the company purchased services from Capability Codling Landscape & Design Limited for £350 and from Trojastyle Limited for £2,960. Capability Codling Landscape & Design Limited and Trojastyle Limited are controlled by Mr. & Mrs. J.D. Codling. The company also purchased services in the year from J.D. Codling, Solicitor for £752. Mr. J.D. Codling is a director of the company. There are no balances outstanding at the year end. In all other respects these transactions are considered to be at arms length.

Mr. J.D. Codling was paid interest amounting to £1,166 in respect of an unsecured loan of £10,000 (1996: £20,000). Mr. F.S.G. Codling was paid interest amounting to £3,222 in respect of an unsecured loan which amounted to £50,000 at the date of his death (1996: £40,000). This loan was taken over by Mrs. J.M. Codling who was paid interest amounting to £1,125. The rate of interest was 9% gross for the year.

SUITCROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1997****9. SHARE CAPITAL****Authorised share capital:**

	1997	1996
	£	£
21,500 Ordinary 'A' shares of £1.00 each	21,500	21,500
878,500 Ordinary 'B' shares of £1.00 each	878,500	878,500
100,000 Preference shares of £1.00 each	100,000	100,000
	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	1997		1996	
	No.	£	No.	£
Ordinary 'A' shares	21,500	21,500	21,500	21,500
Ordinary 'B' shares	253,255	253,255	251,255	251,255
Preference shares	100,000	100,000	100,000	100,000
	<u>374,755</u>	<u>374,755</u>	<u>372,755</u>	<u>372,755</u>

SUITCROWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1997

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	52,583	43,506
Dividends	(4,000)	(4,000)
	<u>48,583</u>	<u>39,506</u>
New equity share capital subscribed	2,000	-
Net addition to funds	50,583	39,506
Opening shareholders' equity funds	496,605	457,099
Closing shareholders' equity funds	<u>547,188</u>	<u>496,605</u>

The preference shares are entitled to a fixed cumulative preferential cash dividend of 5 pence per annum on each share payable in two equal instalments on 1st January and 1st July each year. The 'A' and 'B' shares are entitled to dividends as follows:-

- 1) an amount of profits up to and equivalent to but not exceeding the preference dividend multiplied by the nominal value of each issued 'A' and 'B' share shall be distributed amongst the holders of the 'A' shares and the 'B' shares but on the basis that each 'A' share has a nominal value equivalent to 1.4 'B' shares.
- 2) the balance of any profits (if any) shall be distributed amongst all shareholders on the basis that each 'A' share represents 1.4 'B' shares and 1.4 preference shares.

If the preference dividend is not paid it will accumulate from the due date and shall be a debt due by the company and be payable in priority to any other dividend.

On the winding up of the company the assets, after the payments of the liabilities, will be applied as follows:-

- 1) any arrears or accruals of the preference dividends to the holders of the preference shares.
- 2) the balance of the assets will be distributed in proportion to the amounts paid up or credited as paid up as such shares on the basis that each 'A' share represents 1.4 'B' shares and 1.4 preference shares.

Every member holding 'A' shares has seven votes for each share and every member holding 'B' shares and preference shares shall have five votes for each share.

Save as above all 'A' shares, 'B' shares and cumulative preference shares shall rank pari passu in all respects.