

HART SON PEARD AND COMPANY LIMITED  
REPORT OF THE DIRECTORS  
AND  
FINANCIAL STATEMENTS  
31ST DECEMBER 1996



Company No. 39742

HART SON PEARD AND COMPANY LIMITED

COMPANY INFORMATION

Directors	B. Wynyates Smith M. Weston Smith
Secretary	M. Weston Smith
Company Number	39742
Registered Office	Lapworth Park Bushwood Lane Lapworth Solihull West Midlands B94 5RJ
Auditors	Burman & Co Brunswick House Birmingham Road Redditch Worcestershire B97 6DY

HART SON PEARD AND COMPANY LIMITED

CONTENTS

	Page
Report of the Directors	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to Financial Statements	5-8

The following page does not form part of the statutory financial statements:

Trading Account	9
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HART SON PEARD AND COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31st December 1996.

**STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies 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. 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.

**PRINCIPAL ACTIVITY**

The company's principal activity continues to be that of business consultants and investment advisers.

**DIRECTORS**

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

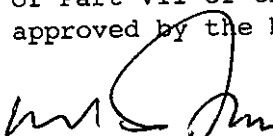
	Number of shares	
	1996	1995
B. Wynyates Smith	1,500	1,500
M. Weston Smith	1,500	1,500

Mr. M. Weston Smith retires by rotation and, being eligible, offers himself for re-election.

**AUDITORS**

Messrs. Burman & Co., will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the board on 17th October 1997 and signed on their behalf.

  
M. WESTON SMITH  
SECRETARY

HART SON PEARD AND COMPANY LIMITEDAUDITORS' REPORT TO THE SHAREHOLDERS OF HART SON PEARD AND COMPANY LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of 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.

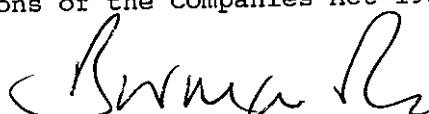
**Basis of opinion**

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 state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

BURMAN & CO   
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS

REDDITCH  
17th October 1997

HART SON PEARD AND COMPANY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1996

	Notes	1996 £	1995 £
OPERATING INCOME		6,420	6,434
Other Operating Charges		(2,787)	(2,172)
Investment Income Receivable		11,478	8,879
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	15,111	13,141
Taxation	3	1,870	3,519
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,241	9,622
Dividend Payable		12,000	10,000
RETAINED PROFIT/(DEFICIENCY) FOR THE YEAR		1,241	(378)
RETAINED PROFITS BROUGHT FORWARD		122,755	123,133
RETAINED PROFITS CARRIED FORWARD		123,996	122,755

There were no recognised gains or losses for 1996 and 1995 other than those included in the profit and loss account.

HART SON PEARD AND COMPANY LIMITEDBALANCE SHEET  
AS AT 31ST DECEMBER 1996

	Notes	1996	1995
		£	£
<b>FIXED ASSETS</b>			
Tangible Asset	4	38,287	15,000
Investments	5	46,469	46,469
		<u>84,756</u>	<u>61,469</u>
<b>CURRENT ASSETS</b>			
Debtors	6	1,766	1,606
Investments	7	121,429	122,847
Cash at Bank		12,439	30,174
		<u>135,634</u>	<u>154,627</u>
CREDITORS : amounts falling due within one year	8	81,394	78,341
		<u>54,240</u>	<u>76,286</u>
<b>NET CURRENT ASSETS</b>		<u>138,996</u>	<u>137,755</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	9	15,000	15,000
Profit and Loss Account		123,996	122,755
		<u>138,996</u>	<u>137,755</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 17th October 1997 and signed on its behalf.

  
M. WESTON SMITH  
Director

HART SON PEARD AND COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

**1. ACCOUNTING POLICIES**

**a. Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the directors' report and all of which are continuing.

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.

**b. Consolidation**

The results of the company's subsidiaries have not been consolidated as the directors are of the opinion that the results are immaterial to these financial statements.

A Summary of the Subsidiaries' affairs is provided in Note 5 to the financial statements.

**c. Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

**d. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	33% straight line
Freehold Land	NIL

**e. Deferred taxation**

Provision is only made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, where, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging/(crediting) the following:

	1996 £	1995 £
Auditors' Remuneration	450	450
Rent Received	(6,315)	(6,315)
Profit on Sale of Investments	1,156	-
	<u>          </u>	<u>          </u>



HART SON PEARD AND COMPANY LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

**3. TAXATION**

The tax charge on the profit on ordinary activities was as follows:

	1996 £	1995 £
Corporation Tax at 24% (1995 25%) based on the profit for the year	-	1,371
Advance Corporation Tax on Investment Income	1,870	1,459
Under provision of Corporation Tax in previous year	-	689
	<u>1,870</u>	<u>3,519</u>

**4. FIXED ASSETS**

	Freehold Land £	Motor Vehicles £	TOTAL £
<b>COST</b>			
At 1st January 1996	15,000	-	15,000
Additions in year	-	23,287	23,287
As at 31st December 1996	<u>15,000</u>	<u>23,287</u>	<u>38,287</u>
<b>DEPRECIATION</b>			
At 1st January 1996	-	-	-
Charge for year	-	-	-
As at 31st December 1996	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31st December 1996	<u>15,000</u>	<u>23,287</u>	<u>38,287</u>
At 31st December 1995	<u>15,000</u>	<u>-</u>	<u>15,000</u>

The motor vehicles were acquired on 28th December 1996 and therefore have not been depreciated.

HART SON PEARD AND COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

5. INVESTMENTS

Investments in subsidiary companies at cost:

	1996 £	1995 £
Midlands Air Training School Limited		
100 Ordinary Shares of £1 each representing a 100% interest in the company.	6,269	6,269
Haven Homes Limited		
100 Ordinary Shares of £1 each representing a 100% interest in the company.	40,200	40,200
	<u>46,469</u>	<u>46,469</u>

The financial statements of Midlands Air Training School Limited and Haven Homes Limited have not been consolidated with these financial statements in accordance with Accounting Policy 1b.

The following are extracts from the subsidiary companies financial statements which are relevant for the understanding of these financial statements:-

	Midland Air Training School Limited 31.12.96 £	Haven Homes Limited 31.12.96 £
Operating Income	-	1,200
Profit on Ordinary Activities before Taxation	-	1,131
Taxation	-	205
Profit on Ordinary Activities after Taxation	-	926
Net Assets	11,990	49,478

The companies are incorporated in England.

6. DEBTORS

	1996 £	1995 £
Trade Debtors	100	9
Advance Corporation Tax Recoverable	1,666	1,597
	<u>1,766</u>	<u>1,606</u>

HART SON PEARD AND COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

**7. INVESTMENTS**

Quoted Investments:-

	1996 £	1995 £
Cost brought forward	122,847	65,751
Additions	-	57,096
Disposals	(1,418)	-
	<u>121,429</u>	<u>122,847</u>
Cost carried forward	<u>121,429</u>	<u>122,847</u>

The market value of these investments amounted to £167,872 (1995: £167,478).

**8. CREDITORS: amounts falling due within one year**

	1996 £	1995 £
Accruals and Deferred Income	4,074	2,578
Corporation Tax	-	1,023
Advance Corporation Tax Payable	798	868
Amount due to Subsidiary Companies	64,522	63,872
Dividend Payable	12,000	10,000
	<u>81,394</u>	<u>78,341</u>

**9. SHARE CAPITAL**

	1996 £	1995 £
Ordinary Shares of £5 each		
Authorised	<u>17,500</u>	<u>17,500</u>
Allotted, Called Up and Fully Paid	<u>15,000</u>	<u>15,000</u>

**10. MOVEMENT IN SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Profit for the year	13,241	9,622
Less: Dividends	(12,000)	(10,000)
Opening shareholders' funds	<u>137,755</u>	<u>138,133</u>
Closing shareholders' funds	<u>138,996</u>	<u>137,755</u>

**11. FUTURE CAPITAL COMMITMENTS**

There are no commitments for capital expenditure not provided in these financial statements and no expenditure has been authorised for which