

W E Yates Limited

Directors' report and financial statements

31 March 1998

Registered number 41892



W E Yates Limited

Notice of Meeting

Notice is hereby given that the 104th Annual General Meeting of the company will be held at the company's registered office, Fairweather Green, Thornton Road, Bradford, West Yorkshire on 26 October 1998 at 10.15 am for the following purposes:

1. To receive and adopt the directors' report and financial statements for the year ended 31 March 1998.
2. To re-elect a director.
3. To re-appoint the auditors.
4. To fix the remuneration of the auditors.
5. To transact such other business as may properly be transacted at an ordinary general meeting.

By order of the Board

I.M. Secretaries Limited

Secretary

30 September 1998

Registered Office:

P O Box 122
Fairweather Green
Thornton Road
Bradford
West Yorkshire
BD8 0HZ

1. This notice is sent to the holders of 5.25% (net) cumulative preference shares for information only.
2. Any member of the company entitled to attend and vote at the meeting may appoint one or more persons (whether members or not) as proxy to attend and vote in his or her stead. The instrument appointing a proxy must be lodged at the registered office of the company not later than 48 hours before the meeting.
3. There are no service contracts in respect of the directors' employment by the company or its subsidiary undertakings.

W E Yates Limited

Directors

I.M. Directors Limited
I.M. Secretaries Limited

Secretary

I.M. Secretaries Limited

Registered Office

P O Box 122
Fairweather Green
Thornton Road
Bradford
West Yorkshire
BD8 0HZ

Auditors

KPMG Audit Plc
Chartered Accountants
Peat House
1 Commercial Street
Bradford
West Yorkshire
BD1 4AS

W E Yates Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 1998.

Directors

The directors who served during the year were:

I.M. Directors Limited - appointed 30 September 1997

I.M. Secretaries Limited - appointed 1 October 1997

J G Collins - resigned 30 September 1997

A M Murray - resigned 1 October 1997

In accordance with the Articles of Association, I.M. Directors Limited retires and, being eligible, offers itself for re-election.

No contracts between the company and any of its directors existed at any time during the year ended 31 March 1998.

There are no directors' interests requiring disclosure under the Companies Act 1985.

Business review

The company does not trade, but received interest from a group undertaking.

	1998 £	1997 £
Profit on ordinary activities before taxation	14,804	15,000
Taxation	(5,600)	(4,843)
Profit for the financial year	<u>9,204</u>	<u>10,157</u>

Dividends

Dividends on the cumulative preference shares in respect of the year amounted to £9,188 (1997 : £9,188).

The directors do not recommend the payment of a dividend on the ordinary shares (1997 : £nil).

Income and Corporation Taxes Act 1988

The directors are advised that the company is a 'close company' within the meaning of the Income and Corporation Taxes Act 1988 at 31 March 1998 and there has been no change since that date.

W E Yates Limited

Directors' Report (*continued*)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



I.M. Secretaries Limited
Secretary

P O Box 122
Fairweather Green
Thornton Road
Bradford
West Yorkshire
BD8 0HZ

30 September 1998

W E Yates Limited

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 its profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the auditors, KPMG Audit Plc, to the members of W E Yates Limited

We have audited the financial statements on pages 6 to 10 in accordance with Auditing Standards.

Respective responsibilities of directors and auditors

As described on page 4, 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 affairs of the company as at 31 March 1998 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 September 1998



KPMG Audit Plc
Chartered Accountants
Registered Auditor
Bradford

W E Yates Limited

Profit and loss account for the year ended 31 March 1998

	Note	1998 £	1997 £
Net interest receivable	3	14,804	15,000
Profit on ordinary activities before taxation		14,804	15,000
Taxation on profit on ordinary activities	4	(5,600)	(4,843)
Profit for the financial year		9,204	10,157
Dividends paid and proposed on non-equity shares	5	(9,188)	(9,188)
Transfer to retained profits	10	16	969
Earnings per ordinary share	6	0.01p	0.55p

A statement of movements in reserves and in shareholders' funds is given in note 10.

There were no recognised gains or losses other than those reflected above (1997 : £nil).

W E Yates Limited

Balance sheet

31 March 1998

	Note	1998 £	1997 £
Current assets			
Debtors: amounts falling due after more than one year	7	701,435	736,696
Creditors: amounts falling due within one year	8	(5,217)	(40,494)
Net Assets		<u>696,218</u>	<u>696,202</u>
Capital and reserves			
Called up share capital	9	350,000	350,000
Share premium account	10	10,307	10,307
Other reserves	10	538,272	538,272
Profit and loss account	10	(202,361)	(202,377)
Shareholders' funds	10	<u>696,218</u>	<u>696,202</u>
Analysis of shareholders' funds			
Equity		521,218	521,202
Non-equity		175,000	175,000
		<u>696,218</u>	<u>696,202</u>

The financial statements were approved by the Board of Directors on 30 September 1998 and signed on its behalf by:

Linda Chamber

I.M. Directors Limited
Director

W E Yates Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Accounting convention:

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Cash flow statement:

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2 Staff numbers and costs

No person was employed by the company during the year.

Directors' remuneration

The directors are remunerated as executives of the parent undertaking and no part of their remuneration is in respect of their services to this company.

	1998	1997
	£	£
3 Net interest receivable		
Interest receivable from group undertakings	15,500	15,000
Other interest	(696)	-
	<hr/>	<hr/>
	14,804	15,000
	<hr/>	<hr/>
4 Taxation on profit on ordinary activities		
Corporation tax at 31% (1997 : 33%)	5,000	4,350
Adjustments in respect of prior years:		
Group relief	600	2,519
Advance corporation tax	-	(2,026)
	<hr/>	<hr/>
	5,600	4,843
	<hr/>	<hr/>
5 Dividends		
5.25% (net) cumulative preference shares	9,188	9,188
	<hr/>	<hr/>
6 Earnings per ordinary share		
The earnings per ordinary share are calculated on 175,000 ordinary shares currently in issue and on the following earnings:		
	1998	1997
	£	£
Profit for the financial year	9,204	10,157
Preference dividends	(9,188)	(9,188)
	<hr/>	<hr/>
	16	969
	<hr/>	<hr/>

W E Yates Limited

Notes (continued)

7 Debtors

	1998 £	1997 £
Amounts falling due after more than one year:		
Amounts owed by ultimate parent and fellow subsidiary undertaking	701,435	736,696

8 Creditors

Amounts falling due within one year:		
Amounts owed to parent and fellow subsidiary undertaking	-	30,810
Taxation	5,000	9,468
Other creditors	217	216
	5,217	40,494

9 Share capital

	Authorised £	Allotted, called up and fully paid £
31 March 1997 and 1998:		
5.25% (net) cumulative preference shares of £1 each (non-equity)	200,000	175,000
Ordinary shares of £1 each (equity)	200,000	175,000
Unspecified shares of £1 each	100,000	-
	500,000	350,000

Rights of non-equity interests are as follows:

- they entitle holders, in priority to holders of all other classes of share, to a fixed cumulative preferential dividend at a rate of 5.25% (net) per annum, payable half yearly on 1 July and 1 January.
- on a return of capital on a winding up they will carry the right to repayment of capital, together with the greater of the 'Spens' formula or premium of 5p per share and a sum equal to any arrears of dividend accrued up to the date of commencement of the winding up; this right is in priority to the rights of all other shares in the capital of the company; and

W E Yates Limited

Notes (continued)

9 Share capital (continued)

(c) they carry the right to attend and vote at a general meeting of the company only if, at the date of the notice convening the meeting, payment of the dividend to which they are entitled is six months or more in arrears, or if a resolution is to be considered at the meeting for the winding up of the company or for the reduction of its capital or for the sale of the company or for the alteration of borrowing powers.

The preference shares were de-listed from the London Stock Exchange on 1 September 1998.

10 Reserves and shareholders' funds

	Share capital	Share premium	Other reserves	Profit and loss account	Shareholders' funds
	£	£	£	£	£
1 April 1997	350,000	10,307	538,272	(202,377)	696,202
Profit for the year	-	-	-	16	16
31 March 1998	<u>350,000</u>	<u>10,307</u>	<u>538,272</u>	<u>(202,361)</u>	<u>696,218</u>

11 Parent undertakings and ultimate parent company

Hartley Investment Trust Limited, which is incorporated in Great Britain and registered in England and Wales, is the ultimate parent company of W E Yates Limited. It is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which W E Yates Limited is a member.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which W E Yates Limited is a member, is Illingworth, Morris Limited, which is incorporated in Great Britain and registered in England and Wales.

Group accounts of Hartley Investment Trust Limited and Illingworth, Morris Limited will be filed with the Registrar of Companies.