

JOHN BROOKE & SONS HOLDINGS LIMITED

DIRECTORS

Mr E. L. M. Brooke (Joint Chairman)
Mr M. R. H. Brooke (Joint Chairman)

SECRETARY

Mr M. R. H. Brooke

REGISTERED OFFICE

Armitage Bridge Mills,
HUDDERSFIELD,
West Yorkshire.
HD4 7NR

REGISTERED NUMBER

56189 England and Wales

AUDITORS

Bousfield, Waite & Co.,
Chartered Accountants and Registered Auditors,
28 Prescott Street,
HALIFAX,
West Yorkshire
HX1 2JL



**Auditors' Report to
John Brooke & Sons Holdings Limited
pursuant to paragraph 24 of schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 to 8 together with the financial statements of John Brooke & Sons Holdings Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March, 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 3 and whether the abbreviated accounts have been properly prepared.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to the Act in respect of the year ended 31st March, 1996 and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with that schedule.

On 31st March, 1996 we reported as auditors of John Brooke & Sons Holdings Limited to the members on the statutory financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st March, 1996 and our audit report was as follows.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
JOHN BROOKE & SONS HOLDINGS LIMITED**

We have audited the financial statements on pages 3 to 9 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 financial statements and to report our opinion to you.

BASIS OF OPINION

We have 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 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.

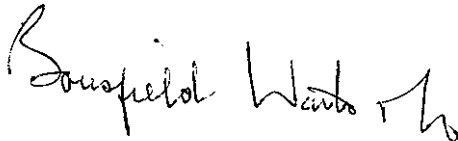
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

The Company owns investment properties from which a rental income is derived. Statement of Standard Accounting Practice 19 requires such properties to be stated in the Balance Sheet at open market value. The Balance Sheet discloses such properties at cost less depreciation and no explanation for the departure from SSAP 19 is included in the financial statements as required by the Companies Act 1985.

Except for the failure to comply with SSAP 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

In our opinion the company is entitled to the exemptions conferred by section 248 of the Companies Act 1985 from the requirement to prepare group financial statements for the year ended 31st March, 1996.



Bousfield, Waite & Co.,
Chartered Accountants and Registered Auditors.
28 Prescott Street,
HALIFAX,
West Yorkshire.
HX1 2JL

18th June, 1996

JOHN BROOKE & SONS HOLDINGS LIMITED

AS AT 31ST MARCH, 1996

BALANCE SHEET

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
FIXED ASSETS			
Tangible assets	5	235,351	231,077
Investments	6	<u>1,535,080</u>	<u>1,571,961</u>
		<u>1,770,431</u>	<u>1,803,038</u>
CURRENT ASSETS			
Stocks	7	-	4,250
Debtors	8	80,876	46,836
Cash at bank and in hand		<u>209,777</u>	<u>155,913</u>
		290,653	206,999
CREDITORS: amounts falling due within one year	9	<u>-55,784</u>	<u>-33,577</u>
NET CURRENT ASSETS		<u>234,869</u>	<u>173,422</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,005,300	1,976,460
CREDITORS:- amounts falling due after more than one year	10	<u>-322,550</u>	<u>-322,550</u>
		<u>1,682,750</u>	<u>1,653,910</u>
CAPITAL AND RESERVES			
Called up share capital	11	420,000	420,000
Capital reserve		139,362	139,362
General reserve		10,000	10,000
Profit and loss account		<u>1,113,388</u>	<u>1,084,548</u>
	12	<u>1,682,750</u>	<u>1,653,910</u>

In preparing these abbreviated financial statements the directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

In preparing the company's annual financial statements the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

Signed on behalf of the board of directors

M. R. H. BROOKE  Director

Approved by the Board on 18th June, 1996

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting.

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

Consolidation.

The company and its subsidiaries 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 financial statements 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 and services provided, excluding VAT.

Tangible fixed assets.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	- over 15 years straight line
Plant and machinery	- 20%/10% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 20% straight line

Stocks.

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currencies.

Assets in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Pension costs.

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

2. OPERATING LOSS

The operating loss is stated after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets	42,174	40,215
Auditors remuneration	3,950	4,350
Directors emoluments	73,949	66,261
Pension Costs	7,766	10,127
	<hr/>	<hr/>

3. TAXATION

The taxation charge at 25% (1995 : 25%) is made up as follows:-

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Tax on investment income	23,589	22,225
Corporation tax repayable	-19,461	-7,790
Prior year adjustment	-	-212
	<hr/>	<hr/>
	4,128	14,223
	<hr/>	<hr/>

4. DIVIDENDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Proposed dividend on 4.55% cumulative preference shares	<u>2,730</u>	<u>2,730</u>

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

5. TANGIBLE FIXED ASSETS

	<u>Total</u> £	<u>Freehold Land and Buildings</u> £	<u>Plant Machinery and Fixtures</u> £	<u>Motor Vehicles</u> £
Cost etc. at 1st April, 1995	738,481	514,724	186,921	36,836
Additions	46,448	18,545	12,938	14,965
Disposals	-21,341	-	-	-21,341
Cost etc. at 31st March, 1996	<u>763,588</u>	<u>533,269</u>	<u>199,859</u>	<u>30,460</u>
Depreciation at 1st April, 1995	507,404	318,645	155,022	33,737
On disposals	-21,342	-	-	-21,342
Charge for year	42,174	27,760	8,322	6,092
Depreciation at 31st March, 1996	<u>528,236</u>	<u>346,405</u>	<u>163,344</u>	<u>18,487</u>
Net book values				
At 31st March, 1996	<u>235,351</u>	<u>186,864</u>	<u>36,515</u>	<u>11,972</u>
At 31st March, 1995	<u>231,077</u>	<u>196,079</u>	<u>31,899</u>	<u>3,099</u>

Assets acquired prior to 31st March, 1948 are stated at the net amount standing in the company's books at the 1st July, 1948 less subsequent sales. Assets acquired since 31st March, 1948 are stated at cost.

6. INVESTMENTS

	<u>Total</u> £	<u>Listed Investments</u> £	<u>Subsidiary Undertakings</u> £
Cost at 1st April, 1995	1,571,961	1,397,596	174,365
Additions	27,907	27,907	-
Disposals	-64,788	-64,788	-
Cost at 31st March, 1996	<u>1,535,080</u>	<u>1,360,715</u>	<u>174,365</u>
U.K. stock exchange		1,245,170	
Other Stock Exchanges		<u>115,545</u>	
		<u>1,360,715</u>	

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

Subsidiary undertakings.

The company owns the whole of the ordinary share capitals of John Brooke & Sons Limited and A. B. Spinning Company Limited, both incorporated in England. Neither company has traded since 30th September, 1988. No group accounts have been prepared.

At 31st March, 1996 the aggregate of the share capital and reserves of John Brooke & Sons Limited amounted to £237,970 and of A. B. Spinning Company Limited £84,580

Listed investments.

The market value of the listed investments at 31st March, 1996 amounted to £1,988,593 (1995: £1,778,695).

7. STOCKS

These consist of the following:-

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Work in progress	-	4,250
	<u> </u>	<u> </u>

8. DEBTORS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Trade debtors	53,295	36,283
Tax recoverable	19,461	7,790
Prepayments	8,120	2,763
	<u>80,876</u>	<u>46,836</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Trade creditors	24,151	18,819
Sundry, tax and social security	18,159	6,738
Directors' loan accounts	6,000	-
Proposed dividend	2,730	2,730
Accruals	4,744	5,290
	<u>55,784</u>	<u>33,577</u>

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

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

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Amounts owing to group undertakings	<u>322,550</u>	<u>322,550</u>

11. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Authorised, issued and fully paid.		
6,000 cumulative preference shares of £10 each	60,000	60,000
12,000 ordinary shares of £10 each	120,000	120,000
240,000 'A' ordinary shares of £1 each	240,000	240,000
	<u>420,000</u>	<u>420,000</u>

12. RECONCILIATION OF MOVEMENT OF SHAREHOLDERS FUNDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit for the financial year after taxation	31,570	41,518
Dividend	-2,730	-2,730
	<u>28,840</u>	<u>38,788</u>
Opening shareholders funds at 1st April, 1995	1,653,910	1,615,122
Closing shareholders funds at 31st March, 1996	<u>1,682,750</u>	<u>1,653,910</u>

13. COMMITMENTS

Capital expenditure

At 31st March, 1996 there were no commitments for capital expenditure (1995: Nil).