

BURT BOULTON HOLDINGS LIMITED

Report and Financial Statements

31 March 1998



**Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BZ**

REPORT AND FINANCIAL STATEMENTS 1998

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REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Roberts
J R Coninx
G H Hicks
A R Tomkins

SECRETARY

G Thorley-Hemmings

REGISTERED OFFICE

5-6 The Square
Winchester
Hampshire
SO23 9WE

AUDITORS

Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BZ

DIRECTORS' REPORT

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

ACTIVITY

The principal activity of the company during the year was the management, development and maintenance of the company's property assets. No significant changes in the company's activities is anticipated in 1998/99.

RESULTS AND DIVIDENDS

The results of the company for the year are set out on page 5.

No interim dividend (1997 - £666,195) has been paid. The directors do not propose a final dividend (1997 - £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served throughout the year are set out on page 1.

The company is a wholly owned subsidiary of Thomas Roberts (Westminster) Limited. Under SI 1985 Number 802 declarations by J Roberts, who is the ultimate controlling party, G H Hicks and A R Tomkins of interests in the share capital of Thomas Roberts (Westminster) Limited are made in the accounts of that company. The other director did not have, either at the beginning or at the end of the year, any beneficial interests in the share capital of the company or parent company or a subsidiary of the company's parent company.

YEAR 2000

The directors have considered the risks and uncertainties surrounding year 2000 issues, and how they may affect the company. The directors are taking action to minimise the impact of such issues, and consider the anticipated cost to be immaterial.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

G. Moly-Hughes

8th September 1998

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 as at the end of the financial year 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 a 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. 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.



Chartered Accountants

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Southampton SO15 2BZ

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AUDITORS' REPORT TO THE MEMBERS OF BURT BOULTON HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7

Respective responsibilities of directors and auditors

As described on page 3 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 at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and
Registered Auditors

3 October 1998

BURT BOULTON HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 1998

	Note	1998 £	1998 £	1997 £	1997 £
TURNOVER – continuing operations	2		2,524,805		1,505,766
Total operating expenses			<u>(1,055,319)</u>		<u>11,195</u>
OPERATING PROFIT - continuing operations	2		1,469,486		1,516,961
Interest payable		(706)		(4,059)	
Group interest receivable		103,420		50,426	
Other interest receivable		35,388		44,619	
Other investment income receivable		-		43,084	
Profit on sale of property held as fixed assets		64,622		-	
Profit on sale of investments		-		463,697	
			<u>202,724</u>		<u>597,767</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,672,210		2,114,728
Tax on profit on ordinary activities	4		<u>(315,347)</u>		<u>(662,438)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			1,356,863		1,452,290
Dividend paid	5		<u>-</u>		<u>(666,195)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	13		<u>1,356,863</u>		<u>786,095</u>

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly a statement of total recognised gains and losses has not been prepared.

BURT BOULTON HOLDINGS LIMITED

BALANCE SHEET 31 March 1998

	Note	1998 £	1998 £	1997 £	1997 £
FIXED ASSETS					
Tangible fixed assets	6		6,966,253		6,980,900
Investments:					
Shares in group undertakings	7		2		2
			<u>6,966,255</u>		<u>6,980,902</u>
CURRENT ASSETS					
Stocks	8	2,809,439		3,604,267	
Debtors	9	1,472,149		785,379	
Cash at bank		<u>1,595,362</u>		<u>705,078</u>	
		5,876,950		5,094,724	
CREDITORS: amounts falling due within one year	10	<u>536,391</u>		<u>1,125,675</u>	
NET CURRENT ASSETS			<u>5,340,559</u>		<u>3,969,049</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,306,814</u>		<u>10,949,951</u>
NET ASSETS			<u>12,306,814</u>		<u>10,949,951</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,776,521		1,776,521
Share premium account	13		646,836		646,836
Revaluation reserve	13		5,405,461		5,405,461
Profit and loss account	13		<u>4,477,996</u>		<u>3,121,133</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	12		<u>12,306,814</u>		<u>10,949,951</u>

These financial statements were approved by the Board of Directors on 8th September 1998.

Signed on behalf of the Board of Directors

A. R. Tomkins

A. R. Tomkins

J. Coninx

J. Coninx

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of freehold land and buildings.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, other than certain freehold land and buildings and an investment property which are stated at professional valuations as described in note 6.

Freehold land is not depreciated. Investment property is included in the balance sheet at open market value. Any surplus or deficit arising is dealt with in the revaluation reserve. No depreciation is provided in respect of investment property. This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is necessary for the accounts to show a true and fair view in accordance with applicable accounting standards. For all other tangible fixed assets, depreciation is provided to write off their cost or valuation on a straight line basis over their estimated useful lives, which are considered to be:

Freehold buildings - 5 - 30 years

Stock

Stock being land and buildings held for development is valued at the lower of cost or net realisable value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Cash flow statement

The company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking and its ultimate parent company has prepared a cash flow statement.

2. TURNOVER AND OPERATING PROFIT/(LOSS)

Turnover represents the aggregate of amounts receivable for services supplied in the ordinary course of business, excluding Value Added Tax.

The whole of the company's turnover and operating profit arose in the UK and was derived from its principal activities as follows :-

	1998	1998	1997	1997
	Turnover	Operating profit	Turnover	Operating profit
	£	£	£	£
Rental income	1,524,805	1,285,034	1,505,766	1,516,961
Commercial property trading	1,000,000	184,452	-	-
	<u>2,524,805</u>	<u>1,469,486</u>	<u>1,505,766</u>	<u>1,516,961</u>

BURT BOULTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

2. TURNOVER AND OPERATING PROFIT/(LOSS) (continued)

Operating profit is stated after charging:	1998	1997
	£	£
Depreciation of, and amounts written off, tangible assets	14,647	18,791
Auditors' remuneration	3,250	3,250
	<u> </u>	<u> </u>

3. DIRECTORS AND EMPLOYEES

The remuneration of the Chairman and other directors is paid by and included in the accounts of the parent company and forms no part of these accounts.

The average number employed by the company was nil (1997 - nil).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998	1997
	£	£
Taxation is based on profits for the year and comprises:		
Corporation tax at 31% (1997 - 33%) on taxable profit	446,664	657,908
Tax credit on franked investment income	-	6,931
Adjustment in respect of prior years	(131,317)	(2,401)
	<u>315,347</u>	<u>662,438</u>

5. DIVIDEND PAID

	1998	1997
	£	£
Interim dividend at nil pence per stock unit (1997 - 37.5 pence per stock unit)	-	666,195
	<u> </u>	<u> </u>

6. TANGIBLE FIXED ASSETS

	Investment properties £	Freehold land and buildings £	Total £
Cost or valuation:			
At 1 April 1997 and 31 March 1998	<u>5,350,000</u>	<u>2,784,085</u>	<u>8,134,085</u>
Depreciation:			
At 1 April 1997	-	1,153,185	1,153,185
Charged in year	-	14,647	14,647
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1998	-	1,167,832	1,167,832
Net book value:			
At 31 March 1998	<u>5,350,000</u>	<u>1,616,253</u>	<u>6,966,253</u>
At 31 March 1997	<u>5,350,000</u>	<u>1,630,900</u>	<u>6,980,900</u>

Included in freehold land and buildings is land valued at £1,347,517 (1997 - £1,347,517) which is not depreciated.

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

6. TANGIBLE FIXED ASSETS (continued)

The investment property was valued as at 31 March 1996 by Drivers Jonas, Chartered Surveyors, on the basis of The Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors. The basis of valuation was open market value as defined by these Guidance Notes. The directors have reviewed the valuation and consider it still to be appropriate at 31 March 1998.

A professional valuation of freehold land and buildings at 31 March 1981 of £1,275,000 is included in the above figures.

On an historical cost basis freehold land and buildings including investment properties would have been included at:

	1998 £	1997 £
Cost	3,031,824	3,031,824
Aggregate depreciation	<u>(1,531,517)</u>	<u>(1,516,870)</u>
Net book value	<u><u>1,500,307</u></u>	<u><u>1,514,954</u></u>

The sale of investment property at the revalued amount would be expected to give rise to a potential liability to tax of £300,000, although no sale is currently planned and so no provision has been made.

7. INVESTMENTS IN GROUP UNDERTAKINGS

	1998 £	1997 £
At cost:		
Burt Boulton Limited	<u><u>2</u></u>	<u><u>2</u></u>

Burt Boulton Limited is a wholly owned subsidiary of Burt Boulton Holdings Limited and has been a dormant company throughout the year.

The aggregate value of the company's assets are greater than the value at which they are shown in the accounts.

BURT BOULTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 1998

8. STOCKS

	1998 £	1997 £
Land and buildings held for development	<u>2,809,439</u>	<u>3,604,267</u>

9. DEBTORS

	1998 £	1997 £
Trade debtors	933,262	317,405
Amounts owed by parent company	400,000	400,000
Amounts owed by fellow subsidiary companies	107,521	53,501
Other debtors	<u>31,366</u>	<u>14,473</u>
	<u>1,472,149</u>	<u>785,379</u>

All amounts are due within one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Amounts owed to parent company	-	4,072
Amounts owed to fellow subsidiary companies	1,637	387
Other creditors	425,637	432,675
Corporation tax	<u>109,117</u>	<u>688,541</u>
	<u>536,391</u>	<u>1,125,675</u>

11. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Ordinary stock units of £1 each	1,776,521	1,776,521	1,776,521	1,776,521
Ordinary shares of £1 each	<u>223,479</u>	<u>223,479</u>	<u>-</u>	<u>-</u>
	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,776,521</u>	<u>1,776,521</u>

BURT BOULTON HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 1998

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Opening shareholders' funds	10,949,951	10,163,856
Profit for the financial year	<u>1,356,863</u>	<u>786,095</u>
Closing shareholders' funds	<u>12,306,814</u>	<u>10,949,951</u>

13. RESERVES

	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 1997	646,836	5,405,461	3,121,133	9,173,430
Retained profit for the year	-	-	<u>1,356,863</u>	<u>1,356,863</u>
At 31 March 1998	<u>646,836</u>	<u>5,405,461</u>	<u>4,477,996</u>	<u>10,530,293</u>

Included in the revaluation reserve at 31 March 1998 is £4,252,339 (1997 - £4,252,339) relating to the revaluation of investment property.

14. CONTINGENT LIABILITY

	1998 £	1997 £
In respect of group registration for Value Added Tax	<u>239,960</u>	<u>263,162</u>

The company has an unprovided deferred tax liability of £1.48m. In accordance with the accounting policy for deferred tax in note 1, this has not been provided as the liability is not expected to crystallise.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained within FRS 8 as it is a 100% subsidiary of Thomas Roberts (Westminster) Limited, whose consolidated financial statements are publicly available.

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Thomas Roberts (Westminster) Limited, a company registered in England and Wales. Copies of the group financial statements of the ultimate parent company can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.