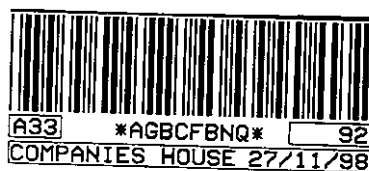


Companies House
Company No : 272894

**STRONGS AND BENNETT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**



Strong's & Bennett Limited

Director

**R G StJ Rowlandson FCA
J K Palmer FICM F.PROF BTM MIMI**

Secretary

**The Finance & Industrial Trust Limited
Graham House
7 Wylyotts Place
Potters Bar
Hertfordshire
EN6 2JD**

Solicitor

**Brian Hoffman & Co
194 The Broadway
West Hendon
London
NW9 7EE**

Strong's and Bennett Limited
Report of the Directors

Financial Statements

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

Principal Activities

The principal activity of the Company is that of property investment.

Results and Business Review

The results for the year are set out on Page 5 and are considered by the director to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 March 1998. (1997 : Nil)

Fixed Assets

Details of movements in the fixed assets are disclosed in the notes to the financial statements.
The directors are of the opinion that the current market value of land and buildings in the balance sheet exceeds the book value by approximately £445,000

Post Balance Sheet Events

On 6th October 1997 the whole of the Company's issued capital was acquired by Hendon Central News Ltd, a company registered in England, which is a subsidiary of The Rowlandson Organisation Ltd. At the close of business on the 31 March 1998 it also acquired the Company's assets and undertakings, so that the Company ceased to trade from that date.

Director's Responsibilities

Company law requires the director 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 the year. In preparing those financial statements, the director is 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Strong's and Bennett Limited
Report of the Director (Continued)

Directors

The directors who held office during the year were :

Mr Richard Graham St John Rowlandson
Mr John Keith Palmer (appointed 27 January 1998)

Auditors

Geo Little Sebire & Co., Chartered Accountants, will not be seeking reappointment as auditors and a resolution will be put to the members at the Annual General Meeting proposing the appointment of Messrs Arthur Anderson as auditors.

By Order of the Board
The Finance & Industrial Trust Limited
Secretary



Authorised Signatory

Registered Office
Graham House
7 Wyllyotts Place
Potters Bar
Herts
EN6 2JD

Date: 20 November 1998

**Report of the Auditors
to the Members of Strongs and Bennett Limited**

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 in Note 1 to the accounts.

Respective responsibilities of director and auditors

As described on Page 2, the Company's director is 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 director 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 and from omission of related party disclosures

As explained in note 1b, the financial statements do not incorporate a revaluation of investment properties. This is not in accordance with Statement of Standard Accounting Practice 19. If the director's valuation had been incorporated in the financial statements, the net assets of the Company at the balance sheet date would be increased by £445,000. A contingent liability for taxation payable on any disposal of the property would arise, but we are unable to quantify this. The financial statements do not include an explanation for this departure from an applicable accounting standard as required by the Companies Act 1985.

As explained in note 1, the financial statements do not contain information about related party transactions as required by Financial Reporting Standard 8.

Except for the failure to apply SSAP19 and for the failure to provide information about related party transactions, in our opinion the financial statements give a true and fair view of the state of the company's affairs as 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.

Geo Little Sebire & Co
Registered Auditors
Chartered Accountants



The Grove
Pipers Lane
Harpenden
Hertfordshire
AL5 1AH

Date: 20 November 1998

Strong's & Bennett Limited
Profit and Loss Account
for The Year Ended 31 March 1998

	Notes	1998 £	1997 £
Turnover	2	179,031	201,487
Cost of sales		(5,397)	(6,376)
Gross profit		173,634	195,111
Administrative costs		(27,655)	(33,637)
Other operating income		34,759	205,576
Other operating charges		(876)	(876)
Operating profit		179,862	366,174
Interest payable		(633)	(1,680)
Profit on ordinary activities before taxation	3	179,229	364,494
Taxation	5	(30,312)	(59,293)
Retained profit for year		148,917	305,201
Retained as follows:			
Profit and loss account	12	121,406	126,778
Capital profits reserve	12	27,511	178,423
		148,917	305,201

The Company has no recognised gains or losses other than the profit for the year.

A statement of movements in reserves is shown in Note 12 to the accounts.

A statement of reconciliation of movements in shareholders' funds is shown in Note 13 to the accounts.

Strongs & Bennett Limited
Balance Sheet
at 31 March 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	8	1,085,070	1,132,525
Investments	6	1,050	5,600
		<hr/>	<hr/>
		1,086,120	1,138,125
Current assets			
Debtors	9	1,456,379	1,316,820
Current liabilities			
Creditors: amounts falling due within one year	10	(116,977)	(178,340)
		<hr/>	<hr/>
Net current assets		1,339,402	1,138,480
		<hr/>	<hr/>
Net assets		2,425,522	2,276,605
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	5,180	5,180
Share Premium	12	622,820	622,820
Capital profits reserve	12	1,284,485	1,256,974
Profit and loss account	12	513,037	391,631
		<hr/>	<hr/>
Shareholders' funds	13	2,425,522	2,276,605
		<hr/>	<hr/>

Approved by the board on 20 November 1998


R. G. StJ. Rowlandson
Director

Strong's & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998

1 Basis of preparation and accounting policies

Basis of preparation:

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting and reporting standards except as noted in (b) below and for the failure to contain information about related party transactions as required by Financial Reporting Standard 8. All material transactions are however eliminated on consolidation for the purposes of the group accounts. The company is a small sized company as defined by Section 246 of the Companies Act 1985, and has therefore taken advantage of the exemption to prepare a cash flow forecast under Financial Reporting Standard 1. The principal accounting policies adopted by the company are as follows :

a) Depreciation

Depreciation is provided on fixed assets at a rate calculated to write off the cost less estimated residual value as follows:

Fixtures and fittings - 10% on a straight line basis

b) Investment properties

Investment properties are stated at cost. This is not in accordance with Statement of Standard Accounting Practice No.19 which requires such properties to be stated at valuation. The properties were valued by Mr R G St John Rowlandson at £1,525,000 at the balance sheet date.

c) Turnover

Turnover represents the value of rents receivable in the UK excluding value added tax.

d) Deferred taxation

Provision for deferred taxation is made only to the extent that, in the opinion of the director, a material liability is expected to arise in the foreseeable future.

2 Turnover

The turnover is derived wholly from the UK market and represents :

	1998	1997
	£	£
Rents receivable	178,749	201,335

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated:

	1998	1997
	£	£
After charging:		
Depreciation	876	876
Auditors' remuneration	3,035	2,500
Director's remuneration	3,000	3,000
Other interest payable	633	1,680
After crediting:		
Surplus on disposal of property	33,357	204,528
Interest received	1,402	1,048

Strong's & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998 (Continued)

4 Particulars of employees

The average number of persons employed by the Company (including directors) during the year was

	1998	1997
Directors	1	1
Director's fees	3,000	3,000

5 Taxation

	1998 £	1997 £
Corporation tax at 31% (1997 33%)	41,550	68,703
Prior year adjustment	(11,238)	(9,410)
	30,312	59,293

6 Investments

	1998 £	1997 £
Un-quoted subsidiary companies at 1 April 1997	5,600	5,600
Investments in subsidiary companies written off	(4,550)	-
	1,050	5,600

7 Subsidiary Companies

The Company owns more than 10% of the share capital of the following companies, all having been incorporated in Great Britain.

	Principal Activity	Share Class and % Holding
Allwright (London) Limited	Dormant	100% Ord
R. Hume Limited	Dormant	100% Ord

The Company is exempt from the obligation to prepare group accounts as it is itself a subsidiary company and is included in the consolidated accounts of the ultimate parent company.

Strong's & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998 (Continued)

8 Tangible Fixed Assets

**Freehold
Property
£**

Cost

At 1 April 1997

1,126,318

Disposals

(46,579)

At 31 March 1998

1,079,739

Net Book Value

At 31 March 1998

1,079,739

At 31 March 1997

1,126,318

**Fixtures
and Fittings
£**

Cost

At 1 April 1997 and at 31 March 1998

8,762

Depreciation

At 1 April 1997

2,555

Charged in the year

876

3,431

Net Book Value

31 March 1998

5,331

31 March 1997

6,207

**1998
£**

**1997
£**

Total Net Book Value

1,085,070

1,132,525

9 Debtors

**1998
£**

**1997
£**

Trade debtors

33,134

20,875

Due from group undertakings

1,422,810

1,292,750

Prepayments and accrued income

435

3,195

1,456,379

1,316,820

Strongs & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998 (Continued)

10 Creditors

	1998 £	1997 £
Trade creditors	24,553	10,829
Other creditors	1,201	36,909
Corporation tax	41,892	68,703
Other taxes and social security costs	5,027	14,677
Prepaid income and accruals	44,304	47,222
	<hr/>	<hr/>
	116,977	178,340

11 Share Capital

	1998 £	1997 £
Authorised: Ordinary shares of £1 each	6,000	6,000
	<hr/>	<hr/>
Issued and fully paid: Ordinary shares of £1 each	5,180	5,180

12 Reserves

	Share Premium £	Capital Reserve £	Profit and Loss £
At 1 April 1997	622,820	1,256,974	391,631
Profit for the period	-	27,511	121,406
	<hr/>	<hr/>	<hr/>
At 31 March 1998	622,820	1,284,485	513,037

13 Statement of reconciliation of movement in shareholders' funds

	1998 £	1997 £
Net profit for the year	148,917	305,201
Opening shareholders' funds	2,276,605	1,971,404
	<hr/>	<hr/>
Closing shareholders' funds	2,425,522	2,276,605

Strong's & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998 (Continued)

14 Information regarding the directors share interests

The interests of Mr R G StJ Rowlandson in the shares of group companies requiring disclosure under Schedule 7, Companies Act 1985 are as follows :
(Oordinary shares unless otherwise stated)

	1998		1997	
	Bene- ficial	Non- Bene- ficial	Bene- ficial	Non- Bene- ficial
The Rowlandson Organisation Limited	49.52%	44.58%	49.52%	50.14%
Graham House Properties Ltd	85.00%	-	85.00%	-
Hendon Central Garage Limited Preference	80.00%	15.00%	80.00%	20.00%
Hendon Central News Limited *	81.69%	14.46%	100.00%	-
Subsidiary Companies :				
Hendon Traders Limited	-	-	75.17%	24.83%
Hendon Central Garage Limited	-	-	91.25%	8.75%
Strong's & Bennett Limited	-	-	100.00%	-
Northrow Properties Ltd	-	-	40.00%	60.00%
Harden Property Co Limited (acquired 12.12.1997)	-	-	75.00%	-
F.H.White (Proprietary) Limited	-	-	80.00%	20.00%
H.S Rowley & Co Limited	70.00%	-	70.00%	-
Macs Neighbourhood Centres Ltd *	90.87%	8.22%	-	-
Subsidiary Company :				
R O Supermarkets Ltd	-	-	50.01	49.99
Paragon Works Limited	83.35%	-	83.35%	-
Rowlandson Bushell & Co Ltd	70.00%	30.00%	70.00%	30.00%
Webb & Partners Limited	100.00%	-	100.00%	-
William Harris Bacon Holdings 1961 Limited	62.50%	-	62.50%	-

No other director had any interest in the shares of the group companies.

* The issued share capital of the subsidiaries listed was acquired on 6th October 1997, unless otherwise stated.

Strong's & Bennett Limited
Notes to the Financial Statements
for the Year Ended 31 March 1998 (Continued)

15 Contingent Liabilities

The Company is party to multi-lateral joint and several guarantees with group undertakings. At 31 March 1998 these loans amounted to £3,554,400 (at 31 March 1997: £2,693,432). However, in view of the stability of and security given by these companies, the director considers there to be no contingent liability on Strong's and Bennett Limited at 31 March 1998.

16 Ultimate Parent Company

The Ultimate Parent Company is The Rowlandson Organisation Ltd., a company incorporated in Great Britain.