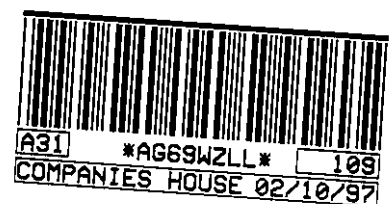


**STRONGS AND BENNETT LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997**



**Strong's & Bennett Limited**

**Director**

**R G StJ Rowlandson FCA**

**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**

**Auditors**

**Geo Little Sebire & Co  
Chartered Accountants  
The Grove  
Pipers Lane  
Harpenden  
Hertfordshire  
AL5 1AH**

## **Financial Statements**

The director presents his report and financial statements for the year ended 31 March 1997.

## **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 director does not recommend the payment of a dividend for the year ended 31 March 1997. (1996 : Nil)

## **Fixed Assets**

Details of movements in the fixed assets are disclosed in the notes to the financial statements.  
The director is of the opinion that the current market value of land and buildings in the balance sheet exceeds the book value by approximately £444,000.

## **Post Balance Sheet Events**

There has been no event since the balance sheet date which requires disclosure or could materially affect the financial statements for the period ended 31 March 1997.

## **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 director is 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)**

**Director**

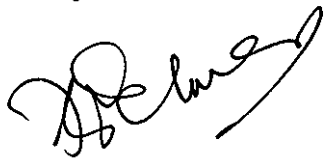
The director who held office during the year was :

Mr Richard Graham St John Rowlandson

**Auditors**

A resolution proposing the re-appointment of Geo. Little Sebire & Co., Chartered Accountants, as auditors of The Company, will be put to the annual general meeting

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

A handwritten signature in black ink, appearing to be 'R. St John Rowlandson', written over the printed name of the Secretary.

**Authorised Signatory**

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

Date: 26 September 1997.

**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.**

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 £443,683. 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.

Except for the failure to apply SSAP19 referred to above, in our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Geo Little Sebire & Co  
Registered Auditors  
Chartered Accountants

The Grove  
Pipers Lane  
Harpenden  
Hertfordshire  
AL5 1AH

Date: 26 September 1997.

**Strongs & Bennett Limited**  
**Profit And Loss Account**  
**For The Year Ended 31 March 1997**

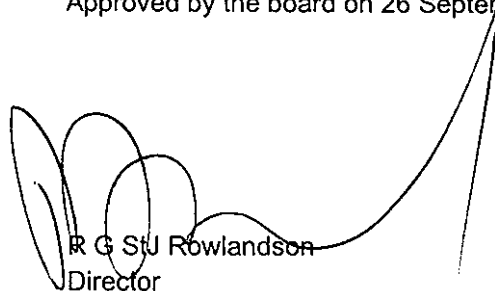
	Notes	1997 £	1996 £
Turnover	2	201,487	227,201
Cost of sales		(6,376)	(7,333)
Gross profit		195,111	219,868
Administrative costs		(33,637)	(27,532)
Other operating income		205,576	166,490
Other operating charges		(876)	(2,426)
Operating profit		366,174	356,400
Interest payable		(1,680)	(82,322)
Profit on ordinary activities before taxation	3	364,494	274,078
Taxation	5	(59,293)	(84,587)
Retained profit for year		305,201	189,491
Retained as follows:			
Profit and loss account	12	126,778	42,848
Capital profits reserve	12	178,423	146,643
		305,201	189,491

The Company has no recognised gains or losses other than the profit for the year. A statement of reconciliation of movements in shareholders' funds is shown in Note 13 to the accounts.

**Strong's & Bennett Limited**  
**Balance Sheet**  
**At 31 March 1997**

	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	8	1,132,525	1,267,400
Investments	6	5,600	7,100
		<hr/> 1,138,125	<hr/> 1,274,500
<b>Current assets</b>			
Debtors	9	1,316,820	886,559
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(178,340)	(189,655)
		<hr/> 1,138,480	<hr/> 696,904
<b>Net current assets</b>			
		<hr/> 2,276,605	<hr/> 1,971,404
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	11	5,180	5,180
Share Premium	12	622,820	622,820
Capital profits reserve	12	1,256,974	1,078,551
Profit and loss account	12	391,631	264,853
		<hr/> 2,276,605	<hr/> 1,971,404
<b>Shareholders' funds</b>	13		

Approved by the board on 26 September 1997.



R G StJ Rowlandson  
 Director

## **1 Basis of preparation and accounting policies**

### **Basis of accounting:**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting and reporting standards. The Company is a small sized company as defined by Section 246 Companies Act 1985 and has therefore taken advantage of the exemption to prepare a cash flow statement under Financial Reporting Standard No.1. The principal accounting policies adopted by the Company as follows :

#### **a) Depreciation**

In instances where the Company holds a freehold or long leasehold property for investment purposes the whole of the property is treated as investment property for the purpose of these financial statements. In accordance with SSAP 19 investment properties are not depreciated. Depreciation is provided on other 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 £1,570,000 at the balance sheet date.

#### **c) Turnover**

Turnover represents the value of rents receivable in the UK including 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 :

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Rents receivable	201,335	227,201

## **3 Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is stated:

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
After charging:		
Depreciation	876	876
Auditors' remuneration	2,500	3,120
Director's remuneration	3,306	4,298
Interest payable on group borrowing repayable within five years	-	81,917
Other interest payable	1,680	405
Leasing rental	-	-
After crediting:		
Surplus on disposal of property	204,528	149,053
Interest received	1,048	1,028



**Strong's & Bennett Limited**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended 31 March 1997**

**4 Particulars of employees**

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

	<b>1997</b>	<b>1996</b>
Directors	1	1
Director's fees	3,306	4,298

**5 Taxation**

	<b>1997 £</b>	<b>1996 £</b>
Corporation tax at 33% (1996 33%)	68,703	57,896
Prior year adjustment	(9,410)	26,691
	59,293	84,587

**6 Investments**

	<b>1997 £</b>	<b>1996 £</b>
Un-quoted subsidiary companies	5,600	7,100
Other un-quoted investments	-	-
	5,600	7,100

**7 Subsidiary Companies**

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

	<b>Principal Activity</b>	<b>Share Class and % Holding</b>
Allwright (London) Limited	Dormant	100% Ord
C. (Tottenham) Limited	Dormant	100% Ord
F.C. Welch Limited	Dormant	100% Ord
R. Hume Limited	Dormant	100% Ord
Rivella Limited	Dormant	100% Ord
R.L. Chapman 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 (Continued)**  
**For the Year Ended 31 March 1997**

**8 Tangible Fixed Assets**

	<b>Freehold Property £</b>	
<b>Cost</b>		
At 1 April 1996	1,260,318	
Disposals	(134,000)	
	<hr/>	
At 31 March 1997	1,126,318	
	<hr/>	
<b>Net Book Value</b>		
At 31 March 1997	1,126,318	
	<hr/>	
At 31 March 1996	1,260,318	
	<hr/>	
	<b>Fixtures and Fittings £</b>	
<b>Cost</b>		
At 1 April 1996 and at 31 March 1997	8,762	
	<hr/>	
<b>Depreciation</b>		
At 1 April 1996	1,679	
Charged in the year	876	
	<hr/>	
	2,555	
	<hr/>	
<b>Net Book Value</b>		
31 March 1997	6,207	
	<hr/>	
31 March 1996	7,083	
	<hr/>	
	<b>1997 £</b>	<b>1996 £</b>
Total Net Book Value	1,132,525	1,267,400
	<hr/>	<hr/>
<b>9 Debtors</b>	<b>1997 £</b>	<b>1996 £</b>
Trade debtors	20,875	36,525
Due from group undertakings	1,292,750	846,049
Other debtors	-	3,500
Prepayments and accrued income	3,195	485
	<hr/>	<hr/>
	1,316,820	886,559
	<hr/>	<hr/>

**Strong's & Bennett Limited**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended 31 March 1997**

**10 Creditors**

	<b>1997 £</b>	<b>1996 £</b>
Trade creditors	10,829	272
Amounts due to group undertakings	-	12,478
Other creditors	36,909	35,911
Corporation tax	68,703	84,594
Other taxes and social security costs	14,677	5,766
Prepaid income and accruals	47,222	50,634
	<hr/>	<hr/>
	178,340	189,655
	<hr/>	<hr/>

**11 Share Capital**

	<b>1997 £</b>	<b>1996 £</b>
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
	<hr/>	<hr/>

**12 Reserves**

	<b>Share Premium £</b>	<b>Capital Reserve £</b>	<b>Profit and Loss £</b>
At 1 April 1996	622,820	1,078,551	264,853
Profit for the period	-	178,423	126,778
	<hr/>	<hr/>	<hr/>
At 31 March 1997	622,820	1,256,974	391,631
	<hr/>	<hr/>	<hr/>

**13 Statement of reconciliation of movement in shareholders' funds**

	<b>1997 £</b>	<b>1996 £</b>
Net profit for the year	305,201	189,491
Opening shareholders' funds	1,971,404	1,781,913
	<hr/>	<hr/>
Closing shareholders' funds	2,276,605	1,971,404
	<hr/>	<hr/>

**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 :  
(Ordinary shares unless otherwise stated)

	1997		1996	
	Bene- ficial	Non- Bene- ficial	Bene- ficial	Non- Bene- ficial
The Rowlandson Organisation Limited	49.52%	50.14%	49.52%	50.38%
F.H.White (Proprietary) Limited	80.00%	20.00%	70%	30%
Graham House Properties Limited	85.00%	0.00%	85%	0%
Harden Property Company Limited	75.00%	0.00%	75%	0%
Hendon Central Garage Limited				
Ordinary	91.25%	8.75%	91%	9%
Preference	80.00%	20.00%	80%	20%
Hendon Central News Limited	100.00%	0.00%	91%	9%
Hendon Traders Limited	75.17%	24.83%	75%	25%
H.S Rowley & Co Limited	70.00%	0.00%	70%	0%
Northrow Properties Limited	40.00%	60.00%	40%	60%
Paragon Works Limited	83.35%	0.00%	83%	0%
R O Supermarkets Limited	50.01%	49.99%	50%	50%
Rowlandson Bushell & Co Limited	70.00%	30.00%	70%	30%
Strong's & Bennett Limited	100.00%	0.00%	100%	0%
Webb & Partners Limited	100.00%	0.00%	95%	5%
William Harris Bacon Holdings 1961 Limited	62.50%	0.00%	0%	0%

No other director has an interest in the shares of group companies.

**Strongs & Bennett Limited**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended 31 March 1997**

**15 Contingent Liabilities**

The Company is party to multi-lateral joint and several guarantees with group undertakings. At 31 March 1997 these loans amounted to £ 2,693,432 (at 31 March 1996: £3,633,026). However, in view of the stability of and security given by these companies, the director considers there to be no contingent liability on Strongs and Bennett Limited at 31 March 1997.

**16 Ultimate Parent Company**

The Company is a subsidiary undertaking of The Rowlandson Organisation Limited, a company incorporated in Great Britain.

**17 Related Party Transactions**

During the year the company made the following group transactions.

	£
Sales	-
Purchases - management charges	13,200
- insurance costs	10,910
	<hr/>