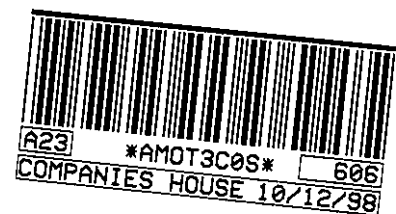


REGISTRATION NO. 409591

INVESTMENT & SECURITIES TRUST LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998



## INVESTMENT & SECURITIES TRUST LIMITED

### COMPANY INFORMATION

---

<b>Directors</b>	Mrs L.F. Voice M.J. Ozin
<b>Secretary</b>	M.J. Ozin
<b>Registration No.</b>	409591 - Registered in England and Wales
<b>Registered Office</b>	118 Seymour Place London, W1H 5DJ.
<b>Auditors</b>	Wilson Wright & Co., Chartered Accountants, 71 Kingsway, London, WC2B 6ST.
<b>Bankers</b>	National Westminster Bank plc.

---

## INVESTMENT & SECURITIES TRUST LIMITED

### CONTENTS

---

	Page
Report of the Directors	1
Report of the Auditors	2
Profit and Loss Account	3
Balance Sheet	4
Statement of Total Recognised Gains and Losses	5
Reconciliation of Movements in Shareholders' Funds	5
Notes to the Accounts	6

---

**INVESTMENT & SECURITIES TRUST LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

---

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

**Principal Activity**

The company's principal activity is that of property dealing and investment.

**Directors**

The director's in office in the year were as follows:

	ordinary shares of £1 each	
	31 March 1998	1 April 1997
Mrs L.F. Voice	-	-
M.J. Ozin	-	-

The Director's beneficial interests in the issued share capital of the parent company, Woolcastle limited, is as stated in the report of the directors of that company.

Mrs L.F. Voice, M.J. Ozin and B. Carmel, a partner in Wilson Wright & Co, the company's auditors, held a non beneficial interest in 76 shares of Woolcastle Limited as executors throughout the year.

**Directors' Responsibilities**

The directors are obliged under company law to prepare financial statements for each financial year.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The directors must 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 also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The directors confirm that the above requirements have been complied with in the financial statements.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

**Year 2000**

During the course of the year, all computer hardware and software in use within the company has been assessed. Where areas of non-compliance have been identified, they are being replaced as part of normal business upgrades.

**Auditors**

The auditors, Wilson Wright & Co., will be re-appointed in accordance with Section 386(2) of the companies Act 1985.

**Small Company Exemptions**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**BY ORDER OF THE BOARD**

  
M.J. Ozin

**SECRETARY**

DATE: 4/12/98

## REPORT OF THE AUDITORS TO THE MEMBERS OF INVESTMENT & SECURITIES TRUST LIMITED

---

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

### **Respective Responsibilities of Directors and Auditors**

As described in the Directors' Report, the company's directors are responsible for the preparation of the 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.

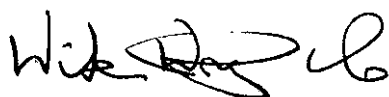
### **Basis of Opinion**

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Wilson Wright & Co.,**  
Chartered Accountants  
and Registered Auditors,  
71 Kingsway,  
London, WC2B 6ST.

DATE: 8 December 1998

**INVESTMENT & SECURITIES TRUST LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1998**

	Notes	1998 £	£	1997 £	£
Turnover			4,500		175,525
Cost of sales			(295)		131,396
<b>Gross Profit</b>			4,795		44,129
Rent receivable		697,910		680,961	
Property expenses		236,663		219,942	
			461,247		461,019
			466,042		505,148
Distribution and marketing costs		2,920		12,987	
Administrative and establishment expenses		465,701		553,792	
			468,621		566,779
			(2,579)		(61,631)
Other operating income			-		12,272
<b>Operating Loss</b>	<b>2</b>		(2,579)		(49,359)
Income from investments		376		254	
Amounts written back to investments		1,461		-	
Interest receivable		5,056		8,648	
			6,893		8,902
			4,314		(40,457)
Amounts written off investments		-		35	
Interest payable	<b>3</b>	231		385	
			231		420
<b>Profit/Loss on Ordinary Activities before Taxation</b>			4,083		(40,877)
Taxation	<b>4</b>		15,514		3,510
<b>Loss for the Financial Year</b>	<b>11</b>		(11,431)		(44,387)

The results for both years reflect the continuing operations of the company.

**INVESTMENT & SECURITIES TRUST LIMITED**  
**BALANCE SHEET AT 31 MARCH 1998**

	Notes	1998 £	£	1997 £	£
<b>Fixed Assets</b>					
Tangible assets	5	6,136,044		6,075,033	
<b>Current Assets</b>					
Stock		425,547		164,671	
Debtors	6	39,147		60,948	
Investments	7	4,368		3,164	
Cash at bank and in hand		56,963		51,362	
		<u>526,025</u>		<u>280,145</u>	
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	8	<u>832,198</u>		<u>563,876</u>	
<b>Net Current Liabilities</b>			<u>(306,173)</u>		<u>(283,731)</u>
<b>Total Assets less Current Liabilities</b>			<u>5,829,871</u>		<u>5,791,302</u>
<b>Capital and Reserves</b>					
Called up share capital	10		100		100
Revaluation reserve	11		4,880,867		4,830,867
Profit and loss account	11		948,904		960,335
<b>Shareholders' Funds</b>			<u>5,829,871</u>		<u>5,791,302</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**Approved by the Board**

Director

Date:

4/12/98

**INVESTMENT & SECURITIES TRUST LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 1998**

	1998 £	1997 £
Loss for the Financial Year	(11,431)	(44,387)
Unrealised surplus on revaluation of investment properties	50,000	-
<b>Total Recognised Gains and Losses Relating to the Year</b>	<u>38,569</u>	<u>(44,387)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Shareholders' funds at 1 April 1997	5,791,302	5,835,689
Loss for the financial year	(11,431)	(44,387)
Unrealised surplus on revaluation of investment properties	50,000	-
<b>Shareholders' Funds at 31 March 1998</b>	<u>5,829,871</u>	<u>5,791,302</u>



**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

---

**1 Accounting Policies**

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

**1.2 Turnover**

Turnover represents sales of properties, all of which arises in the United Kingdom.

**1.3 Tangible fixed assets**

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

Fixtures, fittings and equipment	- 10% / 33.33%
Motor vehicles	- 25%

No depreciation is charged on investment properties (see 1.9 below).

**1.4 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.5 Deferred taxation**

Deferred taxation is accounted for using the liability method in respect of all timing differences to the extent that it is probable that a liability will crystallise.

**1.6 Hire purchase contracts**

Assets held under hire purchase contracts are recorded as tangible fixed assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of future finance charges.

Finance charges are written off to the profit and loss account on a straight line basis over the period of the relevant agreements.

**1.7 Operating leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

**1.8 Pensions**

Contributions made to the defined contribution pension schemes are charged to the profit and loss account in the year in which they are made.

**1.9 Investment properties**

As required by Statement of Standard Accounting Practice No.19, no depreciation is provided on investment properties, and they are included in the balance sheet at their open market value. Any aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve. Deficits on individual investment properties that are expected to be permanent are charged to the profit and loss account.

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

<b>2</b>	<b>Operating Loss</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	The operating loss is stated after charging:		
	Directors' emoluments	551,920	540,626
	Depreciation of tangible fixed assets	23,807	56,844
	Operating lease rentals - plant and machinery	3,638	3,494
	Auditors' remuneration	3,500	3,500

There are 2 directors for whom retirement benefits are accruing under defined contribution pension schemes (1997 -2).

**3 Interest Payable**

Interest payable includes £224 (1997 - £294) in respect of hire purchase contracts.

<b>4</b>	<b>Taxation</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	The tax charge on the profit/loss on ordinary activities for the year was as follows:		
	UK corporation tax	16,000	3,000
	Tax on investment income	42	51
		<u>16,042</u>	<u>3,051</u>
	Adjustment to previous year	(528)	459
		<u>15,514</u>	<u>3,510</u>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

**5 Tangible Fixed Assets**

	Land and buildings Freehold	Land and buildings Leasehold (short)	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 1997	5,845,000	165,000	34,995	216,705	6,261,700
Additions	-	-	6,368	65,950	72,318
Revaluation	50,000	-	-	-	50,000
Disposals	-	-	-	(52,250)	(52,250)
At 31 March 1998	5,895,000	165,000	41,363	230,405	6,331,768
<b>Depreciation</b>					
At 1 April 1997	-	-	17,377	169,290	186,667
On disposals	-	-	-	(52,248)	(52,248)
Charge for year	-	-	3,706	57,599	61,305
At 31 March 1998	-	-	21,083	174,641	195,724
<b>Net book values</b>					
At 31 March 1998	5,895,000	165,000	20,280	55,764	6,136,044
At 31 March 1997	5,845,000	165,000	17,618	47,415	6,075,033

The freehold and leasehold properties have been revalued by the directors on an open market value basis.

**6 Debtors**

	1998 £	1997 £
Amounts falling due within one year:		
Trade debtors	20,283	-
Amounts owed by group undertakings	199	-
Other debtors	18,665	60,948
	39,147	60,948

**7 Current Asset Investments**

	1998 £	1997 £
Listed (market value)	4,368	3,164

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

8 Creditors	1998 £	1997 £
Amounts falling due within one year:		
Trade creditors	235,375	16,867
Net obligations under hire purchase contracts	-	434
Amounts owed to group undertakings	414,117	398,269
Corporation tax	16,000	-
Social security and other taxes	49,545	30,060
Amounts due to directors - L. F. Voice	-	25,173
- M. J. Ozin	-	1,160
Other creditors	117,161	91,913
	<u>832,198</u>	<u>563,876</u>

**9 Deferred Taxation**

The amounts provided and not provided for deferred taxation were as follows:

	1998		1997	
	Provided	Not provided	Provided	Not provided
	£	£	£	£
Surplus on revaluation of land and buildings	<u>-</u>	<u>182,000</u>	<u>-</u>	<u>176,000</u>

**10 Share Capital**

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Alotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**11 Statement of Movements on Reserves**

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 1997	4,830,867	960,335
Loss for the financial year	-	(11,431)
Revaluation during the year	50,000	-
Balance at 31 March 1998	<u>4,880,867</u>	<u>948,904</u>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**

---

**12 Pension Costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company to the funds and amounted to £48,620 (1997 - £45,120).

**13 Related Party Disclosures**

**13.1 Control**

The company is a wholly owned subsidiary of Woolcastle Limited. The ultimate controlling party is L.F. Voice. In accordance with FRS 8 transactions with Woolcastle Limited or fellow group companies have not been disclosed as the consolidated financial statements of Woolcastle are publicly available.

**13.2 Balances**

At 31 March 1998

(a) L.F. Voice and M.J. Ozin have a material interest in Manning & Co., which at 31 March 1998 owed the company £20,283 (At 31 March 1997 the company owed Manning & Co., £16,867).

(b) The company owed Cecil Rosen Charitable Trust an amount of £2,515, a charity in which L.F. Voice and M.J. Ozin are trustees.