

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
25 MARCH 1997

Registered Number : 439759



MORGAN BROWN & SPOFFORTH
Chartered Accountants

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

DIRECTORS: F P G Aldrich-Blake
Miss L R Aldrich-Blake
N P Risdon
R E R Risdon

SECRETARY: R E R Risdon

REGISTERED OFFICE: Highbourne House
13/15 Marylebone High Street
London
W1M 3PD

AUDITORS: Morgan Brown & Spofforth
82 St John Street
London
EC1M 4JN

BANKERS: National Westminster Bank Plc
Regent Street Branch
P O Box No 4RY
250 Regent Street
London
W1A 4RY

SOLICITORS: Manches & Co
Aldwych House
81 Aldwych
London
WC2B 4RP

MANAGING AGENTS: Drysdale Nurse & Co
10 Highbourne House
13/15 Marylebone High Street
London
W1M 3PD

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ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 25 March 1997.

Principal Activities and Future Developments

The company's principal activities continue to be that of a Property Holding Company. It is the company's policy to undertake repairs and improvements to properties as and when they become vacant or to ensure that incoming tenants accept a programme for the necessary works. The company continues its policy of investing surplus funds by the acquisition of commercial property. (Note 16)

Results

The accounts show a profit for the year after taxation of £234,676 (1996 - £245,418). The directors recommend the payment of a final dividend of £4 per share making a total for the year of £14 per share (1996 - £14 per share) leaving a balance of £31,676 to be transferred to reserves (1996 - £42,418).

Directors and Directors' Interest

The directors who held office during the year and their respective interests in the share capital of the company, as recorded in the register of directors' share and debenture interests, are as follows:

Director	Ordinary Shares of £1 each	
	25 March 1997	25 March 1996
F P G Aldrich-Blake	4,000	4,000
Miss L R Aldrich-Blake	4,000	4,000
Mrs I G B Nurse (Died 25 April 1997)	3,300	3,300
N P Risdon - Self	2,200	2,200
- Family	500	500
R E R Risdon	500	500

In accordance with the Articles of Association F P G Aldrich-Blake retired by rotation, and being eligible offers himself for re-election.

Close Company Provisions

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

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 and of the profit or loss of the company for that year. 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;
- follow applicable accounting standards, 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.

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)


Statement of Directors' Responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985, as amended. 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.

Auditors

The auditors, Morgan Brown & Spofforth, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board


R E R Risdon
Secretary

Registered Office:

Highbourne House
13/15 Marylebone High Street
London
W1M 3PD

8 December 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 2, 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 financial statements and to report our opinion to you.

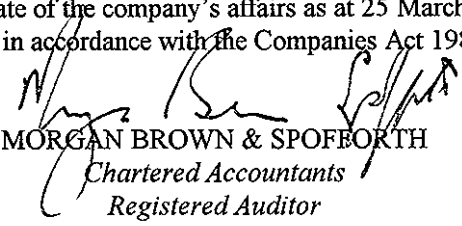
Basis of Opinion

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 as at 25 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MORGAN BROWN & SPOFFORTH
Chartered Accountants
Registered Auditor

82 St John Street
London
EC1M 4JN

23.1.98

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 25 MARCH 1997**

		1997	1996
	Notes	£	£
Turnover	2	534,847	510,136
Cost of sales		<u>137,257</u>	<u>146,782</u>
Gross profit		397,590	363,354
Administrative expenses		<u>78,019</u>	<u>80,818</u>
Operating profit	3	319,571	282,536
Other interest receivable and similar income		8,884	41,387
Interest payable and similar charges		<u>(369)</u>	<u>(101)</u>
Profit on ordinary activities before taxation		328,086	323,822
Tax on profit on ordinary activities	5	<u>93,410</u>	<u>78,404</u>
Profit on ordinary activities after taxation		234,676	245,418
Dividends	6	<u>203,000</u>	<u>203,000</u>
Retained profit for the financial year		31,676	42,418
Retained profit brought forward		<u>1,482,977</u>	<u>1,440,559</u>
Retained profit carried forward		<u><u>£1,514,653</u></u>	<u><u>£1,482,977</u></u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

A separate statement of total recognised gains and losses is presented on page 5.

The notes on pages 7 to 13 form part of these financial statements.

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED**FOR THE YEAR ENDED 25 MARCH 1997****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	1997	1996
	£	£
Profit for the financial year	234,676	245,418
Unrealised surplus/(deficit) on revaluation of properties	-	39,397
Total recognised gains and losses relating to the year	<u>£234,676</u>	<u>£284,815</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1997	1996
	£	£
Reported profit on ordinary activities before taxation	328,086	323,822
Difference between historical cost depreciation charge and the charge for the year calculated on the revalued amount	<u>(33,884)</u>	<u>(27,812)</u>
Historical cost profit on ordinary activities before taxation	<u>£294,202</u>	<u>£296,010</u>
Historical cost (loss)/profit retained for the year	<u>£(2,208)</u>	<u>£14,606</u>

The notes on pages 7 to 13 form part of these financial statements.

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED**BALANCE SHEET****AS AT 25 MARCH 1997**

		1997		1996	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		4,800,270		4,375,977
Current Assets					
Debtors	8	119,180		162,954	
Cash at bank and in hand		<u>42,580</u>		<u>383,183</u>	
		161,760		546,137	
Creditors: amounts falling due within one year	9	<u>(247,274)</u>		<u>(239,034)</u>	
Net Current (Liabilities)/Assets			<u>(85,514)</u>		<u>307,103</u>
Net Assets			<u><u>£4,714,756</u></u>		<u><u>£4,683,080</u></u>
Capital and Reserves					
Called up share capital	10		14,500		14,500
Share premium account			11,495		11,495
Revaluation reserve	11		3,081,787		3,081,787
Capital reserve	12		92,321		92,321
Profit and loss account			<u>1,514,653</u>		<u>1,482,977</u>
Shareholders' Funds - (equity interests only)	14		<u><u>£4,714,756</u></u>		<u><u>£4,683,080</u></u>

The accounts on pages 4 to 13 were approved by the board of directors on the date shown below and were signed on its behalf by:



 F P G Aldrich-Blake - Director

8 December 1997

The notes on pages 7 to 13 form part of these financial statements.

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED**NOTES (forming part of the financial statements)****FOR THE YEAR ENDED 25 MARCH 1997**

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting convention, as modified by the revaluation of investment properties and long leasehold property.

Compliance with Accounting Standards

These accounts have been prepared in accordance with relevant Statements of Standard Accounting Practice and Financial Reporting Standards.

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures and fittings	- 15% reducing balance
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Investment Properties

Investment properties are valued annually and included in the financial statements at open market existing use basis and the aggregate surplus or deficit is transferred to a revaluation reserve.

In accordance with Statement of Standard Accounting Practice 19 no depreciation is provided on freehold and long leasehold investment property. The directors consider that this accounting policy results in the accounts giving a true and fair view.

Long Leasehold Property

Long leasehold property is included in the financial statements at open market existing use basis, any surplus or deficit being transferred to a revaluation reserve.

No depreciation is provided on long leasehold property as, in the opinion of the directors, it would not be material.

Cash flow

The accounts 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'.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2. TURNOVER

Turnover represents gross rents receivable from both freehold and leasehold properties for the year.

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED**NOTES (forming part of the financial statements) (CONTINUED)****FOR THE YEAR ENDED 25 MARCH 1997**

3. OPERATING PROFIT	1997	1996
	£	£
Operating profit is stated after charging:		
Directors' emoluments	55,596	56,167
Auditors' remuneration	7,675	5,581
Professional services performed by auditors	2,986	3,817
Depreciation of owned tangible fixed assets	<u>2,448</u>	<u>2,379</u>
4. EMPLOYEES	1997	1996
The average number of employees during the year was:		
Management	5	5
Caretaker and cleaner	<u>2</u>	<u>2</u>
	<u>7</u>	<u>7</u>
Total costs during the year amounted to:		
Wages and salaries	60,519	61,273
Social security costs	<u>5,164</u>	<u>5,650</u>
	<u>£65,683</u>	<u>£66,923</u>
Directors' remuneration comprised the following:		
Salaries	51,600	51,600
Social security costs	<u>3,996</u>	<u>4,567</u>
	<u>£55,596</u>	<u>£56,167</u>
5. TAXATION	1997	1996
	£	£
Corporation tax @ 33% based on profit for the year less marginal relief	89,193	83,699
Taxation under/(over) provided in previous year	<u>4,217</u>	<u>(5,295)</u>
	<u>£93,410</u>	<u>£78,404</u>

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED**NOTES (forming part of the financial statements) (CONTINUED)****FOR THE YEAR ENDED 25 MARCH 1997**

6. DIVIDENDS	1997	1996
	£	£
First interim dividend paid 22 November 1996 at £8 per share (1996 - £7)	116,000	101,500
Second interim dividend paid 18 March 1997 at £2 per share (1996 - £5)	29,000	72,500
Final dividend proposed at £4 per share (1996 - £2)	<u>58,000</u>	<u>29,000</u>
	<u>£203,000</u>	<u>£203,000</u>

7. TANGIBLE FIXED ASSETS	Freehold Investment Properties	Long Leasehold Investment Properties	Long Leasehold Property	Fixtures and Fittings	Total
Cost	£	£	£	£	£
At 26 March 1996	2,862,500	1,400,000	100,000	23,418	4,385,918
Additions	<u>413,448</u>	<u>-</u>	<u>-</u>	<u>13,293</u>	<u>426,741</u>
At 25 March 1997	<u>£3,275,948</u>	<u>£1,400,000</u>	<u>£100,000</u>	<u>£36,711</u>	<u>£4,812,659</u>
Depreciation and Diminution in Value					
At 26 March 1996	-	-	-	9,941	9,941
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,448</u>	<u>2,448</u>
At 25 March 1997	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£12,389</u>	<u>£12,389</u>
Net Book Value					
At 25 March 1997	<u>£3,275,948</u>	<u>£1,400,000</u>	<u>£100,000</u>	<u>£24,322</u>	<u>£4,800,270</u>
At 25 March 1996	<u>£2,862,500</u>	<u>£1,400,000</u>	<u>£100,000</u>	<u>£13,477</u>	<u>£4,375,977</u>

Both the Investment Properties and Long Leasehold Property were valued by the directors on an open market existing use basis at 25 March 1997.

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED**NOTES (forming part of the financial statements) (CONTINUED)****FOR THE YEAR ENDED 25 MARCH 1997****7. TANGIBLE FIXED ASSETS (Cont'd)**

If Properties had not been revalued, they would have been included at cost and depreciated over 50 years, or the remaining lease term if shorter, as follows:

		Freehold Investments Properties £	Long Leasehold Investment Properties £	Long Leasehold Properties £
At 25 March 1997	Cost	1,519,841	164,065	10,254
	Depreciation	<u>246,435</u>	<u>57,141</u>	<u>410</u>
		<u>£1,273,406</u>	<u>£106,924</u>	<u>£9,844</u>
At 25 March 1996	Cost	1,106,393	164,065	10,254
	Depreciation	<u>216,038</u>	<u>53,860</u>	<u>205</u>
		<u>£890,355</u>	<u>£110,205</u>	<u>£10,049</u>

8. DEBTORS

	1997 £	1996 £
Trade debtors	11,745	11,047
Other debtors	984	4,740
Secured loans	19,383	42,722
Prepayments and accrued income	14,827	12,340
Taxation recoverable	<u>72,241</u>	<u>92,105</u>
	<u>£119,180</u>	<u>£162,954</u>

Included within taxation recoverable is an amount for £14,500 (1996 - £7,250) that represents Advance Corporation Tax on the final dividend proposed and which will be available for set-off against the Corporation Tax Liability in more than one year.

ALDRICH-BLAKE & FANSHAWE HOLDINGS LIMITED

NOTES (forming part of these financial statements (*CONTINUED*))

FOR THE YEAR ENDED 25 MARCH 1997

8. DEBTORS (*Cont'd*)*Secured Loans*

Secured loans represent an amount advanced to Mrs I G B Nurse, a director less repayments made during the year.

The loan to Mrs I G B Nurse carried an interest rate of 8.75% per annum throughout the year and is secured by way of a legal mortgage on property owned by Mrs I G B Nurse.

Mrs I G B Nurse died on 25 April 1997.

The amounts of principal and interest outstanding at 25 March 1997 and 25 March 1996 was as follows:

	Principal £	Interest £	Total £
At 25 March 1997			
Mrs I G B Nurse	<u>£19,383</u>	<u>£37</u>	<u>£19,420</u>
At 25 March 1996			
Mrs I G B Nurse	<u>£42,722</u>	<u>£90</u>	<u>£42,812</u>

The maximum amount outstanding at any time during the year was as follows:

	Principal £	Interest £	Total £
Year ended 25 March 1997			
Mrs I G B Nurse	<u>£42,722</u>	<u>£2,558</u>	<u>£45,280</u>
Year ended 25 March 1996			
Mrs I G B Nurse	<u>£230,000</u>	<u>£13,786</u>	<u>£243,786</u>

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED

NOTES (forming part of these financial statements (*CONTINUED*))

FOR THE YEAR ENDED 25 MARCH 1997

9. CREDITORS: Amounts falling due within one year	1997	1996
	£	£
Trade creditors	11,885	25,250
Other creditors	8,760	8,626
Current corporation tax (incl ACT)	110,942	108,635
Accruals and deferred income	57,687	67,523
Dividends payable	58,000	29,000
	<u>£247,274</u>	<u>£239,034</u>
10. SHARE CAPITAL	1997	1996
	£	£
Authorised		
15,000 ordinary shares of £1 each	<u>£15,000</u>	<u>£15,000</u>
Allotted, called up and fully paid		
14,500 ordinary shares of £1 each	<u>£14,500</u>	<u>£14,500</u>
11. REVALUATION RESERVE	1997	1996
	£	£
Balance at 26 March 1996	3,081,787	3,042,390
Revaluation/ (devaluation) in year	<u>-</u>	<u>39,397</u>
Balance at 25 March 1997	<u>£3,081,787</u>	<u>£3,081,787</u>

ALDRICH-BLAKE & FANSHAW HOLDINGS LIMITED**NOTES (forming part of these financial statements (CONTINUED))****FOR THE YEAR ENDED 25 MARCH 1997****12. CAPITAL RESERVE**

The capital reserve represents profits, less taxation thereon, upon disposals of property in years up to 31 March 1981. There have been no sales of property since that date.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Tax

In the opinion of the directors, no material tax liability would arise if the Investment Properties were sold at their revalued amounts.

14. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year after taxation	234,676	245,418
Dividends	<u>203,000</u>	<u>203,000</u>
	31,676	42,418
Other recognised gains and losses relating to the year	<u>-</u>	<u>39,397</u>
Net addition to shareholders' funds	31,676	81,815
Opening shareholders' funds	<u>4,683,080</u>	<u>4,601,265</u>
Closing shareholders' funds	<u><u>£4,714,756</u></u>	<u><u>£4,683,080</u></u>

15. RELATED PARTY TRANSACTIONS

R E R Risdon is the proprietor of, and N P Risdon is a consultant to, Messrs Drysdale Nurse & Co, Managing Agents and Surveyors, who manage the company's properties, and are remunerated on normal commercial terms and on an arms length basis in respect of rents collected for each property. The amount charged during the year was £32,799.

Ultimate control was held by F P G Aldrich-Blake and Miss L R Aldrich-Blake throughout the year.

16. CAPITAL COMMITMENT AND POST BALANCE SHEET EVENT

	1997	1996
Authorised but not contracted for	<u>£ -</u>	<u>£410,290</u>

The above amount represents two investment properties purchased shortly after the year end.