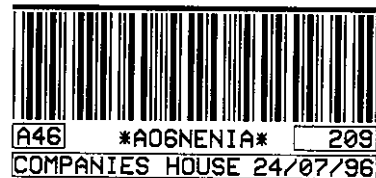


444951

SWIFFEN & SONS LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1996



K.S. CARMICHAEL CBE  
117 Newberries Avenue  
Radlett, Hertfordshire WD7 7EN

## SWIFFEN & SONS LIMITED

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SWIFFEN & SONS LIMITED

OFFICERS AND ADVISERS

DIRECTOR:	P.G. Swiffen
SECRETARY:	Mrs A. Swiffen
AUDITOR:	K.S. Carmichael CBE 117 Newberries Avenue RADLETT Hertfordshire WD7 7EN
BANKERS:	Barclays Bank PLC P.O. Box 34 15 Colmore Row BIRMINGHAM B3 2BY  Lloyds Bank PLC P.O. Box 44 125 Colmore Row BIRMINGHAM B3 3AD
REGISTERED OFFICE:	44 Emscote Road WARWICK CV34 4QP
REGISTERED NUMBER:	444951

## SWIFFEN & SONS LIMITED

### REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31st MARCH 1996

The Director submits his report together with the financial statements for the year ended 31st March 1996.

### PRINCIPAL ACTIVITIES & BUSINESS REVIEW

The principal activities of the company continued to be the holding and making of investments.

The director is satisfied with the results for the year and the performance of investments made and the income arising therefrom.

### RESULTS AND DIVIDENDS

The profit for the year, after tax of £22,308, was £353,430. The director proposes a final dividend of 30p per share for the year ended 31st March 1996. The total cost of these dividends is £28,960. No dividends on the preference shares were paid during the year. After deducting the cost of dividends, the retained profit for the year of £324,470 has been transferred to reserves.

### TANGIBLE FIXED ASSETS

Information relating to changes in fixed assets is given in note 5 to the financial statements.

### DIRECTOR

P.G. Swiffen served as director of the company throughout the year under review. His interest in the share capital of the company at the beginning and end of the year was:

	Ordinary Shares	Preference Shares
P.G. Swiffen	22,900	2,500
P.G. Swiffen (as trustee for W. Swiffen)	11,000	2,500

No contracts subsisted during the year in which the director had an interest.

### 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 and loss of the company for that period. 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;
- 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.

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.

SWIFFEN & SONS LIMITED

REPORT OF THE DIRECTOR (Continued)

FOR THE YEAR ENDED 31st MARCH 1996

DONATIONS

The company made donations of £250 to charitable organisations in the year to 31st March 1996.

TAX STATUS

The company is a Close Company within the meaning of the provisions of the Corporation Taxes Act 1988.

AUDITOR

A resolution will be put at the Annual General Meeting appointing K.S. Carmichael as auditor for the ensuing year.

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

Director

*Percy G Swiffen*  
11<sup>th</sup> July 1996

SWIFFEN & SONS LIMITED

REPORT OF THE AUDITOR TO THE MEMBERS

I have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of Directors and Auditor

As described on page 3, the company's director is responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion to you.

Basis of opinion

I conducted my 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 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.


I planned and performed my audit so as to obtain all information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

The financial statements have not been prepared in accordance with Statement of Standard Accounting Practice No. 19 which requires investment properties to be included in the financial statements on an open market valuation basis for the reasons stated in Note 6 to the financial statements. The financial statements include investment properties at an historical valuation of £669,355. In the absence of an independent professional valuation, the director is unable to accurately quantify the current open market value. In the absence of a current valuation I am unable to quantify the effect on the financial statements.

Except for the matters referred to above, in my opinion, the financial statements give a true and fair view of the affairs of the company at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

22nd July 1997  
117 Newberries Avenue  
RADLETT, Hertfordshire WD7 7EN

  
K.S. CARMICHAEL  
Chartered Accountant  
& Registered Auditor

SWIFFEN & SONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 1996

	Note	1996 £	1995 £
Income from fixed asset investments	1	417,145	229,431
Administrative expenses	2	( 41,407)	( 50,625)
Profit on Ordinary Activities before Tax		375,738	178,806
Tax on profit on ordinary activities	3	( 22,308)	( 19,639)
Profit on Ordinary Activities after Taxation		353,430	159,167
Dividends paid and proposed	4	( 28,960)	( 44,888)
Retained Profit for the Year	11	£324,470	£114,279

There are no recognised gains or losses other than those included in the Profit and loss Account.

The notes on pages 9 to 13 form an integral part of these financial statements.

SWIFFEN & SONS LIMITED

BALANCE SHEET

AS AT 31st MARCH 1996

	Note	1996	1995
		£	£
<b>Fixed Assets</b>			
Tangible Assets	5	675,660	433,211
Investments	6	1,754,261	1,686,693
Other Investments	7	5,757	5,757
		<u>2,435,678</u>	<u>2,125,661</u>
<b>Current Assets</b>			
Debtors	8	16,339	10,170
Cash at Bank and in Hand		173,507	155,675
		<u>189,846</u>	<u>165,845</u>
Creditors: Amounts falling due within one year	9	( 37,468)	( 27,920)
		<u>152,378</u>	<u>137,925</u>
<b>Net Current Assets</b>		<u>152,378</u>	<u>137,925</u>
<b>Total Net Assets</b>		<u><u>£2,588,056</u></u>	<u><u>£2,263,586</u></u>
<b>Capital and Reserves</b>			
Called up Share Capital	10	130,000	130,000
Profit and Loss Account	11	2,458,056	2,133,586
		<u>£2,588,056</u>	<u>£2,263,586</u>

Approved by the Board on  
and signed on its behalf

11<sup>th</sup> July

1996

*Percy G. Swiffen*

Director

The notes on pages 9 to 13 form an integral part of these financial statements.



## SWIFFEN & SONS LIMITED

### ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company:

a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards.

b) Tangible Fixed Assets

Freehold properties which are held for their rental income are classed as investment properties. The Director is advised that it is impractical currently, to obtain open market valuations of the major investment properties and accordingly, all properties are included in the balance sheet at their historical cost. The Director is satisfied the present market values of all properties are in excess of cost.

c) Depreciation

Depreciation is provided on all fixed assets, apart from freehold and long leasehold properties which are regarded as investment properties at rates calculated to write off cost, less estimated residual value of each asset, evenly over its expected useful life, which is revised annually. The estimated useful lives are as follows:-

Motor vehicles	4 years
Fixtures, fittings and equipment	7 years

In regard to its freehold properties, the company maintains its buildings in such condition that their value is not impaired by the effluxion of time and charges such maintenance expenditure against profits. Consequently, no depreciation is provided on buildings.

The director considers that under this accounting policy any element of depreciation is immaterial and this policy results in the financial statements giving a true and fair view.

d) Bank and Short Term Loan Interest

Interest credited to the profit and loss account is the actual amount received during the period.

e) Deferred Taxation

Provision is made on the liability basis at the current rate of corporation tax on all timing differences other than those which, in the opinion of the Director, will continue to be deferred for the foreseeable future.

f) Exchange Rates

Foreign investments acquired in foreign currency are included in the balance sheet at the sterling equivalent on the date of purchase. Other assets and liabilities in foreign currencies are included at the rate ruling at the balance sheet date. Income and expenditure in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the profit in ordinary activities.

g) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 1996

	1996 £	1995 £
<b>1. Income from Fixed Asset Investments</b>		
Income from U.K. companies listed in U.K.	90,153	84,137
Income from overseas companies listed in U.K. and/or overseas	91,797	75,562
Surplus on disposal of investments	185,473	35,971
Bank and short term deposits interest	3,344	10,960
Rents received	36,431	38,308
Exchange differences	9,697	( 20,565)
Profit on sale of wine	250	5,058
	<u>£417,145</u>	<u>£229,431</u>
<b>2. Administrative Expenses Include</b>		
Depreciation of tangible fixed assets	2,075	2,016
Staff costs	8,384	7,441
Property repairs	13,424	1,791
Auditors remuneration	6,885	6,200
	<u>          </u>	<u>          </u>
Staff Costs:		
Wages and Salaries	8,000	6,000
Social Security costs	384	1,441
	<u>8,384</u>	<u>7,441</u>
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
The average weekly number of persons employed during the year, including directors, was:-	<u>2</u>	<u>2</u>
<b>Directors Emoluments</b>	<b>£</b>	<b>£</b>
Staff costs include the director's remuneration as follows:		
Total emoluments - salary	<u>£6,000</u>	<u>£6,000</u>

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL  
STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 1996

	1996 £	1995 £
<b>3. Tax on Profit on Ordinary Activities</b>		
U.K. Corporation Tax at 25% on the profit for the year	55,963	18,582
Less relief for income tax and overseas tax deducted at source	( 9,206)	-
	<u>46,757</u>	<u>18,582</u>
Tax on franked investment income	13,941	13,346
Overseas tax	2,245	3,208
A.C.T. recovered	(44,750)	(18,582)
U.K. income tax on unfranked income	6,961	5,283
Overseas state taxes	40	46
ACT paid	-	258
	<u>25,194</u>	<u>22,141</u>
Tax Repayments re previous years	( 2,886)	( 2,502)
	<u>£22,308</u>	<u>£19,639</u>

On paying a substantial dividend some years ago, the relevant Advance Corporation Tax was paid to the Inland Revenue and written off in the Profit and Loss Account.

The company therefore has available the benefit of such Advance Corporation Tax to set against its Corporation Tax liabilities. Thus the credit in the tax charge.

At 31st March 1996 the company has surplus Advance Corporation Tax of £275,373 available to be set against the company's future CT liabilities.

**4. Dividends**

Ordinary dividends		
Paid first interim dividend	-	23,168
Payable second interim dividend	-	21,720
Payable final dividend	28,960	-
	<u>28,960</u>	<u>44,888</u>
Preference dividend	-	-
	<u>£28,960</u>	<u>£44,888</u>

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL  
STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 1996

	Freehold Land & Properties £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>5. Tangible Fixed Assets</b>				
<b>Cost:</b>				
At 1st April 1995	427,083	12,345	8,064	447,492
Additions	242,272	-	8,300	250,572
Disposals	-	-	(8,064)	( 8,064)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31st March 1996	669,355	12,345	8,300	690,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation:</b>				
At 1st April 1995	-	12,265	2,016	14,281
Charge for the year	-	-	2,075	2,075
On disposals	-	-	(2,016)	(2,016)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31st March 1996	-	12,265	2,075	14,340
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Value</b>				
At 31st March 1996	£669,355	£ 80	£6,225	£675,660
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 1st April 1995	£427,083	£ 80	£6,048	£433,211
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Land and properties comprise:</b>				
Land	18,886			
Woodland	14,018			
Factory	39,741			
Other property	596,710			
	<u>          </u>			
	£669,355			
	<u>          </u>			

Statement of Standard Accounting Practice No. 19 requires that investment properties should be valued annually and such valuation included in the financial statements. The policy adopted by the company does not comply with this statement in relation to its freehold land and buildings stated in these financial statements at a cost of £669,355.

The director considers such properties as long term investments and are of the opinion:-

- that the inclusion of such properties in the financial statements at annual valuation could be affected by forces outside his control which may result in annual changes of value which do not reflect the long term nature of the investments, and
- that the realisable value of such properties will depend on conditions subsisting at the time of disposal and that it would be imprudent to include such properties in the financial statements at a valuation until certainty exists.

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL  
STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 1996

	1995 £	1994 £
<b>6. Fixed Asset Investments</b>		
Cost at beginning of year	1,686,693	1,405,186
Purchases	222,268	385,487
Disposals	( 154,700)	( 103,980)
	<u>1,754,261</u>	<u>1,686,693</u>
Cost at end of year	<u>1,754,261</u>	<u>1,686,693</u>
United Kingdom	651,803	628,460
United States of America	591,411	560,987
Australia	511,047	497,246
	<u>£1,754,261</u>	<u>£1,686,693</u>
Market Value	<u>£3,676,485</u>	<u>£3,297,879</u>
If the portfolio were realised at market value, the company would have approximate tax liabilities of:	<u>£190,000</u>	<u>£234,100</u>
<b>7. Other Investments</b>		
Wine valued at director's valuation	<u>£5,757</u>	<u>£5,757</u>
<b>8. Debtors</b>		
Loans	-	4,300
Dividends receivable	1,196	5,076
Other debtors	14,849	500
Prepayments	294	294
	<u>£16,339</u>	<u>£10,170</u>
<b>9. Creditors: amounts falling due within 1 year.</b>		
Proposed dividends	28,960	21,720
Accruals	6,500	6,200
Corporation tax	2,008	-
	<u>£37,468</u>	<u>£27,920</u>

# SWIFFEN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 1996

	1996 £	1995 £
<b>10. Share Capital</b>		
Authorised		
4.2% Preference shares of £1 each	20,000	20,000
Ordinary shares of £1 each	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600
	<hr/>	<hr/>
	£140,000	£140,000
	<hr/>	<hr/>
Allotted and fully paid up		
4.2% Preference shares of £1 each	10,000	10,000
Ordinary shares of £1 each	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600
	<hr/>	<hr/>
	£130,000	£130,000
	<hr/>	<hr/>
<b>11. Profit and Loss Account</b>		
Balance at beginning of year	2,133,586	2,019,307
Profit for the financial year	324,470	114,279
	<hr/>	<hr/>
Balance at end of year	£2,458,056	£2,133,586
	<hr/>	<hr/>
<b>12. Reconciliation of Movement in Shareholders Funds</b>		
Profit for year	324,470	114,279
Opening shareholders funds	2,263,586	2,149,307
	<hr/>	<hr/>
Closing shareholders funds	£2,588,056	£2,263,586
	<hr/>	<hr/>

## 13. Capital Commitments

The company had the following capital commitments at the balance sheet date:  
Contracted for in respect of property purchase £Nil (1994 - £175,950).  
Authorised but not contracted for £Nil (1995 - Nil).

## 14. Contingent Liabilities

The company had no contingent liabilities other than those relating to capital gains tax arising on the profit on any future disposal of assets. An estimate of the tax liability arising on a notional disposal of the company's fixed asset investments at their market value at the Balance Sheet date is given in Note 7 to the financial statements. As regards properties, no estimate of possible tax liability on a notional disposal can be given as no valuation has been carried out on which a calculation of tax liability could be made.