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HOWARDS AND COMPANY (BRENTWOOD) LIMITED

FINANCIAL STATEMENTS

30TH APRIL 1998

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Company Registration No: 582566



HOWARDS AND COMPANY (BRENTWOOD) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 30th April 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is that of provision of management services.

DIRECTORS

The directors who served during the year, and their respective shareholdings at the beginning and end of the year, were as follows:

	£1 Ordinary shares	
	<u>1st May 1997</u>	<u>30th April 1998</u>
Mrs C.F. Carroll	50	50
Mr. J.R. Carroll	40	40
	—	—
	90	90
	—	—

YEAR 2000

We have been regularly reviewing and updating our systems to ensure that they will be Year 2000 compliant. Preparation for the millennium may require additional costs to be incurred but this is not expected to be material and the majority is acceleration of spend that would otherwise have taken place.

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 period. 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;
- 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 them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDIT

The directors have decided to take advantage of the provisions of section 249A of the Companies Act 1985 and therefore an audit has not been carried out for the year under review.

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SMALL COMPANY RULES

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD

SECRETARY

P.A. Mecklenburgh

HOWARDS AND COMPANY (BRENTWOOD) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH APRIL 1998**

	<u>Notes</u>		<u>1997</u>
COMMISSION AND FEES		93,988	89,365
Net operating expenses	3.	(43,857)	(101,765)
		<hr/>	<hr/>
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST	4.	50,131	(12,400)
Interest payable		(4,172)	(1,076)
		<hr/>	<hr/>
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		45,959	(13,476)
Taxation	5.	-	-
		<hr/>	<hr/>
RETAINED PROFIT (LOSS) FOR THE FINANCIAL YEAR		<u>£45,959</u>	<u>£(13,476)</u>

There are no recognised gains and losses in the year other than the loss for the year, which was derived from continuing operations.

BALANCE SHEET AT 30TH APRIL 1998

25th February 1999

NOTES TO THE FINANCIAL STATEMENTS

30TH APRIL 1998

1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

At the 30th April 1998, the company's current liabilities exceeded its current assets by £77,186.

J.R. Carroll, a director of the company, has indicated that he will continue to support the company in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2. ACCOUNTING POLICIES

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

a. Basis of accounting

These financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards.

b. Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets by annual amounts over their expected useful lives.

The following rates of depreciation are employed:

Motor vehicles	25% on reducing balance
Furniture and equipment	10% on reducing balance

c. Deferred taxation

No provision is made for deferred taxation as it is reasonably probable that there will not be an actual tax liability in the foreseeable future arising from the reversal of timing differences.

3. NET OPERATING EXPENSES

1997

Administrative expenses	£43,857	£101,765
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30TH APRIL 1998

4. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST

The loss is stated after charging or crediting the following: 1997

Depreciation:

Owned tangible fixed assets	£1,867	£4,126
Assets held under hire purchase contracts	3,997	-
	<u> </u>	<u> </u>

Income from related companies	£45,601	£42,100
	<u> </u>	<u> </u>

DIRECTOR'S EMOLUMENTS

Fees	£ -	£ -
	<u> </u>	<u> </u>

5. TAXATION

Taxation based on the profits for the year	£ -	£ -
	<u> </u>	<u> </u>

6. TANGIBLE ASSETS

	Motor Vehicles	Furniture and Equipment	Total
<u>COST</u>			
At 1st May 1997	17,395	26,241	43,636
Additions	15,989	191	16,180
Disposal	(12,000)	-	(12,000)
	<u> </u>	<u> </u>	<u> </u>
At 30th April 1998	21,384	26,432	47,816
	<u> </u>	<u> </u>	<u> </u>

DEPRECIATION

At 1st May 1997	8,911	14,555	23,466
Charges in year	4,676	1,188	5,864
Disposal	(6,234)	-	(6,234)
	<u> </u>	<u> </u>	<u> </u>
At 30th April 1998	7,353	15,743	23,096
	<u> </u>	<u> </u>	<u> </u>

NET BOOK VALUE

At 30th April 1998	£14,031	£10,689	£24,720
	<u> </u>	<u> </u>	<u> </u>
At 30th April 1997	£8,484	£11,686	£20,170
	<u> </u>	<u> </u>	<u> </u>

HOWARDS AND COMPANY (BRENTWOOD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS CONTINUED****30TH APRIL 1998**

7. <u>DEBTORS</u>		<u>1997</u>
Trade debtors	2,434	-
Related companies	27,791	50,086
Other debtors	3,788	4,437
	<hr/>	<hr/>
	£34,013	£54,523
	<hr/>	<hr/>

8. CREDITORS: due within one year

Bank overdraft	45,350	53,414
Related companies	8,156	68,735
Taxation and social security	11,667	10,638
Other creditors - clients	82,015	66,715
Other creditors - office	2,958	50,854
Accruals	2,285	2,000
Hire purchase	3,834	-
	<hr/>	<hr/>
	£156,265	£252,356
	<hr/>	<hr/>

9. CREDITORS: due after one year

Hire purchase	£5,157	£ -
	<hr/>	<hr/>

HOWARDS AND COMPANY (BRENTWOOD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30TH APRIL 1998

10. SHAREHOLDERS' FUNDS

	<u>Called up share capital</u>	<u>Profit and Loss account</u>	<u>Total</u>
Balance at 1st May 1997	100	(103,682)	(103,582)
Transfer from profit and loss account	-	45,959	45,959
	<u>—</u>	<u>—</u>	<u>—</u>
Balance at 30th April 1998	£100	£(57,723)	£(57,623)
	<u>==</u>	<u>==</u>	<u>==</u>

The share capital comprises:

1997

Authorised:

1,000 ordinary shares of £1 each

£1,000

£1,000

Called up, allotted and fully paid:

100 ordinary shares of £1 each

£100

£100

The movements in shareholders' funds in the previous year are set out below:

	<u>Called up share capital</u>	<u>Profit and Loss account</u>	<u>Total</u>
Balance at 1st May 1996	100	(90,206)	(90,106)
Transfer from profit and loss account	-	(13,476)	(13,476)
	<u>—</u>	<u>—</u>	<u>—</u>
Balance at 30th April 1997	£100	£(103,682)	£(103,582)
	<u>==</u>	<u>==</u>	<u>==</u>

11. DIRECTOR'S INTEREST IN CONTRACTS

The company manages certain properties owned by Mr J.R. Carroll, a director of the company, and charges commission and management fees for these services at commercial rates. At the balance sheet date the amount due to the company from J.R. Carroll on clients' account amounted to £9,905.

Mr J.R. Carroll had a material interest in related companies to whom the following sales, on normal commercial terms, were made during the year:

Westbury Investment Company Limited	£34,877
Longfeld Investment Company Limited	£3,723
MCC Developments Limited	£7,000
Moncrisp Properties Limited	-

12. **CONTINGENT LIABILITIES**

The company has entered into an arrangement with Westbury Investments Limited and Longfeld Investments Limited giving Lloyds Bank plc the right at any time to combine or consolidate all or any of the bank accounts of these companies.