

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**  
**FOR STRETTON FINANCE LIMITED**

979635



# **STRETTON FINANCE LIMITED**

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**STRETTON FINANCE LIMITED**

**COMPANY INFORMATION**

**DIRECTOR:** Clive Travers

**SECRETARY:** Mrs J Hickey

**REGISTERED OFFICE:** 11 - 13 Alexandra Road  
Hemel Hempstead  
Herts  
HP2 5BS

**REGISTERED NUMBER:** 00979635

**AUDITORS:** Hill and Roberts  
Chartered Accountants  
and Registered Auditor  
Mold, Flintshire.

## STRETTON FINANCE LIMITED

### REPORT OF THE DIRECTOR

The director presents his report with the financial statements of the company for the year ended 31 March 1996.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the commercial leasing of assets.

#### DIRECTOR

The director of the company in office during the year was as follows:

##### *Clive Travers -*

He did not hold any beneficial interest in the issued share capital of the company at 1 April 1995 or 31 March 1996.

#### STATEMENT OF DIRECTORS' 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 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;
- 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.

#### AUDITORS

The auditors, Hill and Roberts, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

In preparing this report, the director has taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

#### ON BEHALF OF THE BOARD:

Secretary .....  
Mrs J Hickey

Dated: 10th June 1997

**STRETTON FINANCE LIMITED**  
**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**  
**STRETTON FINANCE LIMITED**

We have audited the financial statements on pages four to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page seven.

**Respective responsibilities of director and auditors**

As described on page two 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Hill and Roberts  
Chartered Accountants  
and Registered Auditor  
Mold, Flintshire

Dated: 19th June 1997

# STRETTON FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
<b>TURNOVER</b>	2	208,767	17,660
<b>GROSS PROFIT</b>		-----	-----
		208,767	17,660
Administrative Expenses		173,641	16,125
<b>OPERATING PROFIT</b>	3	-----	-----
		35,126	1,535
Interest Payable and Similar Charges	4	13,183	2,216
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-----	-----
		21,943	(681)
Tax on Profit/(Loss) on Ordinary Activities	5	(16,889)	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		-----	-----
		5,054	(681)
Deficit brought forward		(1,439)	(758)
<b>RETAINED PROFIT/(DEFICIT) CARRIED FORWARD</b>		=====	=====
		£ 3,615	£ (1,439)

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**STRETTON FINANCE LIMITED**

**BALANCE SHEET AS AT 31 MARCH 1996**

	<u>Notes</u>	<u>£</u>	<u>1996</u> <u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>
<b>FIXED ASSETS:</b>					
Tangible Assets	6		83,162		17,058
<b>CURRENT ASSETS:</b>					
Stocks	7	8,100		-	
Debtors	8	57,737		31,652	
Investments	9	24,691		116,712	
Cash at Bank		-		1,268	
		-----		-----	
		90,528		149,632	
<b>CREDITORS: Amounts falling</b>					
due within one year	10	147,027		156,434	
		-----		-----	
<b>NET CURRENT LIABILITIES:</b>			(56,499)		(6,802)
			-----		-----
<b>TOTAL ASSETS LESS CURRENT</b>					
<b>LIABILITIES:</b>			26,663		10,256
<b>CREDITORS: Amounts falling</b>					
due after more than one year	11		22,948		11,595
			-----		-----
			£ 3,715		£ (1,339)
			=====		=====

# STRETTON FINANCE LIMITED

## BALANCE SHEET AS AT 31 MARCH 1996

	<u>Notes</u>	<u>£</u>	<u>1996</u> <u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>
<b>CAPITAL AND RESERVES:</b>					
Called up Share Capital	15		1,000		1,000
Other Reserves	16		(900)		(900)
Profit and Loss Account			3,615		(1,439)
			-----		-----
Shareholders' Funds	18		<u>£ 3,715</u>		<u>£ (1,339)</u>

In preparing these financial statements, the director has taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The director has done so on the grounds that, in his opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

### ON BEHALF OF THE BOARD:

Director ..... 

Approved by the Board on ..... 10th June 1997

The notes form part of these financial statements



**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**1. ACCOUNTING POLICIES**

**Accounting Convention**

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

The turnover figure includes the following:

**- Lease Income**

Turnover from gross finance lease rentals is adjusted for net cash investment at the year end.

**- Operating Income**

Income from operating leases and short term rental of assets is included under this heading.

**- Insurance Income**

The company operates a group insurance policy in association with other companies operating from the same premises. Any premiums recharged to others is included within turnover.

**- Accountancy Services**

The company accountant is contracted to other companies and this income is included within turnover.

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and Machinery	- 25% on reducing balance
Office Equipment	- 25% on reducing balance
Motor Vehicles	- 25 % on reducing balance
Computer Equipment	- 33% on cost

**Current Asset Investments**

Assets not on finance leases have been valued by the director and transferred at this value to additions or disposals as appropriate. Any depreciation or appreciation in value is shown in the profit and loss under 'net diminution in value of current asset investments'

# STRETTON FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

### Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

### Hire Purchase and Leasing Commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

### Equipment Leased to Customers

Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership other than legal title are classified as finance leases. The net investment in finance leases represents total minimum lease payments less gross earnings allocated to future periods. Income from finance leases, including benefits from declining tax rates, is credited to profit and loss account using the actuarial after tax method to give a constant periodic rate of return on the net cash investment.

## 2. TURNOVER

The turnover and profit (1995 - loss) before taxation are attributable to the principal activities of the company.

## 3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1996</u>	<u>1995</u>
	£	£
Other Operating Leases	1,576	-
Depreciation - Owned Assets	17,311	2
Depreciation - Assets on Hire Purchase or Finance Leases	11,176	742
Loss/(Profit) on Disposal of Fixed Assets	12,500	-
Auditors' Emoluments	1,050	950
	<u>          </u>	<u>          </u>
Director's Emoluments	-	-
	<u>          </u>	<u>          </u>

# STRETTON FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank Loans, Overdrafts and Other Loans repayable within five years:		
otherwise than by instalments	4,474	4
by instalments	8,709	2,212
	-----	-----
	<u>£ 13,183</u>	<u>£ 2,216</u>

### 5. TAXATION

UK Corporation Tax has been charged at 25%.

### 6. TANGIBLE FIXED ASSETS

	<u>Plant and</u>	<u>Office</u>	<u>Motor</u>	<u>Computer</u>	<u>Totals</u>
	<u>Machinery</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Equipment</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Cost:</b>					
As at 1 April 1995	-	26	17,795	-	17,821
Additions	59,539	500	27,652	6,900	94,591
	-----	-----	-----	-----	-----
As at 31 March 1996	<u>£ 59,539</u>	<u>£ 526</u>	<u>£ 45,447</u>	<u>£ 6,900</u>	<u>£ 112,412</u>
	=====	=====	=====	=====	=====
<b>Depreciation:</b>					
As at 1 April 1995	-	21	742	-	763
Charge for Year	14,885	126	11,176	2,300	28,487
	-----	-----	-----	-----	-----
As at 31 March 1996	<u>£ 14,885</u>	<u>£ 147</u>	<u>£ 11,918</u>	<u>£ 2,300</u>	<u>£ 29,250</u>
	=====	=====	=====	=====	=====
<b>Net Book Value:</b>					
As at 31 March 1996	<u>£ 44,654</u>	<u>£ 379</u>	<u>£ 33,529</u>	<u>£ 4,600</u>	<u>£ 83,162</u>
	=====	=====	=====	=====	=====
As at 31 March 1995	<u>-</u>	<u>£ 5</u>	<u>£ 17,053</u>	<u>-</u>	<u>£ 17,058</u>
	=====	=====	=====	=====	=====

**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows:

	<u>Plant and Machinery</u> £
<b>Cost:</b>	
As at 1 April 1995	17,795
Additions	27,652
	-----
As at 31 March 1996	£ 45,447
	=====
<b>Depreciation:</b>	
As at 1 April 1995	742
Charge for Year	11,176
	-----
As at 31 March 1996	£ 11,918
	=====
<b>Net Book Value:</b>	
As at 31 March 1996	£ 33,529
	=====
As at 31 March 1995	£ 17,053
	=====

7.	<b>STOCKS</b>	<u>1996</u> £	<u>1995</u> £
	Work in Progress	£ 8,100	£ -
		=====	=====

**STRETTON FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1996**

**8. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<u>1996</u> £	<u>1995</u> £
VAT	-	18,331
Trade Debtors	10,834	1,374
Loans Outstanding	8,960	8,960
Prepayments	9,677	-
Loan (see Note 20)	18,000	-
ACT Recoverable	2,987	2,987
Related Party Balances (see Note 21)	3,887	-
Other Debtors	3,392	-
	-----	-----
	£ 57,737	£ 31,652
	=====	=====

**9. CURRENT ASSET INVESTMENTS**

	<u>1996</u> £	<u>1995</u> £
Current Asset Investment	£ 24,691	£ 116,712
	=====	=====

**10. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<u>1996</u> £	<u>1995</u> £
Bank Loans and Overdrafts (see Note 12)	44,825	128,000
Hire Purchase and Finance Leases (see Note 13)	8,991	4,630
Trade Creditors	25,571	10,066
Directors Current Accounts	201	201
Balance with Group Companies (see Note 22)	13,432	1,432
Other Creditors	850	850
ACT Payable	2,987	2,987
VAT	3,841	-
Other Taxes and PAYE	8,240	6,458
Accrued Expenses	21,200	1,810
Taxation	16,889	-
	-----	-----
	£ 147,027	£ 156,434
	=====	=====

**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**11. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	<u>1996</u> £	<u>1995</u> £
Hire Purchase and Finance Leases (see Note 13)	£ 22,948 =====	£ 11,595 =====

**12. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	<u>1996</u> £	<u>1995</u> £
Amounts falling due within one year or on demand:		
Bank Overdrafts	5,177	-
Bank Loans	39,648 -----	128,000 -----
	£ 44,825 =====	£ 128,000 =====

The bank loans are repayable by monthly instalments of interest and capital and are secured by the personal guarantee of Mr C Travers and Mr M Olley.

**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**13. OBLIGATIONS UNDER HIRE PURCHASE  
CONTRACTS AND LEASES**

	<u>Hire Purchase Contracts</u>	
	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Gross obligations repayable:		
Within one year	12,701	6,758
Between one and five years	24,714	13,340
	-----	-----
	<u>£ 37,415</u>	<u>£ 20,098</u>
Finance Charges repayable:		
Within one year	3,710	2,128
Between one and five years	1,766	1,745
	-----	-----
	<u>£ 5,476</u>	<u>£ 3,873</u>
Net obligations repayable:		
Within one year	8,991	4,630
Between one and five years	22,948	11,595
	-----	-----
	<u>£ 31,939</u>	<u>£ 16,225</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank Loans	<u>£ 39,648</u>	<u>£ 128,000</u>

**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**15. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

			<u>1996</u> £	<u>1995</u> £
<u>Number:</u>	<u>Class:</u>	<u>Nominal</u> <u>Value:</u>		
1,000	Ordinary Shares	£1	£ 1,000 =====	£ 1,000 =====

**16. OTHER RESERVES**

	<u>1996</u> £	<u>1995</u> £
Capital Reserve	£ (900) =====	£ (900) =====

**17. ULTIMATE PARENT COMPANY**

The company's Issued Share Capital is owned by E Greenham Limited, a company incorporated in the United Kingdom.

The ultimate parent company of E Greenham Limited is Counterpoint Limited, a company incorporated in the British Virgin Islands.



**STRETTON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Profit/(Loss) for the Financial Year	5,054	(681)
Capital Reserve	-	(900)
	-----	-----
<b>NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS</b>	5,054	(1,581)
Opening Shareholders' Funds	(1,339)	(242)
	-----	-----
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<u>£ 3,715</u>	<u>£ (1,339)</u>
 Equity Interest	 <u>£ 3,715</u>	 <u>£ (1,339)</u>

**19. CURRENT ASSET INVESTMENTS**

During the year the directors entered into several finance leases. The company's accounting policy is to account for such lease receipts under the "actuarial method after tax" as prescribed in SSAP 21. Due to the unusually high rate of return over the period of the leases this method would prove inappropriate, causing excessive profits to be taken over the term. Accordingly the directors have used the "investment period method" in order to fairly state the position.

**20. LOAN**

The company has entered into an informal contract for consultancy work, none of which has been carried out at the year end. The payment has currently been included as a loan and there are no formal terms for repayment.

# STRETTON FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

### 21. RELATED PARTY TRANSACTIONS

The following schedule summarises closing balances and transactions with companies of which Mr C Travers is also a director:

	<u>Closing Balance</u>	<u>Lease Income</u>	<u>Insurance Income</u>	<u>Accountancy Services Income</u>	<u>Management Charges Expenses</u>
Clive Travers and Co	5,350	978			
Pure Management Ltd		4,887			
Addland Limited	(1,762)	567	5,000		20,000
Thorne Barton			800	1,350	
Holywell (St Albans) Ltd	(2,302)		14,167	900	
Holywell (Chesam) Ltd	(4,406)				
Foxleap	(1,000)				
Shillwest Limited	8,007				
	-----	-----	-----	-----	-----
	£ 3,887	£ 6,432	£ 19,967	£ 2,250	£ 20,000
	=====	=====	=====	=====	=====

### 22. GROUP TRANSACTIONS

The following schedule summarises closing balances and transactions with companies within the group

	<u>Closing Balance</u>	<u>Insurance Income</u>	<u>Accountancy Services Income</u>	<u>Management Charges Expenses</u>
E Greenham Limited (Parent)	1,432	3,000		24,000
Dunton Construction Ltd (100% subsidiary of E Greenham Ltd)	12,000	9,309	1,800	
	-----	-----	-----	-----
	£ 13,432	£ 12,309	£ 1,800	£ 24,000
	=====	=====	=====	=====

Mr C Travers is a director of E Greenham Limited.