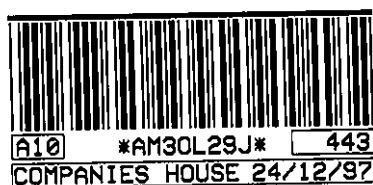


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**Report of the Director and**  
**Financial Statements for the Year Ended 31 March 1997**  
**for**  
**Stretton Finance Limited**



**Stretton Finance Limited**

**Index to the Financial Statements  
for the Year Ended 31 March 1997**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Director</b>	<b>2</b>
<b>Report of the Auditors</b>	<b>3</b>
<b>Profit and Loss Account</b>	<b>4</b>
<b>Balance Sheet</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6</b>
<b>Profit and Loss Account</b>	<b>12</b>

**Stretton Finance Limited**  
**Company Information**  
**for the Year Ended 31 March 1997**

**DIRECTOR:** C Travers

**SECRETARY:** Mrs J Hickey

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

**REGISTERED NUMBER:** 00979635

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

**Stretton Finance Limited**

**Report of the Director  
for the Year Ended 31 March 1997**

The director presents his report with the financial statements of the company for the year ended 31 March 1997.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of the leasing of assets, associated ancillary services and an insurance agency.

**DIRECTOR**

C Travers was the sole director during the year under review.

The director holding office at 31 March 1997 did not hold any beneficial interest in the issued share capital of the company at 1 April 1996 or 31 March 1997.

**STATEMENT OF 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 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 judgments 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.

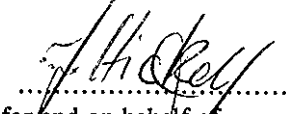
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

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

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

**ON BEHALF OF THE BOARD:**

  
.....  
for and on behalf of  
Mrs J Hickey - SECRETARY

Dated: 18/12/97

**Stretton Finance Limited**

**Report of the Auditors to the Shareholders of  
Stretton Finance Limited**

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

**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 judgments 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.

**Qualified Opinion arising from Limitation in Audit Scope**

Except for any adjustment which might have been found necessary had we been able to obtain sufficient audit evidence concerning commercial loans made in the year, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Hill & Roberts*

Hill & Roberts  
Chartered Accountants  
and Registered Auditor  
Mold, Flintshire.

Dated: *22nd December 1997*

**Stretton Finance Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 March 1997**

		1997	1996
	Notes	£	£
<b>TURNOVER</b>	2	135,868	208,767
<b>GROSS PROFIT</b>		135,868	208,767
Administrative expenses		128,087	173,641
<b>OPERATING PROFIT</b>	3	7,781	35,126
Interest payable and similar charges		8,911	13,183
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,130)	21,943
Tax on (loss)/profit on ordinary activities	4	67	16,889
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(1,197)	5,054
Retained profit/(deficit) brought forward		3,615	(1,439)
<b>RETAINED PROFIT CARRIED FORWARD</b>		£2,418	£3,615

**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 loss for the current year and the profit for the previous year.

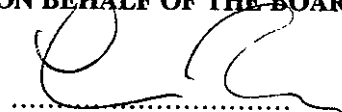
**Stretton Finance Limited**

**Balance Sheet  
31 March 1997**

		1997		1996	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	5		58,997		83,162
<b>CURRENT ASSETS:</b>					
Stocks	6	-		8,100	
Debtors	7	127,727		57,737	
Investments	8	11,889		24,691	
		139,616		90,528	
<b>CREDITORS:</b> Amounts falling due within one year	9	160,657		147,027	
<b>NET CURRENT LIABILITIES:</b>			(21,041)		(56,499)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			37,956		26,663
<b>CREDITORS:</b> Amounts falling due after more than one year	10		35,438		22,948
			£2,518		£3,715
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		1,000		1,000
Other reserves	14		(900)		(900)
Profit and loss account			2,418		3,615
Shareholders' funds	16		£2,518		£3,715

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

**ON BEHALF OF THE BOARD:**



.....  
- DIRECTOR

Approved by the Board on .....

The notes form part of these financial statements

## **Stretton Finance Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 1997**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

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

##### **Financial Reporting Standard Number 1**

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

##### **Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

##### **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 etc	- 25% on reducing balance and 33% on cost
-------------------------	--

##### **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.

##### **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. Depreciation or appreciation in value is shown in the profit and loss account under the heading of "net diminution in the value of current asset investments".

##### **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 constant periodic rate of return on the net cash investment.

#### **2. TURNOVER**

Turnover includes the following:

- i) Lease Income - from gross finance leases rentals, which are adjusted for cash investment at the year end.
- ii) Operating Income - from operating leases and short term rentals.
- iii) Insurance Income - from a group policy recharged to their businesses operating from the same premises.
- iv) Accountancy Services



# Stretton Finance Limited

## Notes to the Financial Statements for the Year Ended 31 March 1997

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	1997	1996
	£	£
Other operating leases	4,005	1,576
Depreciation - owned assets	11,283	17,311
Depreciation - assets on hire purchase contracts	8,382	11,176
Loss on disposal of fixed assets	500	12,500
Auditors' remuneration	1,200	1,050
	<u>          </u>	<u>          </u>
Director's emoluments and other benefits etc	-	-
	<u>          </u>	<u>          </u>

### 4. TAXATION

The tax charge on the loss on ordinary activities for the year was as follows:

	1997	1996
	£	£
UK Corporation Tax	67	16,889
	<u>          </u>	<u>          </u>

UK Corporation Tax has been charged at 24 % (1996 - 0 %).

### 5. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
<b>COST:</b>	
At 1 April 1996	112,412
Disposals	(6,000)
	<u>          </u>
At 31 March 1997	106,412
<b>DEPRECIATION:</b>	
At 1 April 1996	29,250
Charge for year	19,665
Eliminated on disposals	(1,500)
	<u>          </u>
At 31 March 1997	47,415
<b>NET BOOK VALUE:</b>	
At 31 March 1997	58,997
	<u>          </u>
At 31 March 1996	83,162
	<u>          </u>

**Stretton Finance Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 1997**

**5. TANGIBLE FIXED ASSETS - continued**

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

	Plant and machinery etc
	£
<b>COST:</b>	
At 1 April 1996 and 31 March 1997	45,447
<b>DEPRECIATION:</b>	
At 1 April 1996	11,918
Charge for year	8,382
At 31 March 1997	20,300
<b>NET BOOK VALUE:</b>	
At 31 March 1997	25,147
At 31 March 1996	33,529

**6. STOCKS**

	1997	1996
	£	£
Work in progress	-	8,100

**7. DEBTORS**

	1997	1996
	£	£
Amounts falling due within one year:		
Trade debtors	(1,084)	10,834
Loans Outstanding	5,670	8,960
Prepayments	8,826	9,677
Commercial Loan - Current	25,050	-
Loan to M R Warner	31,500	18,000
ACT recoverable	2,987	2,987
Other Debtors	3,392	3,392
Related Party Balances	8,185	3,887
	84,526	57,737
Amounts falling due after more than one year:		
Commercial Loans	43,201	-
Aggregate amounts	127,727	57,737

**Stretton Finance Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 1997**

**8. CURRENT ASSET INVESTMENTS**

	1997	1996
	£	£
Current Asset Investment	11,889	24,691
	<u>11,889</u>	<u>24,691</u>

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

	1997	1996
	£	£
Bank loans and overdrafts (see note 11)	54,618	44,825
Hire purchase contracts (see note 12)	10,561	8,991
Trade creditors	37,078	25,571
Directors current accounts	(42)	201
Balance with Group Companies	11,669	13,432
Other creditors	850	850
ACT Payable	-	2,987
V.A.T.	3,846	3,841
Social security & other taxes	9,371	8,240
Taxation	10,906	16,889
Accrued expenses	21,800	21,200
	<u>160,657</u>	<u>147,027</u>

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

	1997	1996
	£	£
Bank loans (see note 11)	23,965	-
Hire purchase contracts (see note 12)	11,473	22,948
	<u>35,438</u>	<u>22,948</u>

**Stretton Finance Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 1997**

**11. LOANS AND OVERDRAFTS**

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

	1997 £	1996 £
Amounts falling due within one year or on demand:		
Bank overdrafts	12,618	5,177
Bank loans	42,000	39,648
	<u>54,618</u>	<u>44,825</u>
Amounts falling due between two and five years:		
Bank loans	<u>23,965</u>	<u>-</u>

**12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	1997 £	1996 £
		Hire purchase contracts
Gross obligations repayable:		
Within one year	12,701	12,701
Between one and five years	12,013	24,714
	<u>24,714</u>	<u>37,415</u>
Finance charges repayable:		
Within one year	2,140	3,710
Between one and five years	540	1,766
	<u>2,680</u>	<u>5,476</u>
Net obligations repayable:		
Within one year	10,561	8,991
Between one and five years	11,473	22,948
	<u>22,034</u>	<u>31,939</u>

**13. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997 £	1996 £
1,000	Ordinary Shares	£1	<u>1,000</u>	<u>1,000</u>

# Stretton Finance Limited

## Notes to the Financial Statements for the Year Ended 31 March 1997

### 14. OTHER RESERVES

	1997 £	1996 £
Capital Reserve	(900)	(900)
	<u>          </u>	<u>          </u>

### 15. RELATED PARTY DISCLOSURES

Companies of which Mr C Travers is a director are as follows:

	Closing Balance	Lease Income	Insurance Services	Accountancy Services
C Travers & Co	2,471	1,750		
Pure Manage't Ltd	5,409	8,640	1,800	10,800
Addland Ltd	(1,761)	7,500	6,000	
Thorne Barton	619		960	5,400
Holywell(St Albans)Ltd	(364)		17,000	4,800
Holywell( Chesam) Ltd	(6,253)			
Foxleap Ltd	58			900
Shillwest Ltd	8,007			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	8,185	17,890	25,760	21,900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
(Loss)/Profit for the financial year	(1,197)	5,054
<b>NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>(1,197)</b>	<b>5,054</b>
Opening shareholders' funds	3,715	(1,339)
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>2,518</b>	<b>3,715</b>
	<u>          </u>	<u>          </u>
Equity interests	2,518	3,715
	<u>          </u>	<u>          </u>

### 17. GROUP TRANSACTIONS

Closing balances and transactions with companies within the group are as follows:

	Closing Balance	Insurance Services	Accountancy Services
Dunton Construction Ltd	(11,669)	9,000	7,200
	<u>          </u>	<u>          </u>	<u>          </u>