

Registration Number 1992801

Leydene Properties Limited
Directors' Report and Financial Statements
for the year ended 31 March 1998



Leydene Properties Limited

Company Information

Directors	A H Wilson S J Wilson
Secretary	S J Wilson
Company Number	1992801
Registered Office	Wilson House Waterberry Drive Waterlooville Hants
Auditors	Geoffrey N Barnes 12 Fratton Road Portsmouth Hants PO1 5BX
Business Address	Wilson House Waterberry Drive Waterlooville Hants
Bankers	Midland Bank PLC 312 London Road Waterlooville Hants PO7 7DX
Solicitors	Gray Purdue Wellesley House 202 London Road Waterlooville Hants

Leydene Properties Limited

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Leydene Properties Limited

Directors' Report

for the year ended 31 March 1998

The directors present their report and the financial statements for the year ended 31 March 1998.

Principal Activity and Review of the Business

The principal activities of the company are the purchase and development of land and buildings for both investment and resale.

Results And Dividends

The results for the year are set out on page 3.

The directors have paid an interim dividend amounting to £27,000 and they do not recommend payment of a final dividend.

Directors and their Interests

The directors who served during the year and their interests in the ultimate parent undertaking are as stated below:

	Ordinary shares	
	1998	1997
A H Wilson	3,886	3,886
S J Wilson	3,886	3,886

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Geoffrey N Barnes be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 9 July 1998 and signed on its behalf by



S J Wilson
Secretary

Leydene Properties Limited

Auditors' Report to the Shareholders of Leydene Properties Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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

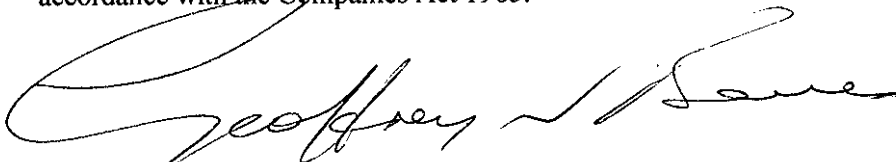
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 1998 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Geoffrey N Barnes

**Chartered Accountants and
Registered Auditor**

**12 Fratton Road
Portsmouth
Hants
PO1 5BX**

9 July 1998

Leydene Properties Limited

Profit and Loss Account for the year ended 31 March 1998

		Continuing operations	
		1998	1997
	Notes	£	£
Turnover	2	127,411	95,000
Cost of sales		(21,062)	(12,825)
Gross profit		106,349	82,175
Administrative expenses		(1,150)	(1,081)
Operating profit	3	105,199	81,094
Interest receivable and similar income	4	2,429	677
Interest payable and similar charges	5	(38,401)	(35,791)
Profit on ordinary activities before taxation		69,227	45,980
Tax on profit on ordinary activities	6	(14,107)	(10,952)
Profit on ordinary activities after taxation		55,120	35,028
Dividends	7	(27,000)	(8,000)
Retained profit for the year		28,120	27,028
Retained profit brought forward		35,942	8,913
Retained profit carried forward		64,062	35,941

There are no recognised gains or losses other than the profit or loss for the above two financial years.


The notes on pages 6 to 10 form an integral part of these financial statements.

Leydene Properties Limited

Balance Sheet as at 31 March 1998

	Notes	1998		1997	
		£	£	£	£
Fixed Assets					
Tangible assets	8		934,346		929,410
Current Assets					
Stocks	9	84,017		6,042	
Debtors	10	1,825		647	
Cash at bank and in hand		79,609		68,118	
		<u>165,451</u>		<u>74,807</u>	
Creditors: amounts falling due within one year	11	<u>(646,843)</u>		<u>(564,970)</u>	
Net Current Liabilities			<u>(481,392)</u>		<u>(490,163)</u>
Total Assets Less Current Liabilities			452,954		439,247
Creditors: amounts falling due after more than one year	12		(385,000)		(400,000)
Provision for Liabilities and Charges	13		<u>(3,792)</u>		<u>(3,206)</u>
Net Assets			<u>64,162</u>		<u>36,041</u>
Capital and Reserves					
Called up share capital	14		100		100
Profit and loss account			64,062		35,941
Equity Shareholders' Funds	15		<u>64,162</u>		<u>36,041</u>

The financial statements were approved by the Board on 9 July 1998 and signed on its behalf by


A H Wilson
Director


S J Wilson
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Leydene Properties Limited

Cash Flow Statement for the year ended 31 March 1998

	Notes	1998 £	1997 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		105,199	81,094
Depreciation		4,828	4,590
(Increase) in stocks		(77,975)	(6,040)
(Increase) in debtors		(1,178)	778
Increase in creditors		78,176	(40)
Net cash inflow from operating activities		<u>109,050</u>	<u>80,382</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		109,050	80,382
Returns on investments and servicing of finance	17	(35,972)	(35,114)
Taxation	17	(9,824)	(864)
Capital expenditure	17	(9,763)	(18,216)
		<u>53,491</u>	<u>26,188</u>
Equity dividends paid		(27,000)	(8,000)
Increase in cash in the year		<u>26,491</u>	<u>18,188</u>

Reconciliation of net cash flow to movement in net funds (Note 18)

Increase in cash in the year	26,491	18,188
Net debt at 1 April 1997	<u>(331,882)</u>	<u>(350,070)</u>
Net debt at 31 March 1998	<u>(305,391)</u>	<u>(331,882)</u>

Leydene Properties Limited

Notes to the Financial Statements for the year ended 31 March 1998

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	10% straight line

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

Depreciation of tangible assets	4,828	4,590
Auditors' remuneration	1,050	1,000
	<u> </u>	<u> </u>

4. Interest receivable and similar income

Bank interest	2,429	677
	<u> </u>	<u> </u>

5. Interest payable and similar charges

On loans repayable in 5 years or more	38,401	35,791
	<u> </u>	<u> </u>

Leydene Properties Limited

Notes to the Financial Statements for the year ended 31 March 1998

..... continued

6. Taxation	1998 £	1997 £
UK current year taxation		
UK Corporation Tax	13,521	9,824
Transfer to deferred taxation	586	1,128
	<u>14,107</u>	<u>10,952</u>

7. Dividends	1998 £	1997 £
Dividends on equity shares:		
Ordinary shares - Interim paid	<u>27,000</u>	<u>8,000</u>

8. Tangible assets	Long leasehold property	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 1997	887,142	48,319	935,461
Additions	-	9,763	9,763
At 31 March 1998	<u>887,142</u>	<u>58,082</u>	<u>945,224</u>
Depreciation			
At 1 April 1997	-	6,050	6,050
Charge for the year	-	4,828	4,828
At 31 March 1998	<u>-</u>	<u>10,878</u>	<u>10,878</u>
Net book values			
At 31 March 1998	<u>887,142</u>	<u>47,204</u>	<u>934,346</u>
At 31 March 1997	<u>887,142</u>	<u>42,269</u>	<u>929,411</u>

9. Stocks	1998 £	1997 £
Land and buildings	<u>84,017</u>	<u>6,042</u>

Leydene Properties Limited

Notes to the Financial Statements for the year ended 31 March 1998

..... continued

10. Debtors

	1998 £	1997 £
Other debtors	1,534	357
Prepayments and accrued income	291	290
	<u>1,825</u>	<u>647</u>

11. Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	259	11
Amounts owed to group undertaking	623,817	514,686
Corporation tax	13,521	9,824
Other creditors	5,000	37,500
Accruals and deferred income	4,246	2,949
	<u>646,843</u>	<u>564,970</u>

Amounts owed to group undertakings are secured by debenture giving a charge over specific assets and a general floating charge.

12. Creditors: amounts falling due after more than one year

	1998 £	1997 £
Pension fund loan	<u>385,000</u>	<u>400,000</u>
Loans		
Repayable in five years or more	<u>385,000</u>	<u>400,000</u>

The pension fund loan is secured by a first legal charge on long leasehold property. Repayment is due in the year 2011 or at one month's notice in certain specified circumstances, none of which is anticipated.

Leydene Properties Limited

**Notes to the Financial Statements
for the year ended 31 March 1998**

..... continued

13. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	Provided	
	1998	1997
	£	£
Accelerated capital allowances	<u>3,792</u>	<u>3,206</u>

Movements on the provision for deferred taxation are:

	1998	1997
	£	£
At 1 April 1997	3,206	2,078
Transferred from profit and loss account	586	1,128
At 31 March 1998	<u>3,792</u>	<u>3,206</u>

14. Share capital

Authorised equity

10,000 Ordinary shares of £1 each

1998	1997
£	£
<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid equity

100 Ordinary shares of £1 each

1998	1997
£	£
<u>100</u>	<u>100</u>

15. Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Profit for the year	55,120	35,028
Dividends	(27,000)	(8,000)
	<u>28,120</u>	<u>27,028</u>
Opening shareholders' funds	36,042	9,013
Closing shareholders' funds	<u>64,162</u>	<u>36,041</u>

Leydene Properties Limited

Notes to the Financial Statements for the year ended 31 March 1998

..... continued

16. Ultimate parent undertaking

Leydene Properties Limited is a wholly-owned subsidiary of Wilson Development Group Limited.

17. Gross Cash Flows

	1998	1997
	£	£
Returns on investments and servicing of finance		
Interest received	2,429	677
Interest paid	(38,401)	(35,791)
	<u>(35,972)</u>	<u>(35,114)</u>
Taxation		
Corporation tax paid	<u>(9,824)</u>	<u>(864)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(9,763)</u>	<u>(18,216)</u>

18. Analysis of changes in net debt

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	68,118	11,491		79,609
Debt due after one year	(400,000)	-	15,000	(385,000)
Net debt	<u>(331,882)</u>	<u>11,491</u>	<u>15,000</u>	<u>(305,391)</u>