

Co. House.

**MELSON WINGATE
PROPERTIES LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998

Company number: 2619752



MELSON WINGATE PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

Company registration number: 2619752

Registered office: 2 Kinross Road
Talbot Woods
Bournemouth
BH3 7BE

Directors: R G M Wingate
C J Wingate

Secretary: C J Wingate

Auditors: Grant Thornton
Registered auditors
Chartered accountants

MELSON WINGATE PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

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MELSON WINGATE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1998.

Principal activity

The company operates principally as a property investment company.

Review of the business

There was a profit for the year after taxation amounting to £69,552 (1997: £69,462).

The directors recommend dividends absorbing £64,798 (1997: £70,200) leaving a profit of £4,754 (1997: loss of £738) transferred to reserves.

Directors

The present membership of the Board is set out below. Both directors served throughout the year. The interests of the directors in the shares of the company at 1 January 1998 and at 31 December 1998 were as follows:

	1998 and 1997 Ordinary shares
R G M Wingate	10,849
C J Wingate	7,000

Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investment properties

The investment properties were revalued by the directors in 1992, and the surplus of £745,011 was transferred to reserves. The directors are of the opinion that the current market value of the properties is not materially different from the values attributed to them in 1992.

MELSON WINGATE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

Year 2000 Compliance

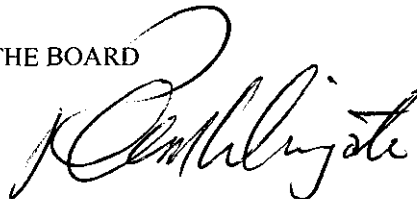
Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. However, the company does not have computer systems and nor do the directors consider the company reliant on the computer systems of its customers and suppliers.

The Board therefore does not consider that the company will be adversely affected by the date change to the Year 2000.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'R G M Wingate', is written over the text 'BY ORDER OF THE BOARD'.

R G M WINGATE
Director

29 September 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF

MELSON WINGATE PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

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 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.

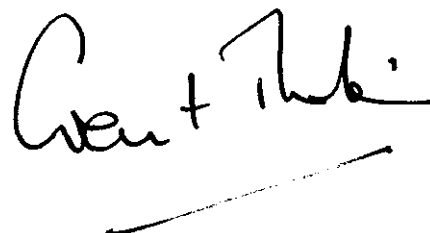
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Poole

29 September 1999

A handwritten signature in black ink, appearing to read 'Grant Thornton', with a horizontal line underneath it.

MELSON WINGATE PROPERTIES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention except that freehold investment properties are shown at their revalued amounts. The principal accounting policies have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company as rental income.

INVESTMENT PROPERTIES

In accordance with statement of Standard Accounting Practice No.19, the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surplus or deficit on revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

MELSON WINGATE PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1998**

	Note	1998 £	1997 £
Turnover	1	96,780	96,780
Administration expenses		<u>(9,711)</u>	<u>(8,740)</u>
Operating profit		87,069	88,040
Interest receivable		<u>972</u>	<u>664</u>
Profit on ordinary activities before taxation	1	88,041	88,704
Tax on profit on ordinary activities	3	<u>(18,489)</u>	<u>(19,242)</u>
Profit on ordinary activities after taxation	11	69,552	69,462
Dividends	4	64,798	70,200
Retained profit for the year	10/11	<u><u>4,754</u></u>	<u><u>(738)</u></u>

There were no recognised gains or losses other than the loss for the year.

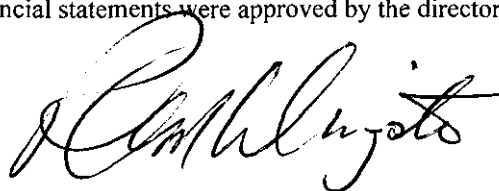
The accompanying accounting policies and notes form an integral part of these financial statements.

MELSON WINGATE PROPERTIES LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

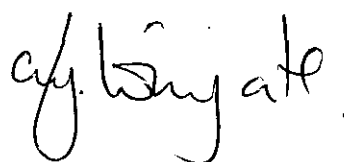
	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	5		774,240		774,240
Current assets					
Debtors	6	-		3,298	
Cash at bank and in hand		28,481		35,322	
		<u>28,481</u>		<u>38,620</u>	
Creditors: amounts falling due within one year	7	<u>(17,073)</u>		<u>(31,966)</u>	
Net current assets			11,408		6,654
Total assets less current liabilities			<u>785,648</u>		<u>780,894</u>
Capital and reserves					
Called up share capital	9		29,229		29,229
Revaluation reserve	10		745,011		745,011
Profit and loss account	10		11,408		6,654
			<u>785,648</u>		<u>780,894</u>

The financial statements were approved by the directors on 29 September 1999.



R M WINGATE

Directors



C J WINGATE

The accompanying accounting policies and notes form an integral part of these financial statements.

MELSON WINGATE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to one activity being that of property investment.

The loss on ordinary activities is stated after:

	1998 £	1997 £
Auditors' remuneration	<u>700</u>	<u>700</u>

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	<u>6,600</u>	<u>6,600</u>

The directors were the only employees of the company during the year.

Remuneration in respect of directors was as follows:

	1998 £	1997 £
Management remuneration	<u>6,600</u>	<u>6,600</u>

3 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1998 £	1997 £
Corporation tax at 21% (1997 : 21%) - current year	18,489	19,284
- prior year	-	(42)
	<u>18,489</u>	<u>19,242</u>

MELSON WINGATE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

4 DIVIDENDS

	1998 £	1997 £
Ordinary shares - paid monthly interim dividends	64,798	64,800
- proposed final dividend bringing annual dividends to £2.217 per share (1997: £2.402)	-	5,400
	<u>64,798</u>	<u>70,200</u>

5 TANGIBLE FIXED ASSETS

	Investment properties £
Valuation	
Additions at cost in 1992	29,229
Surplus on revaluation in 1992	<u>745,011</u>
At 31 December 1998 and 31 December 1997	<u>774,240</u>

6 DEBTORS

	1998 £	1997 £
Other debtors	<u>-</u>	<u>3,298</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Corporation tax	939	3,084
Proposed dividend	-	5,400
Other creditors	14,692	21,840
Accruals	<u>1,442</u>	<u>1,642</u>
	<u>17,073</u>	<u>31,966</u>

MELSON WINGATE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

8 DEFERRED TAXATION

No provision for deferred tax has been made in these financial statements. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 20% (1997: 21%).

	Amount unprovided	
	1998	1997
	£	£
Unrealised capital gains	<u>17,000</u>	<u>21,000</u>

No provision has been made for taxation which would accrue if the investment properties (see note 5) were disposed of at their revalued amounts. The amount unprovided is shown above under unrealised capital gains.

9 SHARE CAPITAL

	1998	1997
	£	£
Authorised 30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid 29,229 ordinary shares of £1 each	<u>29,229</u>	<u>29,229</u>

10 RESERVES

	Profit and loss account	Revaluation reserve
	£	£
Balance at 1 January 1998	6,654	745,011
Retained loss for the year	<u>4,754</u>	<u>-</u>
Balance at 31 December 1998	<u>11,408</u>	<u>745,011</u>

The balance on the revaluation reserve may not be distributed legally under Section 263 of the Companies Act 1985.

MELSON WINGATE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	69,552	69,462
Dividends	64,798	70,200
Net increase/(decrease) in shareholders' funds	4,754	(738)
Shareholders' funds at 1 January 1998	780,894	781,632
Shareholders' funds at 31 December 1998	<u>785,648</u>	<u>780,894</u>

12 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1998 or at 31 December 1997.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1998 or at 31 December 1997 except in respect of deferred taxation (see note 8).