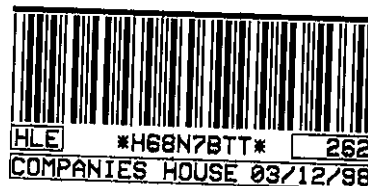


**HERBERT RAPAPORT LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 1997**



**Company Number: 1325548**

**AUDITORS' REPORT TO HERBERT RAPAPORT LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

9 Lisbon Square, Leeds LS1 4LY

We have examined the abbreviated financial statements set out on pages 2 to 5 together with the financial statements of HERBERT RAPAPORT LIMITED for the year ended 31st August 1997 prepared under section 226 of the Companies Act 1985.

**Respective Responsibilities of Directors and Auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of Opinion**

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

**Freedman Ross**  
**Chartered Accountants**  
**and Registered Auditors**  
9 Lisbon Square  
Leeds  
LS1 4LY

2 December 1998

# HERBERT RAPAPORT LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31ST AUGUST 1997

|  | Notes | 1997           |                | 1996             |                 |
|--|-------|----------------|----------------|------------------|-----------------|
|  |       | £              | £              | As restated<br>£ | £               |
| <b>Fixed Assets</b>  | 2     |                |                |                  |                 |
| Intangible fixed assets  |       |                | 1,700          |                  | 2,040           |
| Tangible fixed assets  |       |                | 757,848        |                  | 714,950         |
| Fixed asset investments  |       |                | 5              |                  | 5               |
|  |       |                | <u>759,553</u> |                  | <u>716,995</u>  |
| <b>Current Assets</b>  |       |                |                |                  |                 |
| Stock and work in progress                                     |       | 76,072         |                | 72,344           |                 |
| Debtors  |       | 189,728        |                | 123,142          |                 |
| Cash at Bank and in Hand                                       |       | 2,715          |                | 3,168            |                 |
|  |       | <u>268,515</u> |                | <u>198,654</u>   |                 |
| <b>Creditors: Amounts Falling Due Within One Year</b>          |       | <u>251,965</u> |                | <u>218,580</u>   |                 |
| <b>Net Current Assets/Liabilities</b>                          |       |                | <u>16,550</u>  |                  | <u>(19,926)</u> |
| <b>Total Assets Less Current Liabilities</b>                   |       |                | <u>776,103</u> |                  | <u>697,069</u>  |
| <b>Creditors: Amounts Falling Due After More Than One Year</b> |       |                | 424,385        |                  | 402,803         |
| <b>Provisions for Liabilities and Charges</b>                  |       |                |                |                  |                 |
| Deferred taxation  |       |                | 2,810          |                  | 4,299           |
|  |       |                | <u>348,908</u> |                  | <u>289,967</u>  |
| <b>Capital and Reserves</b>                                    |       |                |                |                  |                 |
| Share Capital - Equity   | 4     |                | 100            |                  | 100             |
| Share Premium Account  |       |                | 10,922         |                  | 10,922          |
| Profit and loss account  |       |                | 337,886        |                  | 278,945         |
| <b>Shareholders' Funds</b>                                     |       |                | <u>348,908</u> |                  | <u>289,967</u>  |

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

These financial statements were approved by the board on 2nd December 1998 and signed on its behalf.

M Rapaport  
Director



# HERBERT RAPAPORT LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1997

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### 1 Accounting Policies

#### *Basis of Accounting*

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, except that as explained below, certain income has been offset against related expenditure.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### *Turnover*

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### *Depreciation*

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

|                       |                              |
|-----------------------|------------------------------|
| Leasehold properties  | Over the period of the lease |
| Motor vehicles        | 25% on written down value    |
| Fixtures and fittings | 15% on written down value    |

#### *Investment Properties*

In accordance with Statement of Standard Accounting Practice No. 19, certain of the company's properties are held for long-term investment and are included in the Balance Sheet at their open market values. The surplus(es) or deficit(s) on revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### *Investments*

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### *Goodwill*

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life of twenty years.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

# HERBERT RAPAPORT LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1997

### *Deferred Taxation*

Deferred tax is provided for under the liability method 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 advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

### 2 Fixed Assets

|                                      | Intangible<br>Fixed<br>Assets | Tangible<br>Fixed<br>Assets | Fixed<br>Asset<br>Investments |
|--------------------------------------|-------------------------------|-----------------------------|-------------------------------|
|                                      | £                             | £                           | £                             |
| <b>Cost</b>                          |                               |                             |                               |
| At 1st September 1996                | 6,800                         | 763,805                     | 5                             |
| Additions                            | -                             | 65,502                      | -                             |
| Disposals                            | -                             | (11,486)                    | -                             |
| <b>At 31st August 1997</b>           | <b>6,800</b>                  | <b>817,821</b>              | <b>5</b>                      |
| <b>Depreciation and Amortisation</b> |                               |                             |                               |
| At 1st September 1996                | 4,760                         | 48,855                      | -                             |
| Charge for the year                  | 340                           | 19,878                      | -                             |
| On disposals                         | -                             | (8,760)                     | -                             |
| <b>At 31st August 1997</b>           | <b>5,100</b>                  | <b>59,973</b>               | <b>-</b>                      |
| <b>Net Book Value</b>                |                               |                             |                               |
| At 31st August 1997                  | 1,700                         | 757,848                     | 5                             |
| At 31st August 1996                  | 2,040                         | 714,950                     | 5                             |

The directors have reviewed the value of the investment properties at 31st August 1997 and consider that they are at least equal to their current market value.

### 3 Secured Creditors

Included within creditors due within one year is an amount of £54,679 (1996 £74,933) which is secured.

### 4 Share Capital

|  | 1997<br>£ | 1996<br>£ |
|--|-----------|-----------|
| <b>Authorised<br/>Equity Shares</b>                                  |           |           |
| 100 Ordinary shares of £1.00 each                                    | 100       | 100       |
| <b>Allotted<br/>Equity Shares</b>                                    |           |           |
| 100 Allotted, called up and fully paid ordinary shares of £1.00 each | 100       | 100       |

# HERBERT RAPAPORT LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1997

| 5 | Prior Year Adjustments        | 1997<br>£      | 1996<br>£      |
|---|-------------------------------|----------------|----------------|
|   | Profit as previously reported | 278,945        | 173,790        |
|   | Prior year adjustment         | -              | 46,752         |
|   | Adjusted Profit               | <u>278,945</u> | <u>220,542</u> |

The directors have reviewed the properties owned by the company and consider that the property previously shown as freehold should be shown as investment property. The comparative figures have been restated to reflect the adjustments required to tangible fixed assets and the related depreciation charges.

### 6 Transactions with Directors

Maxsound (Leeds) Limited, a company in which M Rapaport has a material interest, has been granted an interest free loan of £3,000 (1996 £3,000)

During the year locum fees of £3,080 (1996 £2,992) were paid to L Rawlings, a director of the company. The payments were made on normal commercial terms.

### 7 Related Parties

In the directors' opinion there is no individual controlling party of the company.

Details of transactions with other related parties are disclosed in the Transactions With Directors note.