

## **Metalmould Properties Limited**

### **Directors' report and financial statements**

For the year ended 30 June 1998

Registered number 2623519



## **Directors' report and financial statements**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 1998.

### **Principal activities**

The company is a property investment company.

### **Business review and future activities**

The result for the year is shown on page 5 of the financial statements.

The directors consider the state of affairs to be satisfactory and expect to continue to trade profitably in the future.

### **Proposed dividend**

The directors do not recommend the payment of a final ordinary dividend. The interim dividend of £30,000 (1997: £30,000), is therefore the total dividend paid in the year.

### **Investment properties**

In the opinion of the directors, the investment properties of the company at 30 June 1998 are included at their market value.

### **Year 2000**

The year 2000 potentially has wide ranging financial and operational consequences. The company has carried out reviews to identify areas where year 2000 compliance is necessary.

The company continues to maintain manual financial records as well as computerised records and therefore, the directors do not believe the year 2000 will have a significant impact on the business.

However, given the complexity of the issue, it is impossible to guarantee that no year 2000 problems will remain since some level of failure may still occur. The directors nevertheless believe that the company is not seriously threatened by the potential problem.

### **Directors and directors' interests**

The directors who held office during the year, together with their interest in the shares of the company at 30 June 1998, are as follows:

	Number of £1 ordinary shares
JH Neall	50
JC Neall	50
	<hr/>


**Directors' report** *(continued)*

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming annual general meeting.

Approved by the board of directors on 18 December 1998 and signed on its behalf by:

**JH Neall**  
*Secretary*

A handwritten signature in cursive script that reads "Julie Neall".

99 Oxford Road  
Moseley  
Birmingham  
B13 9SG

## **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 affairs of the company and of the profit or loss for that year. 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street  
Birmingham  
B3 2DL

## Report of the auditors to the members of Metalmould Properties Limited

We have audited the financial statements on pages 5 to 12.

### *Respective responsibilities of directors and auditors*

As described on page 3, 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 as at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG  
Chartered Accountants  
Registered Auditors

18 December 1998

**Profit and loss account**  
*for the year ended 30 June 1998*

	<i>Note</i>	1998 £	1997 £
Turnover - continuing operations	2	56,183	43,429
Cost of sales		(3,365)	(2,394)
<b>Gross profit</b>		<b>52,818</b>	<b>41,035</b>
Administrative expenses		(20,683)	(10,701)
Other operating income	6	13,271	50,595
<b>Operating profit - continuing operations</b>		<b>45,406</b>	<b>80,929</b>
Other interest receivable and similar income	4	5,956	7,135
Interest payable and similar charges	5	(17)	-
<b>Profit on ordinary activities before taxation</b>	6	<b>51,345</b>	<b>88,064</b>
Tax on profit on ordinary activities	7	(41,449)	(16,381)
<b>Profit on ordinary activities after taxation being profit for the financial year</b>		<b>9,896</b>	<b>71,683</b>
Interim dividends paid		(30,000)	(30,000)
<b>Transfer (from)/to reserves for the year</b>		<b>(20,104)</b>	<b>41,683</b>
Retained profit brought forward		57,338	15,655
<b>Retained profit carried forward</b>		<b>37,234</b>	<b>57,338</b>

In both the current and preceding years, there was no material difference between the profit reported in the profit and loss account and the profit on an unmodified historical cost basis.

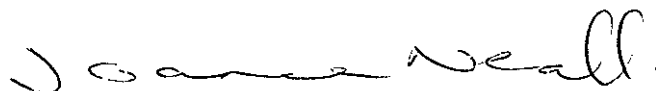
## Balance sheet

at 30 June 1998

	Note	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Tangible assets	8		732,945		383,037
<b>Current assets</b>					
Debtors	9	9,012		14,799	
Cash at bank and in hand		52,679		229,012	
			<u>61,691</u>	<u>243,811</u>	
Creditors: Amounts falling due within one year	10	(11,029)		(28,079)	
<b>Net current assets</b>			<u>50,662</u>	<u>215,732</u>	
<b>Total assets less current liabilities</b>			<u>783,607</u>	<u>598,769</u>	
Provisions for liabilities and charges	11		(45,817)	(14,231)	
<b>Net assets</b>			<u>737,790</u>	<u>584,538</u>	
<b>Capital and reserves</b>					
Called up share capital	12		100	100	
Share premium account	13		495,362	495,362	
Revaluation reserve	13		205,094	31,738	
Profit and loss account	13		37,234	57,338	
<b>Shareholders' funds - equity</b>	14		<u>737,790</u>	<u>584,538</u>	

These financial statements were approved by the board of directors on 18 December 1998 and were signed on its behalf by:

JC Neall  
Director





**Statement of total recognised gains and losses**  
*for the year ended 30 June 1998*

	1998 £	1997 £
Profit for the financial year	9,896	71,683
Dividends paid	(30,000)	(30,000)
	<hr/>	<hr/>
(Deficit)/retained profit for the year	(20,104)	41,683
Unrealised surplus on revaluation of properties	173,356	31,738
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	153,252	73,421
	<hr/> <hr/>	<hr/> <hr/>

## **Notes**

*(forming part of the financial statements)*

### **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable Accounting Standards, and under the historical cost accounting rules, other than investment properties as noted below.

#### ***Fixed assets and depreciation***

In accordance with Statement of Standard Accounting Practice No 19:

- (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year;
- (ii) No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Depreciation is provided on a straight line basis at appropriate rates to write off the cost less estimated residual value of assets over their estimated useful lives as follows:

Furniture and fittings        -        4 years

#### ***Cash flow statement***

The company is exempt from the requirement of Financial Reporting Standard no 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under Sections 246 to 249 of the Companies Act 1985 when filing financial statements with the Registrar of Companies.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### ***Turnover***

Turnover represents the amounts derived from the collection of rents from properties owned by the company.

#### ***Staff numbers and costs***

The average number of persons employed by the company (including directors) during the year was 2 (1997: 2). The aggregate payroll costs of these persons were £Nil (1997: £Nil).

**Notes (continued)**

**4 Other interest receivable and similar income**

	1998 £	1997 £
Bank interest	5,956	7,024
On other loans	-	111
	<u>5,956</u>	<u>7,135</u>

**5 Interest payable and similar charges**

	1998 £	1997 £
On bank loans and overdrafts	17	-
	<u>17</u>	<u>-</u>

**5 Profit on ordinary activities before taxation**

	1998 £	1997 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Profit on sale of investment properties	13,271	50,595
Auditors' remuneration	4,500	4,250
	<u>17,771</u>	<u>54,845</u>

**Taxation**

	1998 £	1997 £
UK corporation tax at 21% (1997: 23.25%) on the profit for the year on ordinary activities	9,864	21,474
Deferred tax	31,585	(4,913)
Adjustment relating to an earlier year:		
Corporation tax	-	(180)
	<u>41,449</u>	<u>16,381</u>

## Notes (continued)

### Tangible fixed assets

	Investment properties	Furniture and fittings	Total
	£	£	£
<i>At valuation</i>			
At beginning of year	380,417	4,340	384,757
Additions	182,727	9,214	191,941
Disposals	(12,000)	-	(12,000)
Revaluations	173,356	-	173,356
	<hr/>	<hr/>	<hr/>
At end of year	724,500	13,554	738,054
	<hr/>	<hr/>	<hr/>
<i>Depreciation and diminution in value</i>			
At beginning of year	-	1,720	1,720
Charge for the year	-	3,389	3,389
	<hr/>	<hr/>	<hr/>
At end of year	-	5,109	5,109
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 1998	724,500	8,445	732,945
	<hr/>	<hr/>	<hr/>
At 30 June 1997	380,417	2,620	383,037
	<hr/>	<hr/>	<hr/>

On 30 June 1998, the investment properties were revalued at market value by the directors, having taken external professional advice.

### Debtors

Amounts falling due within one year:

	1998	1997
	£	£
Trade debtors	1,682	764
Other debtors	6,212	4,763
Prepayments and accrued income	1,118	9,272
	<hr/>	<hr/>
	9,012	14,799
	<hr/>	<hr/>

**Notes (continued)**

**0 Creditors: Amounts falling due within one year**

	1998 £	1997 £
Other creditors	2,425	1,331
Corporation tax	2,363	12,569
ACT payable	-	7,500
Accruals and deferred income	6,241	6,679
	<u>11,029</u>	<u>28,079</u>

**1 Provisions for liabilities and charges**

	Deferred taxation £
At beginning of year	14,231
Transfer from the profit and loss account	31,586
At end of year	<u>45,817</u>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1998		1997
	Provided £	Unprovided £	Provided £
Timing differences on sales of properties	45,817	-	14,231
	<u>45,817</u>	<u>-</u>	<u>14,231</u>

**2 Called up share capital**

	1998 £	1997 £
<i>Authorised:</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**Notes (continued)**

**■3 Reserves**

	Revaluation reserve	Share premium account	Profit and loss account	Total
	£	£	£	£
At beginning of year	31,738	495,362	57,338	584,438
Transfer for year	173,356	-	(20,104)	153,252
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	205,094	495,362	37,234	737,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**■4 Reconciliation of movements in shareholders' funds**

	1998 £	1997 £
Profit for the financial year	9,896	71,683
Dividends	(30,000)	(30,000)
Revaluation of investment property	173,356	31,738
	<hr/>	<hr/>
Net change in shareholders' funds	153,252	73,421
Opening shareholders' funds	584,538	511,117
	<hr/>	<hr/>
Closing shareholders' funds	737,790	584,538
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**■5 Commitments**

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	1998 £	1997 £
Contracted	Nil	83,500
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