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ALBERT LOCKE (1940) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997



ALBERT LOCKE (1940) LIMITED

DIRECTORS	I. Locke (Mrs) R. Locke P. Locke (Mrs)
SECRETARY	R. Locke
REGISTERED OFFICE	17 Shay Lane Hale Barns Altrincham WA15 8NZ
REGISTERED NUMBER	360021 (England & Wales)
BANKERS	National Westminster Bank plc 9 Crofts Bank Road Urmston Manchester M31 1TZ
AUDITORS	Clarke Nicklin Chartered Accountants Grove House 227/233 London Road Hazel Grove Stockport SK7 4HS

ALBERT LOCKE (1940) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

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The following page does not form part of the financial statements:

~~11 Detailed Profit and Loss Account~~

ALBERT LOCKE (1940) LIMITED**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 MARCH 1997**

The directors present their report and the financial statements for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company was the letting of land and buildings.

DIRECTORS

The directors during the year and their interests in the share capital of the company were as follows:

Shares of £1 each

		31 March 1997	1 April 1996
I. Locke (Mrs)	- Ordinary	-	-
	- Preference	-	-
R. Locke	- Ordinary	-	-
	- Preference	-	-
P. Locke (Mrs)	- Ordinary	-	-
(appointed 1 November 1996)	- Preference	-	-

AUDITORS

The auditors, Clarke Nicklin, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 10 July 1991.

SMALL COMPANY EXEMPTIONS

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

By order of the board:



.....

R. Locke
Secretary

Approved by the board: 25 January 1998

ALBERT LOCKE (1940) LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES


We are required under company law 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 period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By order of the board:


.....
I. Locke (Mrs)
Director

25 January 1998

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
ALBERT LOCKE (1940) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and 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 error or other irregularity. 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 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clarke Nicklin

Chartered Accountants and
Registered Auditors

Stockport

27 January 1998

ALBERT LOCKE (1940) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
TURNOVER	2	39,430	34,105
Administrative expenses		(1,846)	(2,540)
OPERATING PROFIT	3	37,584	31,565
Profit on sale of freehold property		88,431	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		126,015	31,565
TAXATION	4	(22,552)	(1,540)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		103,463	30,025
DIVIDENDS	5	(100,000)	(30,000)
RETAINED PROFIT FOR THE YEAR		3,463	25
RETAINED PROFIT BROUGHT FORWARD		1,497	1,472
RETAINED PROFIT CARRIED FORWARD		4,960	1,497

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than the profit for the above two financial years.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

ALBERT LOCKE (1940) LIMITEDBALANCE SHEETAT 31 MARCH 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	6		50,620		82,189
CURRENT ASSETS					
Stock			1,621		1,621
Debtors	7		595,579		552,371
Cash at bank and in hand			599		143
			<u>597,799</u>		<u>554,135</u>
CREDITORS: amounts falling due within one year	8		<u>(29,633)</u>		<u>(21,001)</u>
NET CURRENT ASSETS			<u>568,166</u>		<u>533,134</u>
			<u>618,786</u>		<u>615,323</u>
CAPITAL AND RESERVES					
Called up share capital	9		600,000		600,000
Capital reserve			13,826		13,826
Profit and loss account			4,960		1,497
TOTAL SHAREHOLDERS' FUNDS	10		<u>618,786</u>		<u>615,323</u>
ATTRIBUTABLE TO:					
Equity shareholders			318,786		256,073
Non-equity shareholders			300,000		359,250
			<u>618,786</u>		<u>615,323</u>

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

Signed on behalf of the board:

I Locke

 I. Locke (Mrs)
 Director

Approved by the board: 25 January 1998

ALBERT LOCKE (1940) LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1997**1 ACCOUNTING POLICIES****Basis of Accounting**

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

Turnover

Turnover represents net rents received less outgoings derived from the company's continuing principal activity.

Tangible Fixed Assets

No depreciation is charged on the company's property and leasehold rents since, in the opinion of the directors, the market value is substantially in excess of the net book value, and there has been no change in the expected future useful economic life of the property due to the high level of maintenance.

Stock

Stock represents land awaiting development, valued at 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 directors, there is no reasonable probability that the liability will arise in the foreseeable future.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.

2 TURNOVER

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1996 nil).

ALBERT LOCKE (1940) LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1997**3 OPERATING PROFIT**

	1997 £	1996 £
This is stated after charging:		
Auditors' remuneration	1,498	1,868

4 TAXATION

	1997 £	1996 £
The tax charge on profits for the year was as follows:		
Corporation tax at 24% (1996 25%)	28,363	7,701
Advance corporation tax surrendered by parent undertaking	(5,811)	(6,161)
	<u>22,552</u>	<u>1,540</u>

The tax charge relating to the sale of freehold property was £21,223.

5 DIVIDENDS

	1997 £	1996 £
The dividend on the Cumulative Preference shares is as follows:		
Arrears at 1 April 1996	59,250	73,500
Due for the year ended 31 March 1997	15,750	15,750
	<u>75,000</u>	<u>89,250</u>
Less paid in the year	75,000	30,000
	<u>-</u>	<u>59,250</u>
The dividend on the Ordinary shares is as follows:		
Paid in year	<u>25,000</u>	<u>-</u>

ALBERT LOCKE (1940) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 1997****6 TANGIBLE FIXED ASSETS**

COST	Fixtures and Fittings £	Freehold Property £	Long Leasehold Property £	Leasehold Rents £	Total £
At 1 April 1996	3,915	68,023	321	15,747	88,006
Disposal	-	31,569	-	-	31,569
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	3,915	36,454	321	15,747	56,437
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 April 1996 and At 31 March 1997	3,915	-	-	1,902	5,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 March 1997	-	36,454	321	13,845	50,620
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	-	68,023	321	13,845	82,189
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7 DEBTORS

	1997 £	1996 £
Amounts falling due within one year		
Debtors	8,551	12,431
Amounts owed by parent undertaking	587,028	539,940
	<hr/>	<hr/>
	595,579	552,371
	<hr/>	<hr/>

8 CREDITORS: amounts falling due within one year

	1997 £	1996 £
Creditors	3,379	11,771
Corporation tax	22,552	1,540
Accruals	3,702	7,690
	<hr/>	<hr/>
	29,633	21,001
	<hr/>	<hr/>

ALBERT LOCKE (1940) LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1997**9 CALLED UP SHARE CAPITAL**

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	300,000	300,000	300,000	300,000
7.5% Cumulative Preference shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
		<u>600,000</u>		<u>600,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	300,000	300,000	300,000	300,000
7.5% Cumulative Preference shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
		<u>600,000</u>		<u>600,000</u>

The Cumulative Preference shares have rights attached to them as follows:-

- i) A cumulative dividend of £15,750 per annum.
- ii) Priority over the ordinary shares in the event of a winding up, but with the amount receivable restricted to the nominal value of the shares together with any dividends in arrear.

The shares do not carry voting rights unless the preferential dividend is at least six months in arrear, or unless the vote is on a resolution which would affect the rights or privileges of the holders of the shares.

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	103,463	30,025
Dividends	<u>(100,000)</u>	<u>(30,000)</u>
Net addition to shareholders' funds	3,463	25
Opening shareholders' funds	<u>615,323</u>	<u>615,298</u>
Closing shareholders' funds	<u>618,786</u>	<u>615,323</u>

ALBERT LOCKE (1940) LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1997**11 RELATED PARTY TRANSACTIONS**

The directors of the company are also directors of the parent undertaking Frank Locke Limited, which owed £587,028 to the company at the balance sheet date (1996 £539,940).

During the year freehold shop premises at Bolton were sold to the parent company for £120,000. The selling price was based on an open market valuation carried out by Brady Chartered Surveyors, Old Exchange Buildings, King Street, Manchester on 18 March 1997.

12 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking at the balance sheet date was Frank Locke Limited, which owns 100% of the issued shares.