

SOLOMON HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 1999



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SOLOMON HOLDINGS LIMITED

Contents

	Page
Directors' Report	1
Auditors' Report	2
Abbreviated Profit and Loss Account	3
Balance Sheet	4
Cash Flow Statement	5 - 6
Notes to the Abbreviated Accounts	7 - 12

SOLOMON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1999

The directors present their report and the financial statements for the year ended 30 April 1999.

Statement of 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results and dividends

The profit for the year after taxation, amounted to £838,415 (1998 - £487,889).

The company paid a dividend during the year of £841,500 (1998-£459,000) equivalent to £33 (1998-£18) per share.

Principal activities and review of business

The company's principal activity continues to be that of the provision of property and management services.

The directors consider the trading position to be satisfactory and expect trading to continue at existing levels in the future.

Directors

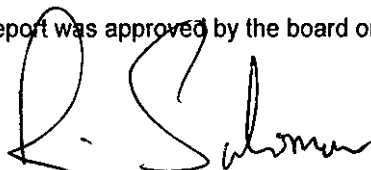
The directors who served during the year and their beneficial interests in the company's issued share capital were :

	Ordinary shares of £1 each	
	1999	1998
R Solomon	7,650	7,650
Mrs S E Solomon	7,650	7,650
M J Solomon	5,100	5,100
M C Solomon	5,100	5,100

Auditors

The auditors, Marsden & Co., will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 14 December 1999 and signed on its behalf.



R Solomon
Director

SOLOMON HOLDINGS LIMITED

AUDITORS' REPORT TO SOLOMON HOLDINGS LIMITED

pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 12 together with the financial statements of Solomon Holdings Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1999.

Respective responsibilities of directors and auditors

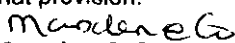
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts 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 the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 12 are properly prepared in accordance with that provision.


Marsden & Co

Chartered Accountants & Registered Auditors
41 Knowsley Street
Bury BL9 0ST

14 December 1999

SOLOMON HOLDINGS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 30 April 1999

	Note	1999 £	1998 £
Administrative expenses		(8,729)	(754)
OPERATING PROFIT	2	277,271	235,246
<i>Income from investments in related companies</i>		637,500	382,500
Interest receivable	4	2,542	1,153
Interest payable	5	(10,952)	(21,601)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		906,361	597,298
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(67,946)	(109,409)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		838,415	487,889
DIVIDENDS	7	(841,500)	(459,000)
(LOSS)/RETAINED PROFIT FOR THE YEAR		(3,085)	28,889
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		13,929	(14,960)
RETAINED PROFIT CARRIED FORWARD		£ 10,844	£ 13,929

All amounts relate to continuing operations.

There were no recognised gains and losses for 1999 or 1998 other than those included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

SOLOMON HOLDINGS LIMITED

BALANCE SHEET
As at 30 April 1999

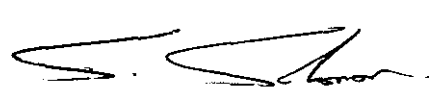
	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible fixed assets	8		790,630		665,816
Investments	9		25,500		25,500
			<u>816,130</u>		<u>691,316</u>
CURRENT ASSETS					
Debtors	10	747,241		442,241	
Cash at bank and in hand		113,699		67,003	
		<u>860,940</u>		<u>509,244</u>	
CREDITORS: amounts falling due within one year	11	(1,112,032)		(589,016)	
NET CURRENT LIABILITIES			<u>(251,092)</u>		<u>(79,772)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>565,038</u>		<u>611,544</u>
CREDITORS: amounts falling due after more than one year	12		(70,100)		(120,100)
PROVISIONS FOR LIABILITIES AND CHARGES	13		(73,431)		(66,852)
NET ASSETS			<u>£ 421,507</u>		<u>£ 424,592</u>
CAPITAL AND RESERVES					
Called up share capital	14		25,500		25,500
Revaluation reserve			385,163		385,163
Profit and loss account			10,844		13,929
SHAREHOLDERS' FUNDS - All equity	15		<u>£ 421,507</u>		<u>£ 424,592</u>

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

The financial statements were approved by the board on 14 December 1999 and signed on its behalf.


R Solomon

Director


Mrs S E Solomon

Director

The notes on pages 7 to 12 form part of these financial statements.

SOLOMON HOLDINGS LIMITED

CASH FLOW STATEMENT
For the year ended 30 April 1999

	Note	£	1999 £	£	1998 £
Net cash inflow from operating activities (Page 6)			434,463		162,058
Returns on investments and servicing of finance	16		629,090		362,052
Taxation			(42,557)		(32,855)
Capital expenditure and financial investment	16		(132,800)		-
Equity dividends paid			(841,500)		(459,000)
			<u> </u>		<u> </u>
Increase in cash in the period		£	<u>46,696</u>	£	<u>32,255</u>

The notes on pages 7 to 12 form part of these financial statements.

SOLOMON HOLDINGS LIMITED

CASH FLOW STATEMENT INFORMATION
For the year ended 30 April 1999

	Note	£	1999 £	£	1998 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Operating profit			277,271		235,246
Depreciation of tangible fixed assets			7,986		-
Increase in debtors			(305,000)		(172,390)
Increase in creditors			454,206		99,202
Net cash inflow from operating activities		£	434,463	£	162,058
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
	17				
Increase in cash in the period			46,696		32,255
Change in net debt resulting from cash flows			46,696		32,255
Net debt at 1 May 1998			67,003		34,748
Net debt at 30 April 1999		£	113,699	£	67,003

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the company, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	1%	on a straight line basis
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1.4 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets		
- owned by the company	7,986	-
Audit fees	700	700
	<u> </u>	<u> </u>
No director received any emoluments (1998 - £Nil)		

SOLOMON HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 1999

3. STAFF COSTS

The average monthly number of employees, including directors, during the year was as follows:

	1999	1998
Administrative	4	4
	<u>4</u>	<u>4</u>

4. INTEREST RECEIVABLE

	1999 £	1998 £
Other interest receivable	£ 2,542	£ 1,153
	<u>2,542</u>	<u>1,153</u>

5. INTEREST PAYABLE

	1999 £	1998 £
On other loans	£ 10,952	£ 21,601
	<u>10,952</u>	<u>21,601</u>

6. TAXATION

	1999 £	1998 £
Current year taxation		
UK Corporation Tax at 31% (1998 - 30%)	61,367	42,557
Transfer to deferred taxation	6,579	66,852
	<u>£ 67,946</u>	<u>£ 109,409</u>

7. DIVIDENDS

	1999 £	1998 £
Ordinary - interim paid	841,500	459,000
	<u>841,500</u>	<u>459,000</u>

SOLOMON HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 1999

8. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Total £
Cost or valuation		
At 1 May 1998	665,816	665,816
Additions	132,800	132,800
	<u>798,616</u>	<u>798,616</u>
At 30 April 1999		
Depreciation		
Charge for year	7,986	7,986
	<u>7,986</u>	<u>7,986</u>
At 30 April 1999		
Net Book Value		
At 30 April 1999	£ 790,630	£ 790,630
	<u>£ 790,630</u>	<u>£ 790,630</u>
At 30 April 1998	£ 665,816	£ 665,816
	<u>£ 665,816</u>	<u>£ 665,816</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Total £
Cost		
At 1 May 1998	25,500	25,500
	<u>25,500</u>	<u>25,500</u>
At 30 April 1999		
Net Book Value		
At 30 April 1999	£ 25,500	£ 25,500
	<u>£ 25,500</u>	<u>£ 25,500</u>
At 30 April 1998	£ 25,500	£ 25,500
	<u>£ 25,500</u>	<u>£ 25,500</u>

Investments comprise an investment in a subsidiary, Solomon Commercials Limited, being a holding of 100% of its issued ordinary capital. The company is incorporated in England and Wales and its principal activity is that of vehicle and motor body builders.

During its latest financial year ending 30 April 1999, Solomon Commercials Limited made a (loss) /profit of £(698) (1998 - £2,117) and at the end of that year the aggregate of its capital and reserves was £26,115 (1998 - £26,813).

10. DEBTORS

	1999 £	1998 £
Due within one year		
Amounts owed by group undertakings	747,241	442,241
	<u>747,241</u>	<u>442,241</u>
	£ 747,241	£ 442,241
	<u>£ 747,241</u>	<u>£ 442,241</u>

SOLOMON HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 1999

11. CREDITORS:

Amounts falling due within one year

	1999 £	1998 £
Trade creditors	152,515	30,809
Corporation tax	61,367	42,557
Social security and other taxes	5,950	5,950
Other creditors	891,500	509,000
Accruals and deferred income	700	700
	<u>£ 1,112,032</u>	<u>£ 589,016</u>

12. CREDITORS:

Amounts falling due after more than one year

	1999 £	1998 £
Other creditors	70,100	120,100
	<u>£ 70,100</u>	<u>£ 120,100</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
At 1 May 1998	66,852
Additions	6,579
At 30 April 1999	<u>£ 73,431</u>

Deferred tax relates to accelerated capital allowances.

14. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised		
25,500 ordinary shares of £1 each	<u>£ 25,500</u>	<u>£ 25,500</u>
Authorised, allotted, called up and fully paid		
25,500 ordinary shares of £1 each	<u>£ 25,500</u>	<u>£ 25,500</u>

SOLOMON HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 1999

15. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

	1999 £	1998 £
Profit for the year	838,415	487,889
Dividends	(841,500)	(459,000)
	<u>(3,085)</u>	<u>28,889</u>
Opening shareholders' funds	424,592	395,703
Closing shareholders' funds	<u>£ 421,507</u>	<u>£ 424,592</u>

**16. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	1999 £	1998 £
Returns on investments and servicing of finance		
Interest received	2,542	1,153
Interest paid	(10,952)	(21,601)
Income received from investments	637,500	382,500
	<u>£ 629,090</u>	<u>£ 362,052</u>
Net cash inflow for returns on investments and servicing of finance		
	<u>£ 629,090</u>	<u>£ 362,052</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(132,800)	-
	<u>£ (132,800)</u>	<u>£ -</u>
Net cash (outflow)/inflow for capital expenditure		
	<u>£ (132,800)</u>	<u>£ -</u>

17. ANALYSIS OF NET DEBT

	At 1 May 1998 £	Cash flow £	At 30 Apr 1999 £
Net cash:			
Cash at bank and in hand	67,003	46,696	113,699
	<u>£ 67,003</u>	<u>£ 46,696</u>	<u>£ 113,699</u>
Net debt			
	<u>£ 67,003</u>	<u>£ 46,696</u>	<u>£ 113,699</u>

18. TRANSACTIONS WITH DIRECTORS

During the year the company received management charges of £150,000 (1998 - £100,000), rent of £136,000 (1998 - £136,000) and dividends of £637,500 (1998 £382,500) from its subsidiary company, Solomon Commercial Limited. At the balance sheet date £747,241 (1998 - £442,241) was owed by the subsidiary company. During the year £5,476 (1998-£10,801) was paid to R Solomon and Mrs S E Solomon each as interest on directors' loan accounts.

SOLOMON HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 30 April 1999

19. RELATED PARTIES

At the balance sheet date the following amounts were owed to the directors:

	1999	1998
	£	£
R Solomon	312,500	217,950
S E Solomon	312,500	217,950
M J Solomon	168,300	96,600
M C Solomon	168,300	96,600

20. SECURED CREDITORS

Included within other creditors are the following amounts due to the directors which are secured on the company's land and buildings:

	1999	1998
	£	£
R Solomon	60,050	85,050
Mrs S E Solomon	60,050	85,050

The above amounts have been included within the balances shown in note 20. above.

21. CONTROLLING PARTY

The company is controlled by R Solomon and Mrs S E Solomon, by virtue of them jointly owning 60% of the issued ordinary share capital of the company.